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香港特別行政區政府的信頭

Letterhead of The Government of the Hong Kong Special Administrative Region

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3 December 1999

Miss Odelia Leung
Clerk to Subcommittee
Subcommittee to study the
Urban Renewal Authority White Bill
Legislative Council Secretariat
Legislative Council Building
8 Jackson Road
Central
Hong Kong

Fax No.: 2877 8024
Total no. of pages: 10

Dear Miss Leung,

Subcommittee to study the
Urban Renewal Authority White Bill

Thank you for your letter of 1 December 1999.

Our response to the issues raised in paragraph 2 of your letter is as follows:

(a) Clause 9 ("Answer to Legislative Council")

Clause 9 of the Urban Renewal Authority Bill (the White Bill) provides that:

"The Legislative Council and its committees and subcommittees may request the Chairman and the executive directors to attend its meetings and they shall comply. The Chairman and the executive directors shall answer questions raised by the Members of the Legislative Council at the meetings."

Clause 4 of the White Bill also provides that the Chairman and the two executive directors of the Board of the Urban Renewal Authority (URA) must not be public officers. Accordingly, the Administration will not designate the Chairman and the two executive directors of the URA as designated public officers to answer questions or speak on motions at Legislative Council meetings on the Government's behalf.

(b) Processing of proposals

A chart outlining the processing of URA proposals is at Annex A for Members' information.

(c) Freezing surveys

Before implementing a redevelopment project, the URA is required to publish in the Government Gazette notice of the commencement date of the implementation of the project and to exhibit general information about the project for public inspection (clause 20 of the White Bill). The date on which the project is first published will be the commencement date of the project.

The main purpose of announcing a commencement date for a project is to provide a cut-off date for determining rehousing eligibility for affected tenants. On the same day as the publication of the project in the Gazette, the URA will conduct a freezing survey to determine rehousing eligibility and to prevent "imposters" from moving into buildings within the project area. Clause 26 ("Power to enter and inspect") of the White Bill provides for the conduct of such freezing surveys. A freezing survey is usually completed within a day or two.

We appreciate Members' concern about leakage of sensitive information concerning the urban renewal programme. The Government and the URA will take all necessary measures to protect the confidentiality of such information.

(d) Clause 21 ("Objections to projects to be implemented by way of development project")

Our intention is that the URA has to submit a development project to the Secretary for Planning, Environment and Lands (SPEL) for authorization even if the URA has not received any objection within the publication period. This intention is implied in clause 24 (2)(b) which provides that in the case of a development project, the URA has to apply to SPEL requesting him to recommend to the Chief Executive in Council resumption of the land required not later than 12 months after the authorization by SPEL under clause 21(4) for the project to proceed.

We agree that the intention is not very clearly set out in clause 21. For the avoidance of doubt, we propose to amend clause 21 by adding a new sub-clause which reads (tentatively) as follows:

"The Secretary may authorize the Authority to proceed with the development project if after the expiration of the publication period no objections have been lodged."

(e) Flow chart on planning procedure

A revised flow chart on the planning procedure for a URA development project is at Annex B for Members' information.

(f) Compensation for owners and tenants

Owner-occupiers of residential properties affected by the URA's redevelopment projects will be eligible for statutory compensation plus an ex-gratia allowance (Home Purchase Allowance) to enable them to purchase a replacement flat of a similar size and about ten years' old in the same locality. We have received divergent views on the compensation package.

Some have suggested that owners should be given compensation to enable them to buy a five years' old flat (some have suggested an entirely new flat) of the same size in the same area, while some are of the view that the existing "ten years' old flat" principle is generally acceptable. We will review the position at the end of the consultation period.

We are also prepared to review the compensation package for owners and tenants of non-residential properties.

(g) Estimated income and expenditure of the 20-year urban renewal programme

A paper providing supplementary information on the estimated income and expenditure of the 20-year urban renewal programme is at Annex C for Members' information.

(h) Clause 5 ("Purposes of Authority")

We propose to revise clause 5 of the White Bill by adding a new sub-clause after clause 5(d) which reads (tentatively) as follows:

"(e) preserve sites and structures of historical, cultural or architectural interest; and".

(i) Clause 11 ("Borrowing powers")

The English version of clause 11(3) reads as follows:

"The Secretary for the Treasury may give directions in writing of a general or specific character to the Authority in relation to the amount of money which may be borrowed under subsection (2) and the Authority shall comply with those directions."

