

立法會
Legislative Council

LC Paper No. CB(1)2024/99-00
(These minutes have been seen
by the Administration and cleared
by the Chairman)

Ref: CB1/BC/9/99/2

**Bills Committee on
Urban Renewal Authority Bill**

**Minutes of meeting held on
Friday, 14 April 2000, at 10:45 am
in the Chamber of the Legislative Council Building**

- Members present** : Hon Edward HO Sing-tin, SBS, JP (Chairman)
Hon HO Sai-chu, SBS, JP
Hon LEE Wing-tat
Hon LEE Cheuk-yan
Hon NG Leung-sing
Hon James TO Kun-sun
Hon CHAN Yuen-han
Hon LEUNG Yiu-chung
Hon Andrew WONG Wang-fat, JP
Hon WONG Yung-kan
Hon Emily LAU Wai-hing, JP
Hon TAM Yiu-chung, GBS, JP
Hon FUNG Chi-kin
- Members absent** : Hon Gary CHENG Kai-nam, JP (Deputy Chairman)
Ir Dr Hon Raymond HO Chung-tai, JP
Hon Ronald ARCULLI, JP
Hon Christine LOH
Dr Hon LEONG Che-hung, JP
Dr Hon TANG Siu-tong, JP
- Public officers attending** : Mr Stephen FISHER
Deputy Secretary for Planning and Lands
(Urban Renewal and Buildings)
- Mr P M AU
Chief Town Planner (Urban Renewal) 1
Planning Department

Mr J J AUSTIN
Assistant Secretary for Planning and Lands
(Urban Renewal)

**Attendance by
invitation**

: Land and Building Advisory Committee

Mr Francis CHEUNG King-fung, Member

Mr Stephen YUEN Ching-bor, Member

Hong Kong Bar Association

Mr Malcolm MERRY
Barrister-At-Law

Centre of Urban Planning and Environmental
Management, the University of Hong Kong

Ms NG Mee-kam
Associate Professor

Ms Alison COOK
Associate Professor

Real Estate Developers Association of Hong Kong

Mr Thomas KWOK
Executive Vice-President

Mr Gordon ONGLEY
Representative

Mr Roger NISSIM
Representative

Hong Kong Institute of Real Estate Administration

Mr John HUI
First Vice President

Mr Albert SO
Council Member

Mr YU Kam-hung
Public Affairs Committee Chairman

St. James' Settlement Group & Community
Work Division

Miss WONG Shek-hung
Representative

Miss IP Shuk-yee
Representative

The Federation of HK, KLN and NT Public Housing
Estates Resident and Shopowner Organization

Ms LO Tip-chun
Vice-Chairman

Ms FUNG Choi-yuk
Vice-Chairman

Mr WONG Wai-chuen
Member of the Standing Committee

Independent Owners' Association for Fair Treatment

Mr David LAI
Chair

Mr F C TAM
Surveyor

Ms LAM Ying-ling
Member

Clerk in attendance : Miss Odelia LEUNG
Chief Assistant Secretary (1)1

Staff in attendance : Ms Bernice WONG
Assistant Legal Adviser 1

Miss Becky YU
Senior Assistant Secretary (1)3

I Meeting with deputations

At the Chairman's invitation, representatives from eight organizations presented their views on the Bill. They highlighted the salient points in their submissions as follow:

2. Land and Building Advisory Committee
(LC Paper No. CB(1) 1364/99-00(01))
 - (a) The Urban Renewal Authority (URA) should participate in development projects jointly with the private sector and not just act as a land assembly agent for private developers.
 - (b) Compensation for persons affected by development projects should not be too generous to avoid speculation in aging properties. Length of ownership of premises could be considered as one of the eligibility criteria for compensation.
 - (c) An independent panel should be set up to hear objections to development projects.
3. Hong Kong Bar Association (Bar)
(LC Paper Nos. CB(1) 1364/99-00(02) & 1400/99-00)
 - (a) Clause 5(f) provided URA with extremely wide power to engage in any activities as might be assigned by the Chief Executive. There was no provision in the Bill to check the power of URA.
 - (b) The Bill should provide compensation for planning blight to affected property owners.
4. Centre of Urban Planning and Environmental Management, the University of Hong Kong (HKU)
(LC Paper No. CB(1) 1364/99-00(03))
 - (a) A comprehensive Urban Renewal Strategy (URS) and a definition on "urban renewal" should be provided in the Bill.
 - (b) Urban renewal/regeneration was a people-oriented process. Clauses 5(a) to (e), which were the purposes of URA, should be amended to make express reference to the need of the community.
 - (c) Sustainability impact assessment should be conducted before the planning of a development project. Multi-dimensional resource centres serviced by professionals from various disciplines should be set up for development projects.
 - (d) The Bill should include the mechanism for preservation of heritage buildings.
 - (e) The Chairman and the Executive Directors of URA should attend Legislative Council (LegCo) meetings regularly.

