

**SUBMISSION
To
Bills Committee on Urban Renewal Authority Blue Bill
Legislative Council, HKSAR**

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Comments on the <i>Urban Renewal Authority Blue Bill</i>

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Introduction

Although there are 298 submissions commenting on various aspects of the Urban Renewal Authority White Bill¹, disappointingly, few changes have been made to the Urban Renewal Authority Blue Bill (henceforth the Bill).

‘Urban renewal’ is still not defined² in the draft legislation, and the content of the Bill indicates an extremely narrow interpretation of the process that places Hong Kong decades behind other post-industrial cities, not to mention “world-class” cities. It is well known that the insensitivity of housing redevelopment in Western cities led to a questioning of the distributive effects of such programmes - who gained and who lost - and resulted in more socially informed planning with a strong citizen participatory element.

Certainly many areas in Hong Kong have buildings in a bad state of deterioration and something has to be done to improve the physical environment. But who lives in these buildings and why are they housed in such abysmal conditions? A reading of the Bill indicates that improving the ‘appearance’ of the urban fabric is the main objective of the government. Again, this runs counter to the Chief Executive’s *Policy Address*, which expressed the urgency of ‘taking a new and more proactive approach to bring real improvements to the living conditions of those residents’ living in old, run-down urban areas (para. 129).

We contend that it is necessary to properly understand the urban dynamics and restructuring processes occurring. Old poorly maintained buildings, overcrowding and a poor physical environment are symptomatic of deeper problems in the community.

This submission is divided into two parts. The first part re-iterates urban renewal ideas and methodologies widely accepted in other post-industrial cities. It is argued that these renewal principles and practice provide valuable pointers for Hong Kong’s urban renewal efforts. Part two focuses on making specific suggestions or comments on individual clauses of the Bill.

¹ According to the Legislative Council’s Subcommittee to study the Urban Renewal Authority White Bill (CB(1)496/99-00(03)), the submissions raised issues about the urban renewal strategy, role of government/URA in urban renewal, public participation, structure of URA, public accountability of URA, financial arrangement, planning procedures, redevelopment of buildings, rehabilitation of buildings, land resumption and disposal, compensation of land resumption, rehousing, etc.

² In the *Executive Summary of the URS Study* (p.4), urban renewal is defined as “an infrastructure investment to replan and transform the old urban areas to meet modern city living requirements”.

Urban Regeneration Principles and Practice

Urban renewal does not start with the setting up of an executive body such as the Urban Renewal Authority (URA). While the setting up of the URA is an important step in quickening the pace of urban renewal in Hong Kong, the existence of an integrated urban regeneration strategy is crucial to the success of the renewal process. Figure 1 below highlights the necessary considerations in formulating the urban regeneration strategy. The diagram presents a sharp contrast to the Government's biases towards physical redevelopment in identifying renewal sites (see Figures 1 and 5 in the *Urban Renewal Strategy Study Executive Summary*, published by the Government in late 1999).

Legislative Councilors should be well aware that physical redevelopment, no matter how important, should only be part of an integrated urban regeneration strategy. The central issue is to ensure that the restructured urban fabric will suit the evolving socio-economic needs of a place and should contribute to sustainable development for the current and future generations. It is true that Hong Kong is facing a pressing problem of preventing further decay of many poorly maintained urban buildings. However, we should also realise that this crisis presents a golden opportunity for Hong Kong to re-plan and re-design its urban areas to suit the needs of its citizens for many years to come.

A number of principles need to be observed in effectuating a sustainable urban renewal process and delivering sustainable renewal outcomes.

Principle for a Sustainable Urban Regeneration PROCESS³

Participation: *A sustainable urban renewal process should be participatory, making good use of local knowledge and taking into account the interests and perspectives of different stakeholders. Participation channels and information should be available and accessible to all. Participation should be more than consultation: it should be engagement in making choices and determining future development.*

Principles for Sustainable Urban Regeneration OUTCOME

Community: *Sustainable urban renewal should respect community history, strengthen community identity, facilitate community building and fulfil the needs and expectations of the community.*

