

立法會
Legislative Council

LC Paper No. CB(1) 2113/99-00
(These minutes have been seen
by the Administration and cleared
by the Chairman)

Ref: CB1/HS/1/99/1

**Subcommittee to study
the Urban Renewal Authority White Bill**

**Minutes of meeting held on
Monday, 6 December 1999, at 2:30 pm
in the Chamber of the Legislative Council Building**

- Members present** : Hon Edward HO Sing-tin, SBS, JP (Chairman)
Hon Gary CHENG Kai-nam, JP (Deputy Chairman)
Hon HO Sai-chu, SBS, JP
Hon NG Leung-sing
Hon Ronald ARCULLI, JP
Hon James TO Kun-sun
Hon Jasper TSANG Yok-sing, JP
Hon TAM Yiu-chung, GBS, JP
- Member attending** : Hon Emily LAU Wai-hing, JP
- Members absent** : Ir Dr Hon Raymond HO Chung-tai, JP
Hon LEE Wing-tat
Hon Christine LOH
Hon CHAN Yuen-han
Dr Hon LEONG Che-hung, JP
Hon Andrew WONG Wang-fat, JP
Hon WONG Yung-kan
Dr Hon TANG Siu-tong, JP
- Public officers attending** : Mr Stephen FISHER
Deputy Secretary for Planning, Environment
and Lands (Urban Renewal and Buildings)
- Ms Olivia NIP
Principal Assistant Secretary for Planning,
Environment and Lands (Urban Renewal)

Mr T K LEE
Assistant Director/Urban Renewal (Ag)
Planning Department

Clerk in attendance : Miss Odelia LEUNG
Chief Assistant Secretary (1)1

Staff in attendance : Ms Bernice WONG
Assistant Legal Adviser 1

Miss Becky YU
Senior Assistant Secretary (1)3

I Meeting with the Administration

(LC Paper Nos. CB(1) 496/99-00(01), (02), (03) and 527/99-00(01))

Members noted that the Administration's response to major concerns raised by various organizations at the meetings held on 19 and 24 November 1999 was circulated vide LC Paper No. CB(1) 527/99-00(01).

Urban Renewal Strategy (URS)

2. On *formulation of URS*, the Deputy Secretary for Planning, Environment and Lands (DS/PEL) advised that this involved the conduct of an urban renewal strategy study by the Planning Department (PlanD) and the preparation of an urban renewal strategy policy document by the Planning, Environment and Lands Bureau (PELB). URS would be reviewed and updated regularly. PlanD would update its urban renewal strategy study to tie in with the review of the policy document. As to whether the Urban Renewal Authority (URA) would be involved in the formulation of URS, DS/PEL assured members that the Administration would consult URA before promulgation of URS. He added that while URA would be required to follow the guidelines set out in URS when preparing the programme of proposals and projects in its draft corporate plan, it might suggest, for the approval of the Financial Secretary (FS), for inclusion in a corporate plan any other proposal or the implementation of any other project.

3. Referring to paragraph 7.2 of the Executive Summary of the Urban Renewal Strategy Study (LC Paper No. CB(1) 496/99-00(01)), Mr NG Leung-sing asked how the Administration could ensure that sufficient resources would be made available for URA to implement unprofitable redevelopment projects which were in need of urban renewal. DS/PEL advised that as URA would be required to submit to FS for approval each year a draft corporate plan of proposals, including those unprofitable ones, to be implemented over a period of five years, this would provide ample time for the Administration to set

aside sufficient resources for URA to implement these proposals. As to whether a subhead under the Government recurrent expenditure account would be created for URA, DS/PEL advised that this might not be necessary as funding for URA would be given in the form of capital injection or loans. The relevant funding proposals would be subject to the approval of the Finance Committee.

4. The Chairman expressed concern that URA might feel constrained if it had to rely on the Government and the Housing Authority (HA)/Housing Society (HS) to provide the necessary funding and rehousing resources for the implementation of redevelopment projects. In reply, DS/PEL assured members that sufficient resources and support would be earmarked for URA to implement the proposals in its corporate plans. Good progress had been made in the discussions with HS on rehousing arrangements for residents affected by urban renewal and the Administration was about to sign a preliminary agreement with HS. It was hoped that a strategic partnership could be established between URA and HS in the future. On the discussions with HA, DS/PEL said that the Administration would come to an agreement with HA as soon as practicable.

5. On *terminology*, the Chairman opined that the Administration might need to review the Chinese version of “urban renewal” (市區重建) as the term as drafted might not be able to reflect the wider aspect of “urban regeneration” (市區更新).

