

立法會
Legislative Council

Ref: CB1/BC/9/99/2

LC Paper No. CB(1)2003/99-00
(These minutes have been
seen by the Administration
and cleared by the Chairman)

**Bills Committee on
Urban Renewal Authority Bill**

**Minutes of meeting held on
Monday, 29 May 2000, at 4:30 pm
in Conference Room A of the Legislative Council Building**

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

Mr J D SCOTT
Senior Assistant Law Draftsman

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 Confirmation of minutes of previous meeting
(LC Paper No. CB(1) 1513/99-00)

The minutes of the meeting held on 14 March 2000 were confirmed.

II Meeting with the Administration

2. In view of the importance of rehousing to both the success of urban renewal and the displaced tenants, members agreed to first discuss the information paper on the proposed rehousing arrangements for tenants affected by land resumption for urban renewal projects circulated vide LC Paper No. CB(1) 1693/99-00(01) before proceeding to discuss the various issues outstanding from previous meetings.

3. While appreciating the alternative arrangement made between the Administration and the Housing Society (HS), under which the latter would reserve 20% of its annual quota of public rental housing (PRH) units for the Urban Renewal Authority (URA) for the purpose of rehousing affected tenants on compassionate grounds at the discretion of URA, Ms Emily LAU expressed concern that the quota for compassionate rehousing might not be able to meet the demand. Mr LEUNG Yiu-chung echoed that efforts should be made to persuade HS to undertake to provide sufficient PRH flats for rehousing displaced tenants. In response, the Deputy Secretary for Planning and Lands (DS/PL) assured members that the current quota for compassionate rehousing would be sufficient since according to the past experience, less than 20% of the tenants affected by urban renewal or clearance did not meet the eligibility criteria for rehousing to PRH. Besides, HS had agreed to accord greater flexibility to URA so that it might, through negotiation with HS, adjust the quota for compassionate rehousing to meet the demand. As to who would be responsible for determining the eligibility of displaced tenants for compassionate rehousing, DS/PL advised that all applications for compassionate rehousing would be considered by URA after consultation with the respective urban renewal social work teams.

4. Members were very disappointed with the refusal of the Housing Authority (HA) to reserve a quota for compassionate rehousing for URA. Given its large stock of PRH flats, Mr LEE Wing-tat opined that the involvement of HA was crucial to the success of urban renewal. To ensure adequate supply of rehousing resources, Mr LEE considered that there was a need to include a sub-clause under clause 24 to prohibit URA from

resuming land unless sufficient flats were made available for rehousing displaced tenants. This would force the Administration to press for the cooperation of HA. DS/PL explained that it would be difficult at both policy and technical levels to include such a sub-clause in the Bill. The Administration had reached administrative arrangements with HA and could not and should not make unilateral changes. Moreover, the member's proposal might involve consequential amendments to the Housing Ordinance (Cap. 283) (HO). As to whether the Chief Executive (CE) could order HA to cooperate with URA, DS/PL advised that although it was common for legislation concerning statutory bodies to have a provision empowering CE to give direction to these organizations, he would need to check if there was such a provision in HO. He nevertheless considered it inappropriate for CE to give direction to HA in respect of rehousing matters since HA was an independent body and had its own rehousing policy. Ms Emily LAU also did not agree that CE should give direction to HA lest this would set a bad precedent for other statutory bodies.

5. Mr James TO considered it useful to invite representatives of HA to attend a Bills Committee meeting to exchange views with members. Ms CHAN Yuen-han however was not optimistic that HA would accept the invitation. As an alternative, Mr TO proposed and members agreed that the Chairman should write to CE requesting him to discuss with HA to secure its consent to allocate 20% of the annual quota for rehousing affected tenants on compassionate grounds at the discretion of URA as in the case of HS.

(Post-meeting note: A letter to CE was issued on 30 May 2000. The letter together with the reply from the Office of CE were circulated to members vide LC Paper Nos. CB(1) 1747 and 1809/99-00 respectively.)

6. Miss CHAN Yuen-han opined that the ultimate solution to members' concern on rehousing for displaced tenants was for the Government to grant land within the project areas to HA or HS for the construction of rehousing flats for URA so that the latter could have unfettered discretion in respect of allocation of these flats. DS/PL explained that one of the objectives of the 20-year urban renewal programme was to improve the living conditions of residents in old districts through rehousing. To recover the cost of urban renewal, including the cost of rehousing, URA had to use the land in the project areas for constructing flats for sale so that the proceeds could finance future redevelopment projects. If the land was used solely for building PRH, it would inevitably affect the financial situation of URA which in turn might render the entire urban renewal programme infeasible. Miss CHAN was not convinced of the Administration's response. She considered that the Administration should not put too much emphasis on profit if the objectives of urban renewal were to improve the built environment of Hong Kong and the living conditions of residents in old districts.