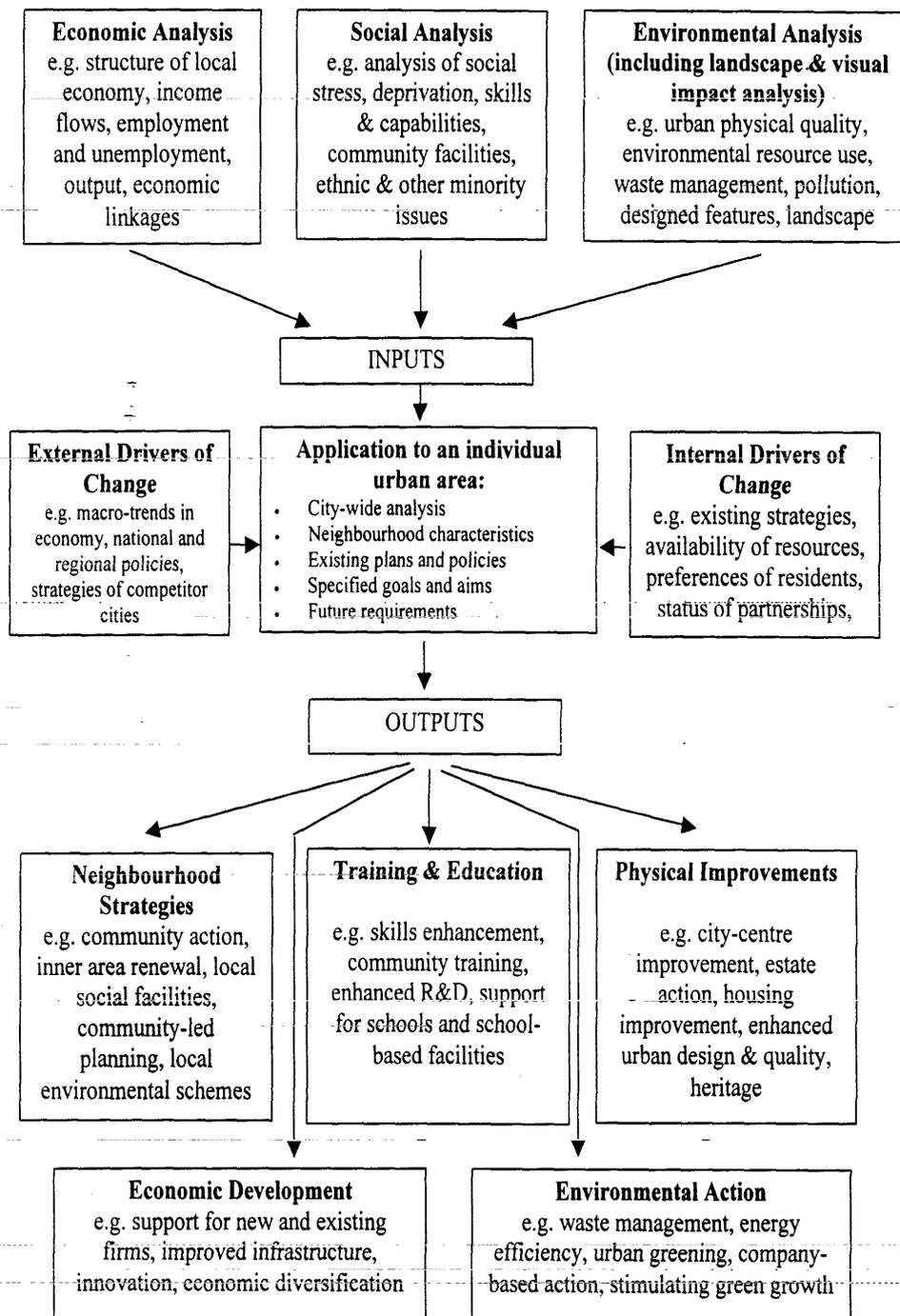
Equity: *Sustainable urban renewal should ensure equitable distribution of benefits and costs. It should consider the impacts on different social groups and ensure that adequate resources and services are available to mitigate the impacts on disadvantaged groups.*

Environment: *Sustainable urban renewal should improve the overall living and working environment in order to promote health, safety and enjoyment. It should safeguard resources and prevent environmental degradation.*

Economy: *Sustainable urban development should improve the overall economic conditions, both for the old urban areas and the whole territory.*

³ Modified from Tam, 1999. See also Roberts, 1999, and Roberts and Sykes, 1999.

