

Tel. No.: 2848 2598

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PLB(UR) 25/00/04 (00) ^{Pt. 3}
CB1/BC/9/99

5 June 2000

Miss Odelia Leung
Clerk to Bills Committee on the
Urban Renewal Authority Bill
Legislative Council Secretariat
Legislative Council Building
8 Jackson Road
Central
Hong Kong

Dear Miss Leung,

**Bills Committee on the
Urban Renewal Authority Bill**

Thank you for your letter of 30 May 2000.

Our response to the points raised in the second paragraph of your letter is as follows:

(a) **Cash compensation for tenants**

Members have asked for more detailed information on cash compensation for tenants of domestic premises. Please see our paper entitled "Cash Compensation for Tenants of Domestic Premises Affected by Repossession for Redevelopment or by Land Resumption" which was issued for Members' information under cover of my letter of 2 June 2000.

(b) **Prevention of Double Benefits**

Any person who has received cash compensation in lieu of rehousing should not be eligible for any form of rehousing or housing assistance for a period of time (say 3 years). Persons who are on the Waiting List of the Housing Authority and have been offered a public housing unit, but who have opted for cash compensation in lieu of rehousing should not be allocated a public housing flat within the 3-year period. However, special cases could be dealt with on a case by case basis under the Housing Society's quota for compassionate cases.

(c) **Sale and Purchase Agreement**

We have written to the Law Society about the inclusion of a standard clause, which deals with the possibility of the resumption of the property concerned by the Government before the transaction is completed, in the usual Sale and Purchase Agreement.

(d) **Second Reading Debate**

The Secretary for Planning and Lands is prepared to mention our commitments in his speech in moving the resumption of the Second Reading debate on the Urban Renewal Authority Bill.

(e) **Impact Assessment Studies**

Members have asked whether, and if so when, the reports of the impact assessment studies of proposed URA projects would be released for public information. Please see our paper entitled "Impact Assessment Studies on the Proposed Projects of the Urban Renewal Authority – Release of Reports for Public Information" which has just been issued for Members' information under cover of my letter of today's date.

(f) **District Advisory Committees**

We propose that the URA should establish district advisory committees in each of the nine target areas to give advice and assistance to the URA in connection with its urban renewal projects.

The district advisory committees should be appointed by the URA Board and should be representative of the local community. Representatives of flat owners, owners of commercial properties, tenants and local non-governmental organizations with an interest in urban renewal should be appointed.

(g) **Transfer of Uncompleted Projects**

Members have asked for further information on how the URA would handle the uncompleted projects of the LDC. Please see our paper entitled "Transfer of Uncompleted Projects from the Land Development Corporation to the Urban Renewal Authority" which was issued for Members' information under cover of my letter of 2 June 2000.

Yours sincerely,

(Stephen Fisher)
for Secretary for Planning and Lands

c.c. Department of Justice
(Attn: Mr J D Scott and Ms R Chai)

Director of Planning
(Attn: Mr T K Lee)

Appendix A

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PLB(UR) 25/00/04 (00)^{Pt. 3}

5 June 2000

Mr Patrick Moss
Secretary General
The Law Society of Hong Kong
3/F, Wing On House
71 Des Voeux Road, Central
Hong Kong

Dear Mr Moss,

Urban Renewal Authority Bill

The Urban Renewal Authority Bill was introduced into the Legislative Council on 16 February 2000 and is now being considered by a Bills Committee under the chairmanship of the Honourable Edward HO Sing-tin.

Clause 24 of the Bill deals with the resumption of land for the purposes of the implementation of the urban renewal programme. This clause enables the Secretary for Planning and Lands to recommend to the Chief Executive in Council the resumption of land so required.

Members of the Bills Committee are concerned about the validity of a Sale and Purchase Agreement if a notice of resumption for the property concerned is issued by the Government before the transaction is completed.