6. On *people-oriented approach*, Ms Emily LAU agreed with some deputations that the Administration should specify in URS the use of a people-oriented approach to urban renewal to ensure social cohesion upon redevelopment. In reply, DS/PEL affirmed that the Administration’s policy on urban renewal was based on a people-oriented approach. Under the policy, the social needs of affected residents would always come first. He assured members that no one affected by the resumption of land for a URA project would be rendered homeless. To this end, sufficient rehousing resources would be provided to URA to accommodate people affected by the urban renewal programme. Apart from the rehousing flats to be provided by HA/HS, purpose-built flats within the redeveloped area would be constructed to rehouse groups with special needs, such as the elderly and the disabled. DS/PEL added that the impact of urban renewal on social cohesion would be minimal since not all buildings would be demolished in the course of redevelopment. According to the findings of the urban renewal strategy study, only about 1,000 out of the 8,500 private buildings in Hong Kong which were 30 years and above were beyond repair and would need to be demolished. The rest would be rehabilitated and the residents concerned could continue to live in the same area after rehabilitation. He nevertheless undertook to highlight the people-oriented approach in URS. At members’ request, the Administration also undertook to provide the number of buildings to be redeveloped in the nine urban renewal target areas.

(Post-meeting note: The Administration’s response was circulated to members vide LC Paper No. CB(1) 584/99-00(01).)

7. Mr TAM Yiu-chung however opined that the use of a people-oriented approach to urban renewal was difficult to enforce in reality, particularly in respect of rehousing since the supply of urban rehousing flats would be far from enough to meet the demand of affected tenants. As it was estimated that only 1,000 rehousing units a year would be

required in the first five years of the urban renewal programme, DS/PEL was confident that the rehousing flats to be provided by HA/HS would be sufficient to meet the demand. Besides, small urban sites had been earmarked for constructing local rehousing flats for the elderly and the disabled. Given the large scale of URA projects, Mr TAM expressed concern that the Administration might have under-estimated the number of rehousing units required to accommodate the affected tenants. The Assistant Director/Urban Renewal (Acting), Planning Department (AD of P (Ag)) advised that the requirement of 1,000 rehousing flats was derived on the basis of the results of the 1996 By-Census. It was estimated that about 80% of the tenants affected by URA projects would require rehousing. This also represented an additional safety margin on the number of rehousing flats since according to the past experience of the Land Development Corporation (LDC), less than 50% of affected tenants required rehousing.

8. Mr James TO remarked that the limited choices of rehousing flats offered by HS and the more stringent rehousing criteria adopted by LDC were the main reasons why less affected tenants preferred rehousing in the past. However, more affected tenants would opt for rehousing as a result of the revised rehousing arrangements to be offered by URA. Having regard to the changes in housing aspirations over the past years, Mr TO questioned the rationale for using the information compiled in 1996. He considered that the Administration should conduct a survey of one of the nine target areas as a sample to ascertain the percentage of persons who would opt for rehousing. AD of P (Ag) advised that a review of rehousing needs would be conducted after the 2001 Census when more up-to-date demographic information would be available. In addition, URA would conduct freezing surveys to ascertain the actual number of affected residents after individual redevelopment projects had been published in the Gazette.

(Post-meeting note: The Administration's response was circulated vide to members vide LC Paper No. CB(1) 584/99-00(01).)

9. As regards details of the sites for the construction of rehousing flats, AD of P (Ag) advised that three sites: one in the urban area, one in Ma On Shan and one in Tseung Kwan O capable of producing about 3,000 rehousing flats had been earmarked to meet the demand in the initial years.

10. On *maintenance of buildings*, Mr James TO cautioned that as members had divergent views on the efficacy of the Building Safety Inspection Scheme (BSIS) and the Building Safety Improvement Loan Scheme, they might not support the proposed preventive maintenance of buildings scheme. In reply, DS/PEL acknowledged that the two existing Schemes were not well received by the public. To improve building safety, the Administration had drawn up the proposed preventive maintenance of buildings scheme taking into account views collected from the public consultation exercise on BSIS. In gist, the public generally agreed that owners should be responsible for maintaining their own buildings. They however considered that instead of requiring owners to inspect their buildings once these had reached a certain age, the Administration should carry out the preliminary inspection to ascertain the need for repair and maintenance of the buildings. Under the new proposal, the Buildings Department (BD) would conduct preliminary assessment of all buildings over 30 years of age. Notices to repair would be issued to owners of the buildings if improvement works were considered necessary. Low

interest or interest-free loans would be made available to those owners who had financial difficulties in carrying out the maintenance works.

11. Mr Ronald ARCULLI however pointed out that the issue of notices of repair to owners of buildings which were not dangerous was at variance with the Buildings Ordinance (Cap. 123) (BO). He asked if other overseas countries had similar arrangements. AD of P (Ag) advised that in many overseas countries, owners of strata title were required to maintain the safety of the outer walls of their buildings. For example, in Australia, owners of town houses or apartments were required to establish owners' corporations (OCs) and set up maintenance fund to carry out maintenance of their buildings. Given that the establishment of OCs was not mandatory in Hong Kong, the proposed preventive maintenance of buildings scheme was necessary to improve building safety.

12. The Chairman asked if URA would be empowered to implement the proposed preventive maintenance of buildings scheme within the nine target areas. DS/PEL advised that subject to public consultation, the scheme would be implemented by way of amendment to BO. There would be a clear demarcation of duties and responsibilities between BD and URA in the implementation of the scheme. It was intended that URA would administer the scheme within the nine target areas, whereas BD would be responsible for implementing the scheme in other areas.