Figure 1: The Urban Regeneration Process Leading to the Formulation of an Integrated Strategy



Source: Adapted from Roberts, 1999.

To summarize, we need a multi-dimensional urban regeneration strategy, which is people-centred and concerned about “place-making”. **Urban renewal is NOT just about redeveloping the dilapidated buildings. Renewing the buildings without paying due attention to the social needs of the local and wider communities is meaningless.** As the needs of the local and wider communities are diversified, there should be mechanisms for involvement of various stakeholders in the formulation, evaluation, implementation and review of the urban renewal strategy (URS) to ensure that the strategy is dynamic, flexible, inclusive, and suits the needs of the restructuring context. To ensure that the regeneration process is sustainable, impact assessments of the projects should be undertaken to provide the necessary information for informed discussions and debates in the planning, decision-making and implementation processes. The following assessments should be carried out before the launching of the projects:

- Community Impact Assessment (Appendix I).
- Economic Impact Assessment.
- Environmental Impact Assessment.
- Landscape Impact and Visual Impact Assessment.

In clause 18(3)(a) of the Blue Bill, it is stipulated that the URA “shall follow any guidelines set out in an urban renewal strategy [URS] prepared from time to time by the Secretary [for Planning and Lands]”. In other words, URA is not required to formulate the URS. The URS which will determine the contents and priorities of various redevelopment projects is a policy document done by the administration. Perhaps the Legislative Councilors should consider the following questions:

- How does the URS address restructuring issues facing Hong Kong as a post-manufacturing industry city?
- Can the URS address the needs of the local community and the wider territorial community in the changing socio-economic context of Hong Kong?
- With reference to the above widely practised renewal principles, why is citizen participation ruled out in the formulation of the URS? In what ways will the URS contribute to better community building, social equity, improved environment and a sustainable urban economy?
- If urban renewal should serve wider socio-economic and environmental interests, we have to be very careful in calculating the financial costs. A project may look very costly in money terms. However, in the long run, the socio-economic and environmental benefits may outweigh the fiscal costs. How should such weighing be done? Who should have the final say? Hence the impact assessments are of crucial importance for gaining sharper insights on the worthiness of a project.

Raising these issues is of utmost importance because the URA is just an executive body. If the URS is not addressing the right issues, it is difficult to expect URA to do a good job in renewing Hong Kong. In other words, the passing of the URA Blue Bill does not guarantee the end of the urban renewal problem in Hong Kong. The principles adopted in formulating the URS and the implementation mechanisms (practice) will decide the unfolding of the problem. So far, the URS does not seem to apply any of the widely used regeneration principles in other post-industrial cities. Let us move on to examine the practice stipulated in the Blue Bill.

Specific Comments on the Blue Bill

Clause 2 on “Interpretation”

“Urban renewal” should be defined.

The concept of “urban renewal” has changed over the years from:

- mainly about redevelopment (bulldozing) to include urban rehabilitation and heritage conservation;
- looking at redevelopment as primarily physical land use restructuring, to having a people-centred objective. As a result, renewal should also address other dimensions in the urban arena such as human resources retraining, economic revitalization and environmental improvement.

The Government should not shy away from knowing how the term has evolved and should offer a definition appropriate to the context of Hong Kong.

Clause 5 on “Purposes of Authority”

It is suggested that the following underlined words should be inserted in some of the sub-clauses in Clause 5 of the Bill:

“The purposes of the Authority are to—

- a.of improving the standard of housing and the built environment for the people of Hong Kong....;
- b.provided with adequate transport and other infrastructure and community facilities that serve the needs of the community;
- c.to make land available to meet various development needs of the community;
- e. ...cultural or architectural interests for the benefits of current and future citizens...”

Although the Blue Bill now includes the preservation of “buildings, sites and structures of historical, cultural or architectural interest” as one of the purposes of the URA, the Bill does not discuss in detail how this will be done. The whole Blue Bill seems to focus on redevelopment (bulldozing), rather than maintenance and preservation of buildings.

Part III on “Public Accountability”

As argued before, declaring interest is not enough to ensure “public accountability”. Transparency and suitable checks and balances mechanisms are necessary to ensure “public accountability”.

It is strange for the Government to change “Clause 9” and exempt the chairman and directors of URA from attending Legco meetings. The change is necessitated, as explained by the administration, because the Chairman and directors of URA are not public officers, and so they cannot speak on behalf of the Government. However, is it possible for the URA to speak on behalf of itself? The change leaves almost no mechanism for checks and balances to ensure URA’s accountability to the public.