We understand that there is usually a standard clause in a Sale and Purchase Agreement which deals with the possibility of the resumption of the property concerned by the Government before the transaction is completed. A typical example of such a standard clause which we have come across is as follows:

“The Vendor hereby declares that he has not received any notice from the Government under the Lands Resumption Ordinance (Cap. 124) or the Mass Transit Railway (Land Resumption and Related Provisions) Ordinance (Cap. 276) or any form of notice of a similar nature under any other Ordinances relating to the resumption of the Property and should it be discovered that any such notice existed prior to the date hereof or should such notice be served on or before the actual date of completion, the Purchaser shall be entitled to rescind this Agreement by giving written notice to the Vendor on or before the date for completion whereupon the deposit and all other monies which form part of the purchase price paid hereunder prior to the date of such rescission shall forthwith upon demand by the Purchaser be refunded by the Vendor to the Purchaser but without any interest, costs or compensation and the parties hereto shall at the cost of the Vendor enter into and cause to be registered at the Land Registry or the relevant New Territories Land Registry an Agreement for Cancellation. The Vendor undertakes to notify the Purchaser forthwith in writing if on or before the date of completion any such notice as aforesaid is served on the Vendor.”

Under such a clause, a Sale and Purchase Agreement will be invalid if notice of resumption has been given before the signing of the Sale and Purchase Agreement, or is given after the signing of the Agreement but before the actual date of the completion of the transaction.

Members have asked us to bring this issue to the attention of the Law Society so that a purchaser of property could be protected.

Please let me know if you have any queries concerning the Bill.

Yours sincerely,

(Stephen Fisher)
for Secretary for Planning and Lands

c.c. Clerk to Bills Committee on the Urban Renewal Authority Bill

**Bills Committee on the
Urban Renewal Authority Bill**

**Impact Assessment Studies
on the Proposed Projects of the
Urban Renewal Authority -
Release of Reports for Public Information**

Issue

Members of the Bills Committee have suggested that the reports of the impact assessment studies on proposed projects of the Urban Renewal Authority (URA) should be released for public information.

Proposal

2. We propose that the URA should conduct impact assessment studies on its proposed projects and should release the concerned reports for public information.

Background

3. The URA should fully assess the social impact of a proposed project and the social and rehousing needs of the residents affected.

4. The impact assessment should be carried out in two stages:

- (i) a non-obtrusive impact assessment to be conducted before the publication of the proposed project in the Government Gazette; and

- (ii) a detailed impact assessment after the proposed project has been published in the Government Gazette.

Non-obtrusive Impact Assessment

5. The main elements of the impact assessment to be conducted before the publication of the proposed project in the Government Gazette should include:

- (i) the population characteristics of the proposed project area;
- (ii) the socio-economic characteristics of the area;
- (iii) the housing conditions in the area;
- (iv) the degree of overcrowding in the area;
- (v) the availability of amenities and community facilities in the area;
- (vi) the historical background of the area;
- (vii) the cultural and local characteristics of the area;
- (viii) an initial assessment of the potential social impact of the proposed project; and
- (ix) an initial assessment of the mitigation measures required.

6. A report of this non-obtrusive impact assessment should be released by the URA for public information after the publication of the proposed project in the Government Gazette.

Detailed Impact Assessment

7. The main elements of the impact assessment to be conducted after the publication of the proposed project in the Government Gazette should include:

- (i) the population characteristics of the residents affected by the proposed project;
- (ii) the socio-economic characteristics of the affected residents;
- (iii) the rehousing needs of the affected residents;
- (iv) the housing preferences of the affected residents;
- (v) the employment status of the affected residents;

- (vi) the place of work of the affected residents;
- (vii) the social networks of the affected residents;
- (viii) the educational needs of the children of the affected families;
- (ix) the special needs of the elderly;
- (x) the special needs of the disabled;
- (xi) a detailed assessment of the potential social impact of the proposed project; and
- (xii) a detailed assessment of the mitigation measures required.

8. Most of the factual data for the detailed impact assessment could be collected as part of the freezing survey to be conducted immediately after the publication of the proposed project in the Government Gazette.

9. The URA should submit a report of the detailed impact assessment to the Secretary for Planning and Lands for his consideration. The URA should also release the report for public information.

Planning and Lands Bureau
June 2000