Role of Government/URA in urban renewal

13. On *role of the private sector*, the Chairman noted that URA would implement most of the redevelopment projects in association with joint venture partners. However, as private developers would tend to undertake projects which were financially viable, it might give the public an impression of collusion between URA and the private sector in urban renewal. DS/PEL replied that contrary to the allegation, the said mode of implementation was in fact a win-win-win situation as this would not only tap the resources of the private sector to expedite the pace of urban renewal, but also ensure that proper compensation and rehousing would be given to affected owners and tenants respectively.

14. Mr HO Sai-chu expressed concern that URA might also implement a project by selling or disposing of the resumed land to a private developer. In reply, DS/PEL clarified that resumed land could only be sold or disposed of for a public purpose. The Chief Executive in Council should determine whether the URA's proposal to sell or dispose of resumed land was in the public interest. To illustrate how the "public purpose" principle would be interpreted or applied by PELB, DS/PEL highlighted the two examples provided in paragraph 7 of LC Paper No. CB(1) 496/99-00(02).

15. The Chairman however pointed out that the arrangement for sale of resumed land to a private developer under the White Bill as illustrated in Case A was at variance with the Land (Compulsory Sale for Redevelopment) Ordinance (Cap. 545) under which a private developer could only make an application to the Lands Tribunal for an order for the sale of all the undivided shares in a lot for the purposes of redevelopment if he owned not less than 90% of the undivided shares in the lot. DS/PEL explained that the objective

of the requirement for a private developer who owned not less than 90% of the undivided shares in a lot to apply for an order for the sale of all undivided shares in the lot was to protect the interest of individual owners so that they would be given an equal opportunity to acquire the lot for redevelopment. However, as land resumed under the White Bill would be for the purpose of improving the built environment of Hong Kong and layout of built-up areas by replacing old and run-down areas with new developments, disposal of such land would only be considered in the “public interest” such as to achieve better use of land in the dilapidated built up areas.

16. On *owners’ participation scheme*, DS/PEL advised that URA might offer participation to owners in any redevelopment projects. However, in order for an owners’ participation scheme to work, owners must be prepared to share the development cost (including acquisition/resumption cost, rehousing cost, interest cost and construction cost) of the project. In view of the substantial financial risks involved, such a scheme might not be suitable for small property owners. Mr James TO asked if owners could participate in projects involving disposal of resumed land. DS/PEL advised that this was possible but the financial risks to owners were still significant.

Public participation

17. On *community participation*, Mr James TO opined that in order to promote a better understanding of the White Bill, public discussion fora, particularly in old urban areas, should be organized before the end of the consultation period in December 1999. DS/PEL assured members that PELB would attend every discussion forum upon request. As to how the public could be involved in formulating and updating URS, AD of P(Ag) affirmed that the public would be consulted during the review of the Urban Renewal Strategy Study in future. Ms Emily LAU however considered that the public should be given an early opportunity to comment on URS. AD of P (Ag) advised that as the main elements of the current URS Study were already available to the public through the Internet, the Administration would welcome any views from the public which would be taken into account in the review of the Study in 2001/02.

Structure of URA

18. On the *Board of URA*, Mr James TO remarked that Members of the Democratic Party were opposed to the use of an executive-chairman model for the URA Board. He added that public officers appointed to the URA Board should be at the Head of Bureau level to ensure proper control of the work of URA. Ms Emily LAU also urged the Administration to re-consider LDC’s comments on the structure of the URA Board.

(Post-meeting note: The Administration’s response was circulated to members vide LC Paper No. CB(1) 584/99-00(01).)

19. On *conservation architects*, Ms Emily LAU agreed that URA should have conservation architects to ensure that urban renewal was not confined to physical redevelopment of dilapidated buildings. She however expressed concern how URA could preserve private properties which were of historical, cultural or architectural interest. AD of P (Ag) advised that these properties, if located within a proposed URA project,

would be resumed in accordance with the provisions in the White Bill. As to whether the Administration would consider setting up a heritage fund as in case of the United Kingdom for preservation of historical buildings, AD of P (Ag) advised that one of the purposes of urban renewal was to preserve historical buildings. These buildings would be put to proper community, public or other beneficial use as far as practicable. The aim was that these buildings should be a living and functional part of the community and not mere historical artifacts for display.

20. As regards the impact of preservation work on redevelopment projects, DS/PEL advised that this should be minimal. He pointed out that as URA projects would be relatively large in scale, this would provide greater flexibility for planning. Through the transfer of plot ratio of the buildings to be preserved to other buildings in the project area, the resources of URA would then be used for preserving the heritage on the one hand and improving the built environment by redevelopment on the other.

21. Noting that resumption of properties for preservation was a new concept, Mr James TO opined that the Administration should provide clear guidelines on the types of properties to be preserved within the nine target areas. DS/PEL took note of Mr TO's view.

(Post-meeting note: The Administration's response was circulated to members vide LC Paper No. CB(1) 584/99-00(01).)

II Any other business

22. There being no other business, the meeting ended at 4:30 pm.

Legislative Council Secretariat
19 October 2000