PART V on “Planning Procedures”

Corporate and Business Plans

The provision covered in this part only constitutes part of the planning procedures. As argued above, the formulation of the URS is the starting point of the planning process. The Corporate and the Business Plans, at best, can be seen only as internal financial planning documents within the bureaucracy. The Blue Bill does not specify if both Plans will be made available for public reference. If not, the public will be left in the dark about the URS, the five-year redevelopment plan and the yearly programme plan. In other words, the general public will have to suffer from varying periods of uncertainties (as the Government plans to redevelop all priority projects within a 20 year period). Given the current very divisive compensation policies for vacated and rented flats, both landlords and tenants suffer. Landlords, in the hope of getting the full amount of the “home purchase allowance” may refrain from renting out their property⁴, thus losing rental income. Tenants may have to bear rising rentals in the hope that they will be rehoused in the redevelopment process. History also shows that owners will stop maintaining their buildings once they learn that the area maybe redeveloped. The problem is that redevelopment might not be in place until 10 or 15 years time.

The social costs incurred are enormous.

The Government always suggests that if the redevelopment programme is known ahead of actual implementation, the targeted areas will experience excessive population growth, tripling if not quadrupling re-housing commitment. This is a real issue that we as a society have to face. However, we should find means to overcome this problem. This situation also points to the fact that we need an integrated policy framework to tackle urban renewal issues. Relying on URA alone is grossly inadequate.

Clause 20 on “Publication of Project”

If the URS, the Corporate and Business Plans will not be available for public inspection, then the public will not know about the redevelopment plan until the publication of project. According to Clause 20 (3), “The Authority shall exhibit for public inspection the following information related to the project—

- (a) a description of the general nature and effects of the project; and
- (b) a plan delineating the boundaries of the project.”

We would argue that these two items are not specific enough to guarantee that the public will have quality information on which to comment. It is suggested that Clause 20 (3) (a) be changed into:

“(a) the detailed layout and sustainability impact assessments of the projects.”

Here “sustainability impact assessments” should include the social, economic and environmental dimensions.

⁴ Only vacated possession can fetch 100 per cent of the “home purchase allowance”. This is why many landlords try every means to force their tenants out or try to pay them compensation out of their own pockets.

In a paper submitted by the Administration to LegCo's Subcommittee to study the URA White Bill (CB(1)527/99-00(01)), it is stated that "the proposal to set up a cross-discipline resource centre will be considered by the future URA" (p.8). If public participation is excluded in the formulation of the URS, is it possible for the Blue Bill to stipulate the intervention of this "cross-discipline resource centre" to organize the affected community to sort out their ideas or comments on the project? While less than ideal, this late intervention will still be valuable as past experience suggests that effective and efficient organization of the community after the announcement of the project is crucial for the smooth implementation of a redevelopment scheme. We urge the Legislative Councilors to seriously consider this option.

Clause 21 on "Objections to projects to be implemented by way of development project"

Since the URS is formulated and decided by the Secretary, should the Secretary be the final judge of objections too?

Clause 22 on "Development Schemes"

The "assessment" mentioned in Clause 22(3) (c) should be specified as "sustainability impact assessment".

Clause 24 on "Power of Secretary to recommend resumption"

The Blue Bill stipulates that application for land resumption has to be made not later than 12 months after the approval or authorization of the respective development scheme or project. The Blue Bill exempts the URA from taking "all reasonable steps to otherwise acquire the land including negotiating for the purchase thereof on terms that are fair and reasonable" as stipulated in Clause 15(3)(b) of the LDCO. The Government argues that the purpose is to speed up the process.

However, from the LDCO, the full Clause 15(3) reads as follows:

- (3) The Secretary shall not make a recommendation in pursuance of subsection (2) (a) —
- (a) unless application is made to him not later than 12 months after the approval by the Governor in Council under section 9 of the Town Planning Ordinance of such plan or such further period as the Secretary may allow; and
 - (b) unless he is satisfied that the Corporation has taken all reasonable steps to otherwise acquire the land including negotiating for the purchase thereof on terms that are fair and reasonable."