The Chinese version of the same sub-clause reads as follows:

"庫務局局長可就市建局根據第(2)款可借取的款額，向市建局作出一般性或具體性的書面指示，而市建局須遵從該等指示。"

We are of the view that the two versions are consistent.

(j) Report on public consultation

We will submit a report on the public consultation on the White Bill for Members' reference after the end of the consultation period.

Yours sincerely,

(Stephen Fisher)
for Secretary for Planning,
Environment and Lands

c.c. Director of Planning (Attn: Mr T K Lee)

Annex A
(page 1)

Major Steps and Broad Time Frame for Processing a URA Development Project

Time (in months) / Major Steps	1	2	3	4	5	6
1. URA to publish the development project in the Gazette (1 month)	■					
2. URA to carry out a freezing survey within the project area on the day of the gazettal	*					
3. URA to consider all objections received (3 months)		■	■	■		
4. URA to submit the development project, its deliberations on the objections received, and any objections which are not withdrawn to SPEL				*		
5. SPEL to consider the development project and all objections which are not withdrawn (1 month)					■	
6. SPEL to decide whether to authorise the project to proceed with or without amendments						*

Major Steps and Broad Time Frame for Processing a URA Development Scheme

Major Steps \ Time (in months)	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
1. URA to submit a development scheme plan to the Town Planning Board (TPB)	*															
2. TPB Secretariat to process the submission (2 months)	■	■														
3. TPB to decide whether the plan submitted is suitable for exhibition as a plan prepared by TPB		*														
4. TPB to arrange for publication of the DSP in the Gazette (2 weeks)			■													
5. TPB to publish the DSP under s.5 of the Town Planning Ordinance (TPO) (2 monhts)			■	■	■											
6. URA to publish the development scheme in the Gazette (1 month)			■	■												
7. URA to carry out a freezing survey within the project area on the day of the gazettal			*													
8. TPB to consider objections to the DSP under s.6 of the TPO (9 months)					■	■	■	■	■	■	■	■	■	■		
9. TPB to submit the DSP to the Chief Executive in Council (CE in C) for approval under s.8 of TPO														*		
10. Secretariat for CE in C to process the submission (1 month)														■	■	
11. CE in C to decide whether to approve the DSP under s.9 of the TPO	●							●							*	

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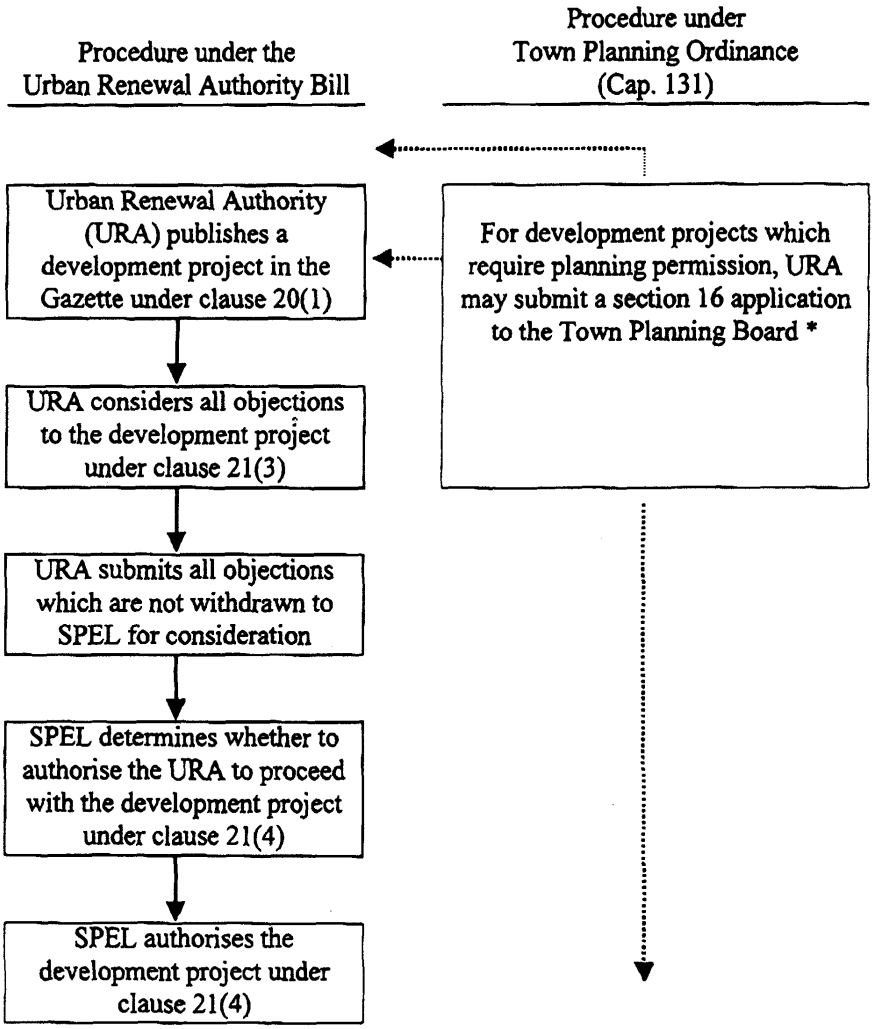
Annex B