- (f) Corporate plans and business plans of URA should be disclosed to the public.

5. Real Estate Developers Association of Hong Kong (REDA)
(LC Paper No. CB(1) 1364/99-00(04))

- (a) Urban renewal process should not be restricted to redevelopment of old and dilapidated buildings. It had to take into account the economic and social needs of the community.
- (b) Sale of resumed land should be the principle mode of implementing URA development projects.
- (c) Adequate rehousing arrangements should be provided to affected tenants. Tenants should be allowed access to financial assistance under the various Government loan schemes to purchase other types of housing.
- (d) Objection mechanism for development schemes should be provided in the Bill.
- (e) The Land (Compulsory Sale for Redevelopment) Ordinance (Cap. 545) should be reviewed to lower the threshold for compulsory sale of land to facilitate redevelopment by the private sector.

6. Hong Kong Institute of Real Estate Administration
(LC Paper No. CB(1) 1427/99-00)

- (a) A subcommittee under URA should be set up to undertake the work of preservation of heritage buildings.
- (b) URA should be a facilitator of urban renewal and should not take on the role of a developer unless strictly necessary.
- (c) The term of office of the URA Chairman should be more than three years and that for board members should be staggered to avoid replacement of the whole Board at one time. The remuneration of the Board Chairman and non-public officer members should be in line with that of government officials of comparable ranks and subject to LegCo monitoring.

7. St. James Settlement Group and Community Work Division (St. James)
(LC Paper No. CB(1) 1196/99-00(01))

- (a) Urban renewal should incorporate the concept of "urban regeneration". A comprehensive URS should include improvement to the living environment and the overall economic conditions of an area, preservation of its characteristics as well as strengthening of its community identity.

- (b) A social impact analysis should be conducted before the planning of a development project.
 - (c) Cross-disciplines urban renewal team should be established for each redevelopment area.
 - (d) URA should adopt a non-executive chairman model to enhance checks and balances.
 - (e) Resident representatives should sit on the URA Board.
 - (f) A definition on "public interest" should be provided in the Bill to avoid arbitrary interpretation of the term.
8. Federation of Hong Kong, Kowloon and New Territories Public Housing Estates Resident and Shopowner Organization
(LC Paper No. CB(1) 1364/99-00(05))
- (a) Eligibility criteria for rehousing of the affected tenants should be relaxed.
 - (b) Services catered for low income group should be retained in the redeveloped areas so that existing residents would not be forced to suffer increases in the cost of living.
 - (c) URA should ensure transparency in its operation. Details of development projects should be disclosed as far as possible.
9. Independent Owners' Association for Fair Treatment (IOAFT)
(LC Paper No. CB(1) 679/99-00)
- (a) The Bill had not addressed the needs of persons affected by development projects.
 - (b) A definition on "public interest" should be provided in the Bill to ensure that urban renewal would be implemented in the public interest.
 - (c) Fair and reasonable compensation should be provided to affected residents. Compensation should take into account the redevelopment value of a site. The "one price policy" of the Land Development Corporation had prevented owners from negotiating with the Corporation for compensation.
 - (d) Individual building owners should be given an opportunity to participate in development projects.

- (e) Compensation for blight should be provided to property owners.
- (f) The public should have an opportunity to participate in the planning and execution process of development projects.

Discussion session

Role of URA

10. On REDA's suggestion that URA should act as the land assembly agent and sell the resumed land to private developers for redevelopment, some members were concerned that there would be no incentives for private developers to undertake commercially non-viable projects. They also worried about how the interests of affected parties could be protected under this mode of implementation.

11. Representatives of REDA said that whilst REDA was not opposed to URA redeveloping the land jointly with private developers, it considered that the principal mode of implementing URA projects should be through the disposal of land by auction or tender for redevelopment by private developers. This mode of development would expedite the urban renewal process and ensure the quickest return of capital to finance less viable projects. Before the formulation of a redevelopment project, URA should liaise with concerned community groups to find out their needs and aspirations and negotiate with them on compensation and rehousing matters. Requirements of the redevelopment projects would be set out in the land sale conditions for compliance by private developers. To ensure that less viable projects could be undertaken, viable and non-viable redevelopment projects could be tendered in packages.