7. Mr LEE Cheuk-yan enquired about the basis for calculating the cash compensation for tenants of domestic premises affected by repossession for redevelopment or by land resumption. DS/PL advised that the amount of cash compensation would be determined by URA but this would not be less than the statutory compensation under the Landlord and Tenant (Consolidation) Ordinance (Cap. 7). To facilitate a better understanding, the Administration was requested to compare the cash compensation terms for tenants of domestic premises affected by private development, redevelopment projects of the Land Development Corporation (LDC), land resumption by the Government and urban renewal projects of URA.

(Post-meeting note: The Administration's response was circulated vide LC Paper No. CB(1) 1766/99-00(02).)

8. Noting that any person who had received the cash compensation in lieu of rehousing would not be eligible for any form of rehousing or housing assistance for a period of three years, Mr LEE Cheuk-yan questioned the rationale behind such an arrangement. DS/PL advised that this aimed at preventing double benefits. People who were on the Waiting List (WL) of HA and had opted for cash allowance in lieu of rehousing should not be allocated a PRH flat within the three-year period. Otherwise tenants who expected to get a PRH flat through WL in the near future might opt for cash allowance. Mr LEE did not accept the Administration's explanation. He held the view that affected tenants should be offered PRH once their turn for allocation came up. The Administration was urged to consider waiving the three-year restriction.

(Post-meeting note: The Administration's response was circulated vide LC Paper No. CB(1) 1778/99-00(01).)

Discussion on issues outstanding from previous meetings

Meeting on 9 May 2000

(LC Paper Nos. CB(1) 1679/99-00(01) and (02))

9. On Sale and Purchase Agreements (SPAs), members remained concerned about the validity of a SPA if a notice of resumption for the property concerned was issued by the Government before the transaction was completed. To this end, members considered that there was a need for the Administration to request the Law Society of Hong Kong to remind its members to include a standard clause in all SPAs which dealt with the possibility of resumption of property by the Government before the completion of transaction. DS/PL took note of members' concern.

(Post-meeting note: The Administration's response was circulated vide Appendix A to LC Paper No. CB(1) 1778/99-00(01).)

10. On business loss, Mr LEE Wing-tat enquired about the progress of the review of the compensation for owners of domestic properties affected by land resumption for urban renewal. DS/PL advised that a paper reporting on the outcome of the review would be submitted to the Bills Committee within the next few days.

(Post-meeting note: The relevant paper was circulated vide LC Paper No. CB(1) 1705/99-00(03).)

11. Mr LEE Wing-tat welcomed the proposed introduction of a bridging loan to assist hardship cases and sought information on its details. DS/PL explained that clause 12 of the Bill provided that URA might lend money to any person or persons for the purpose of implementing an urban renewal project. Hence, any owner who faced hardship as a result of land resumption for implementing an URA project might discuss his case with URA before or after the publication of the resumption notice in the Government Gazette. URA would deal with these cases in a fair and compassionate manner. Measures such as the proposed bridging loan were being considered to tie owners concerned over the

difficult period. Miss CHAN Yuen-han however opined that clause 12 as presently drafted could not reflect the good intention of URA in dealing with hardship cases. DS/PL advised that it was difficult to spell out in the Bill the way in which URA would deal with hardship cases. He nevertheless undertook to specify in the Urban Renewal Strategy (URS) that URA should deal with hardship cases in a fair and compassionate manner. On the efficacy of URS, DS/PL remarked that it would serve as the road map for the urban renewal programme. It would also enable the Administration to gauge the views of the public on urban renewal since the formulation of URS would be subject to public consultation.

12. Given that the Administration had made a number of important undertakings during the course of deliberations which had not been reflected in the Bill, Mr LEE considered it necessary for the Secretary for Planning and Lands (SPL) to mention these undertakings at the Second Reading debate on the Bill. DS/PL noted Mr LEE's view.

(Post-meeting note: The Administration's response was circulated vide LC Paper No. CB(1) 1778/99-00(01).)