In other words, the "12 months" limit is also available in the LDCO. However, the procedure therein is fairer to the property owners as the LDC has to prove that they have tried to take reasonable steps in negotiating with the owners. Here, perhaps the cross-discipline resource centre can exercise its function in negotiating with the two parties. The time limit is "12 months" and all efforts should be made to come to a consensus before the end of the period. In fact, in the case of the Tsuen Wan Town Centre Redevelopment Project, in less than a year after the issue of the acquisition offers, the LDC managed to resume over 80 per cent of

property⁵. The delay of previous LDC projects was more related to a lack of effective cooperation among different Government departments, such as the Lands Department.

Clause 24(3) (c) again mentions “assessment”. If we are serious about bringing in the expertise of the cross-discipline resource centre, perhaps the professionals in the centre could help produce a proper sustainability impact assessment for the Government to consider. The information could also help the residents themselves to understand their own needs and raise their civic awareness.

Explanatory Memorandum

We have tried painstakingly to point out that without a people-centred perspective, renewing the urban fabric may not solve many of our current social issues. Hence, we would like to add the underlined words to the stated “objects” of the Bill in the Explanatory Memorandum:

“The objects of this Bill are—

- (a) to establish.... for the purpose of improving the built environment for the people of Hong Kong by undertaking urban renewal...”

Conclusion

The need for urban renewal should be understood within a wider restructuring socio-economic context. Urban renewal is not just about demolishing or maintaining the buildings. An integrated approach is required if we want to have an urban renewal exercise which can rejuvenate the urban landscape, its people and the economy. Co-operation among various Government departments and involvement of stakeholders outside the Government such as the private sector and the local communities are crucial in determining the success of urban renewal efforts. In this sense, the setting up of the URA as stipulated in the Blue Bill, while essential in addressing the pressing need of urban renewal in Hong Kong, is not an adequate measure. We strongly urge the honourable Legislative Councilors to press the Governments for an integrated policy to tackle the multi-dimensional urban renewal problem. The establishment of the URA is just one of the many essential steps in that direction.

If announcing the redevelopment projects in advance is not feasible, we hope the concept of having a multi-dimensional resource centre serviced by professionals from different disciplines (e.g. planners, surveyors, architects, social workers, etc.) can be built into the Blue Bill. This will show that our renewal efforts are “people-centred”, not “building-centred.” There are a number of merits in this suggestion:

- The professionals will be able to serve as a bridge between the URA and the affected residents;
- The centre can act as a point of information dissemination;
- The professionals can help organize the residents and understand their needs;
- The centre can be responsible for doing all the impact assessments; and
- The centre can serve as a focal point for the affected residents to seek assistance. It can also help liaise with other Governments and agencies to smooth the whole renewal process.

⁵ Ng, M.K. and C. Tam (1999), “Tsuen Wan Town Centre Redevelopment Project: History, Lessons and Policy Implications,” Paper presented at a Continuing Professional Development Workshop: *Working Together for Urban Regeneration*, HKU: CUPM, Nov. 13, 1999.

Appendix I: Community Impact Assessment⁶

All projects and policies go through stages: initial planning, implementation and construction, operation and maintenance; and abandonment or decommission. Social impacts will be different for each stage.

Identifying Community Impact Assessment Variables:

Population Characteristics

- Population change
- Ethnic distribution
- Relocated population
- Influx or outflow of temporary workers

Community and Institutional Structures

- Voluntary associations
- Interest group activity
- Size and structure of local government
- Historical experience with change
- Employment or income characteristics
- Local/regional/national linkages
- Industrial/commercial diversity
- Presence of planning and zoning activity

Political and Social Resources

- Distribution of power and authority
- Identification of stakeholders
- Interest and affected parties
- Leadership capability and characteristics

Individual and Family Changes

- Perceptions of risk, health and safety
- Displacement/relocation concerns
- Trust in political and social institutions
- Residential stability
- Level of acquaintance
- Attitudes toward policy/project
- Family and friendship networks
- Concerns about social well-being

Community Resources

- Change in community infrastructure
- Land use patterns
- Effects on cultural, historical and archaeological resources

⁶ Extracted and summarized from Institute for Environmental Studies (1995), "Guidelines and principles for social impact assessment," *Environmental Impact Assessment Review*, 1995, 15, pp.11-43. It should be noted that there are different ways of conducting social impact assessment.