

立法會
Legislative Council

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by the Administration and
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**Subcommittee to study
the Urban Renewal Authority White Bill**

**Minutes of meeting held on
Wednesday, 24 November 1999, at 10:45 am
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 Christine LOH
Hon Jasper TSANG Yok-sing, JP
Hon TAM Yiu-chung, GBS, JP
Dr Hon TANG Siu-tong, JP
- Member attending** : Hon Emily LAU Wai-hing, JP
- Members absent** : Ir Dr Hon Raymond HO Chung-tai, JP
Hon LEE Wing-tat
Hon CHAN Yuen-han
Dr Hon LEONG Che-hung, JP
Hon Andrew WONG Wang-fat, JP
Hon WONG Yung-kan
- 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

**Attendance by
invitation**

: Hong Kong Council of Social Service

Mr Andrew CHAN
Chairperson, Working Group on Urban Renewal Authority

Ms Kay KU
Assistant Director (Development)

Mr Jackey LO
Member, Working Group on Urban Renewal Authority

Hong Kong People's Council on Housing Policy

Miss YIP Chiu-ping
Chief Secretary

Mr SO Ngai-long
Organizing Secretary

Miss CHU Mei-shun

The Real Estate Developers Association of Hong Kong

Mr Louis LOONG
Secretary General

Mr Augustine WONG
Representative

Mr Kenneth Kwok
Representative

Centre of Urban Planning and Environmental
Management, the University of Hong Kong

Dr NG Mee-kam
Associate Professor

Dr Ernest CHUI
Assistant Professor

Hong Kong Institute of Real Estate Administration

Mr John HUI
First Vice President

Mr Stanley WONG
Vice President

Mr YU Kam-hung
Chairman, Public Affairs Committee

Land Development Corporation

Mr LAU Wah-sum
Chairman

Mr Abraham RAZACK
Chief Executive

Mr Barry CHEUNG
Board Member

Antiquities Advisory Board

Mr Paul YOUNG Tze-kong, JP
Chairman, Education and Publicity Committee

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 deputations

Hong Kong Council of Social Service (HKCSS)
(LC Paper No. CB(1)455/99-00(01))

Mr Andrew CHAN highlighted the following points in the written submission of HKCSS, which was tabled at the meeting:

- (a) the concept of urban renewal should be broader than the physical redevelopment of designated areas and should include other important elements such as preservation of heritage and local features. HKCSS proposed to use the term "urban regeneration" instead of "urban renewal" to reflect the multi-dimensional nature of the issue;

- (b) in formulating the redevelopment plans, the Administration should conduct social impact assessment to collect information on the impact of redevelopment to the community and residents. Technical memorandum on the social impact assessment should be set out in the Bill;
- (c) the Urban Renewal Authority (URA) should act as the coordinator of various government departments in the process of urban renewal to facilitate cooperation among them and improve the working procedures for greater efficiency. Cross-discipline resource centre should be set up for each project to assist redevelopment work;
- (d) community participation in the urban renewal process would be very important. The community should be involved in planning future development. Information on the redevelopment should be made available to the public and public hearings should be held for individual projects. Working groups should be set up under respective district boards to monitor progress of the projects; and
- (e) the proposal in the Urban Renewal Authority White Bill (the White Bill) to empower URA to apply for direct land resumption without first negotiating with owners would put the rights of affected owners and tenants at stake. As the majority of residents in old built-up areas were from the low-income class, proper rehousing arrangements and reasonable compensation would be crucial.

Hong Kong People's Council on Housing Policy (HKPCHP)
(LC Paper No. CB(1)432/99-00(01))

2. Miss YIP Chiu-ping expressed disappointment at the presentation of the consultation paper and the arrangements for public consultation on the White Bill. Public consultation through the release of a White Bill was undesirable as it was too complicated for the public to comprehend. The proposal of replacing the Land Development Corporation (LDC) with URA was not presented with adequate justifications and this was unfair to LDC. The importance of sustainable development in urban renewal or rehabilitation should be clearly stated in the White Bill. There should be community participation in urban renewal. The Administration would need to educate the public on the concept and objectives of urban renewal so that different levels of the community could be involved in the process.