13. On social impact assessment (SIA), Mr LEE Wing-tat asked if the main elements of SIA to be conducted by URA would be similar to those mentioned in the submissions from the Centre of Urban Planning and Environmental Management (CUPEM) of the University of Hong Kong. DS/PL advised that the Administration had carefully studied the submissions from CUPEM. As the main elements of SIA proposed by CUPEM were modelled after the ones adopted in the United Kingdom (UK) or the United States (US), they might not be suitable for the unique situation in Hong Kong. By way of illustration, the relevant authorities in UK and US would conduct SIAs before the publication of the proposed projects since they were not required to rehouse the residents concerned. However, URA could only carry out SIAs after the conduct of freezing surveys to prevent people from moving into the project area and speculating on properties. As to whether social workers would be invited to conduct SIAs, DS/PL advised while URA would welcome input from all interested parties, it had to collect its own factual data for planning redevelopment programmes. On Mr LEE's concern about the preference of elderly residents to live in areas with people speaking the same dialect, DS/PL said that this would be taken into account as SIA would cover socio-economic characteristic of the project area. To enhance transparency, Mr LEUNG Yiu-chung considered that the SIA reports of URA projects should be released for public information. DS/PL noted Mr LEUNG's view.

(Post-meeting note: The Administration's response to the proposed release of SIA reports for public information was circulated vide Appendix B to LC Paper No. CB(1) 1778/99-00(01).)

14. The Chairman asked if URA would withdraw a proposed development project in the light of unfavorable SIA results. DS/PL advised that under the Bill, any person who wished to object to the implementation of a proposed project could send a written statement to URA within the prescribed period after the first publication of the project in the Gazette. URA should consider all objections and should, not later than three months after the expiration of the publication period, submit the development project, its deliberations on the objections and any objections which were not withdrawn to SPL for consideration. In considering the proposed project and any objections which were not withdrawn, SPL would take into account all views received, including the results of the

relevant SIA. He would not authorize the development project if he was not satisfied with the remedial actions proposed by URA to deal with the objections which were not withdrawn.

15. Members remained concerned about the extensive power of SPL to authorize URA to proceed with a development project after consideration of objections. DS/PL advised that in response to members' concern raised at the meeting on 27 March 2000, the Administration was considering including in the Bill a provision for an appeal mechanism against the decision of SPL on objections to proposed projects. Members would be informed of the details in due course.

(Post-meeting note: The Administration's response was circulated vide LC Paper No. CB(1) 1705/99-00(02).)

*Meetings on 15 and 16 May 2000
(LC Paper Nos. CB(1) 1679/99-00(03) and (04))*

16. Ms Emily LAU enquired about the structure of the proposed district advisory committees. DS/PL advised that URA would establish district advisory committees in each of the nine urban renewal target areas to assist URA in gathering public views. Representatives from the local community, including property owners, tenants and District Council members etc, would be appointed to the district advisory committees. In reply to Mr NG Leung-sing's question, DS/PL confirmed that owners who held a substantial part of the undivided shares in a lot within a project area would be accorded priority for appointment to the district advisory committees. To facilitate a better understanding, members requested and the Administration undertook to explain in greater detail the setting up of district advisory committees.

(Post-meeting note: The Administration's response was circulated vide LC Paper No. CB(1) 1778/99-00(01).)

17. In response to Mr LEUNG Yiu-chung's enquiry about the structure of urban renewal social work teams, DS/PL advised that this would be in line with the current practice of SWD taking into account the population in the target areas. As regards the basis for selecting voluntary agencies (VAs) to operate these social work teams, DS/PL assured members that URA would discuss with SWD and interested VAs before making a decision. Mr NG Leung-sing asked the way to ensure the credibility of these social work teams as they would be funded by URA. DS/PL stressed that these teams would be separated from and independent of URA. He also pointed out that LDC had currently funded two social work teams and no adverse comments had been received so far.

18. Ms Emily LAU remained concerned about the position of the 26 outstanding LDC urban renewal projects upon dissolution of LDC. To this end, the Administration undertook to provide further information on how URA would handle the uncompleted projects of LDC.

(Post-meeting note: The Administration's response was circulated vide LC Paper No. CB(1) 1766/99-00(03).)

II Clause-by-clause examination of the Bill
(LC Paper No. CB(1) 1424/99-00(06))

19. Members agreed to complete discussion on the Administration's response to issues outstanding from previous meetings before proceeding to the clause-by-clause examination of the Bill.

III Any other business

20. In order to avoid clashing with other meetings, members agreed to reschedule the meeting on 7 June 2000 for Monday, 5 June 2000, at 12:45 pm. They also agreed to hold an additional meeting on Saturday, 10 June 2000, at 8:30 am.

21. There being no other business, the meeting ended at 6:30 pm.

Legislative Council Secretariat
30 October 2000