Planning Procedure under the Urban Renewal Authority Bill (the White Bill)

Planning Procedure for a URA Development Project

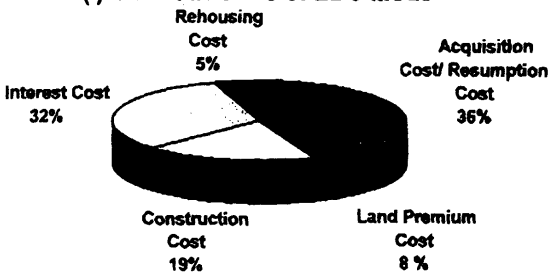


Note: * Such planning applications are usually for minor uses that require planning permission in the project area, e.g. a public toilet. For any proposal which requires a major change in the land use, the URA should carry out the proposal by way of a development scheme rather than by way of a development project.

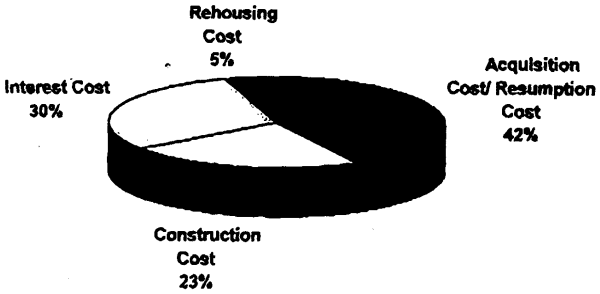
Annex C
(page 2)

(III) Analysis of Cost Structure

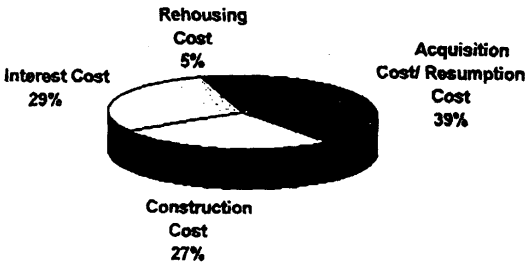
(i) Cost Structure of LDC Mode



(ii) Cost Structure of URA Mode 1



(iii) Cost Structure of URA Mode 2



Supplementary Information
on the Estimated Income and Expenditure
of the 20-year Urban Renewal Programme

(I) Estimated Income and Expenditure

Mode of Operation	(a) Gross Development Value ($ billion)	(b) Development Cost ($ billion)	(c) Profit/Loss [(a)-(b)=(c)] ($ billion)	(d) Return on cost [$\frac{(c)}{(b)}$X100% = (d)]
LDC Mode	172.5	231.8	-59.3	-25.6%
URA Mode 1	179.0	195.5	-16.5	-8.4%
URA Mode 2	217.9	207.2	10.7	5.1%

(II) Analysis of Development Cost

Cost item	LDC Mode		URA Mode 1		URA Mode 2	
	($ billion)	(%)	($ billion)	(%)	($ billion)	(%)
Acquisition/ resumption cost	81.2	36	81.2	42	81.2	39
Land premium cost	19.5	8	-	-	-	-
Construction cost	44.3	19	46	23	55.5	27
Interest cost	75.1	32	58.8	30	61.0	29
Rehousing cost	11.7	5	9.5	5	9.5	5
	231.8	100	195.5	100	207.2	100