3. Mr SO Ngai-long briefed members on the findings of a survey conducted in early November 1999 in which 186 families in Kowloon East were interviewed. He said that the findings of the survey revealed that the general public was not aware of the consultation exercise. He urged the Administration to expeditiously work out the compensation package and arrange briefings at district level to familiarize the public with the proposed urban renewal programme.

The Real Estate Developers Association of Hong Kong (REDA)
(LC Paper NO. CB(1)455/99-00(02))

4. Mr Louis LOONG said that REDA supported the Administration's strategy of continuously regenerating the fabric of Hong Kong's built-up areas through timely urban renewal and welcomed the proposed establishment of URA. He also highlighted the following issues for members' consideration:

- (a) URA should focus on site assembly and clearance instead of assuming the role of a developer in urban renewal. To cater for the aspiration of owners to participate in redevelopment projects, provisions should be made in the White Bill to offer owners the option of taking an equity participation in lieu of receiving cash compensation;
- (b) REDA agreed with the need to secure the assistance of the Housing Authority (HA) and the Housing Society (HS) to rehouse tenants affected by urban renewal. Explicit provisions on rehousing arrangements should be included in the White Bill. Loan schemes for purchase of flats should be made available to affected tenants as an alternative to rehousing; and
- (c) while objections to development schemes could be made under the Town Planning Ordinance (Cap. 131), there was a lack of objection mechanism in the White Bill for development projects. This would prejudice the objectors' right to raise objections.

Centre of Urban Planning and Environmental Management, the University of Hong Kong (HKU)
(LC Paper No. CB(1)432/99-00(02))

5. Dr NG Mei-kam said that Hong Kong was in need of a sustainable urban regeneration strategy to tackle the multi-dimensional, complicated and evolving socio-economic and environmental problems. Redeveloping the physical fabric alone would be inadequate. The strategy should be people-oriented. The Government should conduct sustainability impact assessments before finalizing regeneration projects and should be more proactive in planning and resource utilization. It would be inadequate for the Government to assume an enabling role to facilitate the private sector in urban renewal. She also drew members' attention to the following comments of HKU:

- (a) public participation should not be limited to merely consultation. The community should be involved in the planning of future redevelopment. Community facilitation teams could be established to assist residents to voice out their needs;
- (b) URA should be accountable to the public. The White Bill should stipulate the way through which the public could monitor the work of URA. The proposed one-month objection period for redevelopment projects was too short. Moreover, the White Bill lacked an appeal mechanism against the decision of the Secretary for Planning,

Environment and Land in respect of objections to redevelopment projects;

- (c) the large part of the White Bill dealing with financial matters might give the public an impression that the Government's primary concern was to ensure the financial viability rather than the sustainability of the urban renewal programme. Instead of just doing business calculations on individual redevelopment projects, the Government should focus on the long-term investment in the environment and people;
- (d) impact assessment on community, economy, environment, landscape and, in particular, the need of residents and effect of disintegration of social network should be conducted for each development project;
- (e) proper rehousing policy and resources were very important so that urban renewal would not be equated with the "removal of the poor population from the old urban areas". In situ rehousing should be made available to the elderly who were attached to the local environment and those businesses which characterized the area; and
- (f) coordination among various concerned government departments should be enhanced to facilitate the process of land resumption for urban renewal.

Hong Kong Institute of Real Estate Administration (HKIREA)

6. Mr John HUI said that HKIREA would submit their written comments to the Subcommittee in due course. HKIREA was in support of the establishment of URA to plan and coordinate urban renewal. Nevertheless, it had reservation on the role of URA as a developer in urban redevelopment. Instead of directly involving in the high risk property market, URA should assume a facilitating role to encourage private developers to undertake redevelopment projects. On land resumption and compensation, land premium should be determined by the market through tendering or auction. Affected property owners should be reasonably compensated taking into account both the physical and sentimental values of the properties. Mr HUI cautioned that it would act against human right legislation and social justice if URA sold the resumed land to private developers who subsequently made profit from the redevelopment. The proposed structure and operation of URA would enable it to use the excuse of public interest to cover up loss in redevelopment projects as a result of wrong decisions. Public consultation and community participation would be crucial to ensure a smooth urban renewal process.

