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7 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 5 June 2000.

Our response to the points raised by Members is as follows:

(a) **Home Purchase Allowance**

Members have asked us to estimate the additional costs to be incurred by the Urban Renewal Authority (URA) if the basis for calculating the Home Purchase Allowance (HPA) is to be revised from a replacement flat of about 10 years' old to a replacement flat of about 8 to 10 years' old or of about 8 years' old.

The amount of HPA to be required for the 200 priority projects under the 20-year urban renewal programme is estimated to increase by \$0.9 billion from \$21.2 billion to \$22.1 billion at today's value if we revise the calculation basis from a replacement flat of about 10 years' old to a replacement flat of about 8 to 10 years' old.

The amount of HPA to be required for the 20-year programme is estimated to increase by \$1.8 billion from \$21.2 billion to \$23 billion at today's value if we revise the calculation basis from a replacement flat of about 10 years' old to a replacement flat of about 8 years' old.

(b) **Cash Compensation/Rehousing for Tenants**

Members have suggested that tenants who have received cash compensation in lieu of rehousing should be required to reimburse the URA on a pro rata basis if they are in turn for public rental housing on the Waiting List before the expiry of the 3-year period and wish to opt for rehousing.

We consider that this proposal is viable. However, the URA would have to work out in detail how this could be implemented.

(c) **Cash Compensation Offered by the Land Development Corporation to Tenants**

We have asked the Land Development Corporation (LDC) to provide figures on the average cash compensation for different types of household. We will let Members have the figures as soon as they are available.

However, the LDC offers specified minimum amounts to different types of household, for example:

<u>Type</u>	<u>Minimum Amount</u>
(i) Families with three members or more	\$100,000
(ii) Two-person households	\$80,000
(iii) Single-person households –	
bunk	\$54,000
bedspace	\$60,000
cubicle	\$70,000
(iv) Non-resident principal tenants	\$10,000

(d) **Uncompleted LDC Projects**

If the LDC is dissolved say in November 2000, there would be 7 ongoing projects (ie, projects which have started, but not yet completed) left, including:

District	Project Code	Location	Site Area (m ²)
Central and Western	H1	Queen Street	7,965
	H12	Kennedy Town New Praya	6,072
Wan Chai	H9	Wan Chai Road/ Tai Yuen Street	8,501
Mong Kok	K2	Argyle Street/ Shanghai Street	11,976
Yau Ma Tei	K10	Waterloo Road/ Yunnan Lane	3,840
Tsim Sha Tsui	K11	Hanoi Road	7,600
Tsuen Wan	K13	Tsuen Wan Town Centre	20,300
			66,254

There would also be 25 announced/uncompleted projects (ie, projects which have been announced, but not yet started), including:

District	Project Code	Location	Site Area (m²)
Central and Western	H18	Peel Street/Graham Street	4,938
	H19	Wing Lee Street/ Staunton Street	4,000
	H20	First Street/Second Street	3,522
Wan Chai	H15	Lee Tung Street/ McGregor Street	8,893
	H16	Johnston Road	2,062
	H17	Queen's Road East	380
Shau Kei Wan	H14	Sai Wan Ho Street	712
	H21	Shau Kei Wan Road	1,890
San Po Kong	K1	Nga Tsin Wai Village	4,637
Kwun Tong	K7	Kwun Tong Town Centre	59,010
Sham Shui Po	K19	Po On Road/ Shun Ning Road	1,380
	K20	Castle Peak Road/ Cheung Wah Street/ Shun Ning Road	2,254
	K21	Castle Peak Road/ Un Chau Street	2,609
	K22	Un Chau Street/ Fuk Wing Street	2,222
	K23	Castle Peak Road/ Hing Wah Street	1,382
	K25	Po On Road/Wai Wai Road	2,436
	K26	Fuk Wing Street/ Fuk Wa Street	1,362
Tai Kok Tsui	K3	Cherry Street	4,327
	K30	Bedford Road/Larch Street	1,236
	K31	Larch Street/Fir Street	2,150
	K32	Pine Street/Anchor Street	2,300
Mong Kok	K9	Macpherson Stadium	2,400
	K27	Reclamation Street	533
	K28	Sai Yee Street	2,720
Hung Hom	K33	Baker Court	250
			119,605

We have asked the LDC for further information about the above projects. We will let Members have the details as soon as they are available.

(e) **Provisional Urban Renewal Authority**

Subject to the Urban Renewal Authority Bill being passed into law, a non-statutory body, to be called the Provisional Urban Renewal Authority (PURA), would be set up to carry out the necessary preparatory work for the establishment of the URA. The PURA would be a small organization. Its main tasks would be the handling of transitional matters and the preparation of the URA's first draft 5-year corporate plan and the first draft annual business plan.

The PURA would be managed by a Board with the same composition as that of the URA. The PURA Board would be appointed by the Chief Executive. It is intended that all members of the PURA Board would be appointed to the URA Board.

It is expected that the PURA Board would be in existence for a few months only (or even a shorter period, if possible). It would become the URA Board as soon as the transitional arrangements are ready.

(f) **Clause 3(3)**

Clause 3(3) of the Bill provides that:

“The Authority shall not be regarded as a servant or agent of the Government or as enjoying any status, immunity or privilege of the Government.”

Similar provisions are found in the Hospital Authority Ordinance (Cap. 113), the Mass Transit Railway Corporation Ordinance (Cap. 270) and the Kowloon-Canton Railway Corporation Ordinance (Cap. 372).

As a statutory body, the URA would “in its own name be capable of suing and of being sued”. It would not be appropriate to consider the URA as “a servant or agent of the Government”.

(g) **Non-executive Directors**

It is not intended that the non-executive directors of the URA Board should be held personally liable for any decision made in the name of the URA.

(h) **Clause 5(f)**

Clause 5(f) of the Bill provides that one of the purposes of the URA is to:

“engage in such other activities, and to perform such other duties, as the Chief Executive may, after consultation with the Authority, permit or assign to it by order published in the Gazette.”

Any such order is subsidiary legislation. We have no objection to making this clear in the Bill.

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)