

溫文儀測量師行有限公司的信頭
Letterhead of M Y Wan and Associates Limited

Our Ref.: L18900/URA/02

23rd March, 2000

Clerk to Bills Committee
on Urban Renewal Authority Bill,
Legislative Council Secretariat,
3/F., Citibank Tower,
3 Garden Road,
Central,
Hong Kong.

By Fax (2877 8024) & Post

Dear Sir,

Urban Renewal Authority Bill

I am a General Practice Surveyor in private practice with over 30 years experience in the property field of which a period of 10 years was in public land administration in the civil service, and 17 years in a property development group, and am now a property consultant. During these years, I have on behalf of the government acquired land reserved for urban improvement, and have also sold land to the Land Development Corporation on behalf of the property group.

In December 1999, I have written to the Planning, Environment and Lands Bureau in response to its public consultation on the Urban Renewal Authority Bill. Responding now to your advertisement of 15th March 2000 soliciting views on the same Bill, I have reviewed the views which I expressed to the Bureau and consider them to be suitable for consideration by the Bills Committee of the Legislative Council. A copy of my letter dated 30th December 1999 which was written to the Bureau is now enclosed for your attention.

I intend to make oral representation to the Bills Committee.

Yours faithfully,

M.Y. Wan

Encl.

MYW / gl

30th December, 1999

Planning, Environment and Lands Bureau
9/F, Murray Building
Garden Road
Central
Hong Kong

By Fax (2905 1002) & Post

Dear Sirs,

Public Consultation
Urban Renewal Authority Bill

I have the following comments on the Urban Renewal Authority Bill.

1. The Urban Renewal Process

- 1.1. In connection with the statutory planning system, it is envisaged that, under the relevant outline zoning plans, extensive areas of old buildings will be designated as “Urban Renewal Areas” (UR Area). Inside an UR Area, consultations and study will be undertaken to identify and delineate various action areas to be further designated as CDA. Old buildings within the UR Area but outside CDAs will become subjects for maintenance and rehabilitation in accordance with a designated programme. To delineate the CDA, I propose a public enquiry process to be undertaken for every project. A Planning Inspector (a judge or a senior counsel) will head a Panel of experts to hear from both the project proponent, namely, the Urban Renewal Authority (URA) and all affected owners who ask to be heard. At the enquiry, the inclusion and exclusion of individual properties will be the principal matter to be decided upon. This adds considerably to the accountability of any urban renewal project or scheme as the inclusion or otherwise of private properties will be openly examined and debated. If this process for CDA formation within an UR Area will prejudice that for other non-urban renewal type CDAs, such urban renewal CDAs may be differentiated by a different annotation, such as “Action Area”.
- 1.2. Urban renewal is said to be for the people. If it cannot be done by the people, it should at least be done with the people, and in front of them. A public enquiry system allows the urban renewal to be undertaken with contribution by the people. Owners’ participation is discussed at paragraph 3.2.

- 1.3. The above proposal builds into the system considerable transparency and fairness.
- 1.4. There are also other benefits from the system of public enquiry. On the one hand, representations from the individual owners will contribute towards the wholesomeness of the planning process. On the other hand, the venting of objections at the public enquiry and the subsequent planning decision by the Inspector and the Panel which would have appropriately addressed such objections, would confirm a message to many objecting owners that the process is inevitable and forthcoming. At the time of resumption and physical clearance, militant resistance will have mostly been diffused.
- 1.5. The existing institutions of both the Town Planning Board and the Chief Executive-in-Council do not afford adequately the expected transparency for the purpose of urban renewal projects. As it is undesirable and impracticable to modify the existing institutions to suit the urban renewal process, a new institution, (the Inspector Panel system proposed above) will help resolve the impasse. After having concluded the public enquiry procedures, the subsequent planning and resumption process will have gathered much accountability and legitimacy promoting subsequent smooth passages.

2. Social Impact

- 2.1. The success of an urban renewal process fundamentally stems from the mitigation of the adverse social impact arising therefrom. Adequate rehousing would merely deal with the fundamental need to prevent the dispossessed from being homeless. It would take considerable care to assess the social impact of such projects at the project inception, development process, and completion stages, and for all these assessed impacts to be appropriately dealt with. The Bill needs to address the point as well.
- 2.2. There follow considerable administrative arrangements for the discharge of the statutory obligations placed on the URA in matters arising in the community. If all are properly conceived and implemented, the trauma of urban renewal as particularly perceived by households of small means and the underprivileged may be reduced to within tolerable or acceptable limits.

3. Financial Provisions

- 3.1. There are various measures proposed to enhance the viability of urban renewal projects as described in para. 14 of the Consultation

Paper. They were not stipulated in the Bill. The only provision at Part IV of the Bill that is to enhance financial position of the URA is its exemption from taxation under the Inland Revenue Ordinance. It is considered important and necessary to have all the various measures included in the Bill in some suitable form so that they will become statutory provisions empowering the URA to require compliance by the various authorities concerned. Without the back up of statutory status, it is feared that, in time, different administrators faced with changing political pressure and influence may adopt ineffective administrative policies countering or diminishing the enhancement effect of these measures. The end result is delay, or failure of urban renewal projects.

- 3.2. Exemption from land premium means the exclusion of owner participation, otherwise the participating owners will become direct beneficiaries of the government subsidies. Exclusion of private owner participation will be counter-productive. To bring new life to the urban renewal process, it is essential to encourage more individual owners to participate in the development process in accordance with a suitable investment arrangement or a choice amongst several. This helps mitigate the resistance to land resumption (the current LDC formula for owner participation is considered ineffective and thus unattractive). If ultimately the policy is to waive land premium on the land exchange for site merger, a notional figure will still have to be assessed so that first, the extent of subsidy on urban renewal projects is known and secondly, participating owners will not be so subsidized as the land premium figure will be included as part of the URA's equity in the overall investment.

Yours faithfully,

M.Y. Wan JP, RPS

MYW / gl