12. Representatives of HKU remarked that a development project should not be assessed solely on economic grounds. The social and environmental benefits of the project should not be undermined. Overseas experience indicated that urban renewal projects were often not initiated by commercial considerations and projects seldom generated profits.

13. To facilitate a better understanding, Ms Emily LAU requested the LegCo Research and Library Services Division to provide information on overseas practices in undertaking urban renewal projects for reference of the Bills Committee.

R & L

14. Responding to the views expressed by depositions, the Deputy Secretary for Planning and Lands (Urban Renewal and Buildings) (DS/PL) said that there were three possible modes for URA to implement development projects namely, URA to act as a developer itself, URA to implement a project in association with a joint venture partner, or URA to sell the land to private developers for redevelopment. It was envisaged that URA would implement most of its projects by the second mode which would allow URA to tap into the resources and the expertise of the private sector and to share the benefits as well as spread the risk of redevelopment. Whilst there might be concerns over the role of URA if it acted solely as a land assembly agent, it might be appropriate to sell a piece of land to a private developer under certain circumstances, for example, to avoid fragmented redevelopment. The Administration shared the

deputations' view that the disposal of resumed land to private developers had to be made in the public interest and the resumption of land by URA had to be approved by the Chief Executive in Council to ensure proper checks and balances on URA's power. On the other hand, it would be necessary for URA to undertake a development project by itself where it was assessed to be non-profitable but was desirable from the community angle.

Urban renewal strategy

15. On members' enquiry about the scope of urban renewal, majority of the deputations pointed out that the scope as enshrined under the purposes of URA provided in clause 5 of the Bill was too restrictive. They urged for the formulation of a comprehensive and integrated URS to serve as a rode map for the future urban renewal programme.

16. Representatives of HKU remarked that the process of urban renewal should not be limited to redeveloping the physical environment as suggested in the Bill. Rather it was to ensure that the restructured urban fabric would suit the evolving socio-economic needs of a place and contribute to sustainable development for the current and future generations. The public should be involved in the formulation of URS.

17. DS/PL responded that the aim of URS was to regenerate the urban fabric by adopting a comprehensive and holistic approach. The main elements of URS which included, inter alia, restructuring and replanning designated older built-up areas, designing more effective and environmentally friendly transport networks, providing more open space and community facilities, rehabilitating old buildings in need of repairs, and preserving heritage, had been reflected in the purposes of URA as provided in clause 5 of the Bill. The Administration would finalize URS after consultation with URA and issue a policy document on the strategy for public information.

18. On the criteria for selecting areas for redevelopment, DS/PL advised that URS study completed by the Planning Department in 1999 had identified 200 projects in nine target areas for priority redevelopment on the basis of the age, physical conditions and safety design of the individual buildings, the opportunities for improving the local infrastructure, the built environment and the community facilities in the project areas.

Social impact assessment

19. Representatives of HKU, St James and IOAFT re-iterated the need to conduct a social impact assessment before the planning of a proposed development project covering a wide range of issues including the social, economic and environmental impacts of the project. The assessment should be undertaken by an independent professional body. The requirement for URA to conduct the assessment and to take into account the results in the planning of a project should be stated in the Bill. At the request of some members, representatives agreed to provide further information on their proposals for members' reference.

(*Post meeting note:* Reference materials on overseas experience in urban renewal were circulated to members vide LC Paper No. CB(1)1471/99-00)

Compensation arrangements

20. On the deputatoin's suggestion that compensation for blight should be provided to property owners affected by development projects, DS/PL said that resumption of land for implementing redevelopment projects by URA would be governed by the Lands Resumption Ordinance (Cap. 124) under which there was no provision for compensation for blight. As regards the suggestion that compensation should take into account the redevelopment value of a site, DS/PL said that for a lot in single ownership, the existing use value and the development value would be assessed. The higher value of the two would be offered as statutory compensation to the owner. He stressed that the policy was to ensure that owners were fairly and reasonably compensated, and that their lawful interests were not comprised by land resumption for urban renewal.

II Any other business

21. The Chairman reminded members that the next meeting had been scheduled for Saturday, 15 April 2000, at 9:00 am.

22. There being no other business, the meeting ended at 12:30 pm.

Legislative Council Secretariat
30 October 2000