Land Development Corporation (LDC)

7. Mr LAU Wah-sum said that LDC supported the establishment of URA to expedite urban renewal. He pointed out that the existing Land Development Corporation Ordinance (Cap. 15) did not allow adequate flexibility for LDC to speed up the implementation of redevelopment plans. The time-consuming negotiation process in land resumption and the lack of resources for rehousing affected residents had protracted

the process of urban renewal. The proposals in the White Bill to empower URA to resume land and seek assistance from HA and HS to rehouse affected residents would help to accelerate the urban renewal process. LDC also supported the proposed financial arrangements which included relaxing plot ratio controls, foregoing land premia for URA projects and packaging redevelopment projects so that financially viable projects could cross-subsidize non-viable ones.

8. Mr Barry CHEUNG however pointed out that the White Bill failed to address certain issues which were considered important for the smooth operation of URA. The Administration should ensure that there would be a seamless transition from LDC to URA, and that LDC staff, including those senior professional staff, should be retained in URA. On the structure of URA, Mr CHEUNG considered that a non-executive chairman model would be more suitable than the proposed executive chairman model since an executive chairman involving in daily administration of URA would tend to defend his own decisions in the event of complaints from the public.

Antiquities Advisory Board (AAB)
(LC Paper No. CB(1)432/99-00(03))

9. Mr Paul YOUNG said that URA should employ conservation architects for better preservation of heritage. It should be responsible for the regular maintenance of historical buildings preserved under the urban renewal programme. Nevertheless, the need to preserve and maintain historical buildings outside the nine urban renewal target areas should not be overlooked. AAB recommended that historical buildings should be preserved in groups within a large area. In addition to promoting heritage tourism, the Administration should foster a sense of belonging of the public and expand the creativity of the younger generation through the visualized history of Hong Kong.

Discussion session

10. Mr NG Leung-sing sought clarification from HKPCHP on the rehousing of residents affected by urban renewal. Miss CHU Mei-shun/HKPCHP responded that residents would prefer to have flats of size comparable to their original flats. However, they might not want to purchase flats under the Home Ownership Scheme because there was no guarantee on the quality of these flats.

11. Mr James TO enquired if REDA considered it necessary to stipulate in the White Bill the need for using public housing resources from HA and HS to rehouse residents affected by urban renewal. Mr Kenneth KWOK/REDA agreed that the proposed rehousing arrangements should be included in the White Bill to make these statutory requirements.

12. Ms Emily LAU asked whether LDC considered that the proposed financial arrangements for URA, including the provision of additional public resources, would effectively resolve the inherent problems of rehousing and compensation which LDC had experienced in the past. She also sought HKU's views on the financial responsibility of the Government in urban renewal.

13. Mr LAU Wah-sum/LDC replied that the proposed financial arrangements in the consultation paper, such as relaxing plot ratio controls and forgoing land premium for URA projects, were considered adequate for resolving the problems currently faced by LDC in land resumption. He said that while further allocation of resources would be welcomed, it might not help expedite the process of land resumption significantly. Mr Abraham RAZACK/LDC added that the Administration had taken the correct approach by proposing in the consultation paper that assistance from HA and HS would be sought for rehousing residents affected by urban renewal. This would help to solve the problem which LDC encountered in providing adequate residential units to rehouse affected residents.

14. Dr NG Mee-kam/HKU pointed out that the proposed financial arrangements of nil-premium and relaxation of plot ratio controls were still under consideration by the Administration. These were only proposals in the consultation paper and had not been incorporated in the White Bill. As explained in the written submission of HKU, the problem of urban regeneration in Hong Kong was more complicated than the physical dilapidation of structures. An integrated policy framework would be required to tackle the multi-dimensional problem. Community participation would be crucial in the formulation, evaluation, implementation and review of the urban renewal strategy to ensure that the strategy suited the needs of the restructuring process. It would be inadequate if the Administration would only focus on the financial viability of urban renewal projects and the physical redevelopment of old urban areas. The Government should consider allocating public resources to urban regeneration as a long-term investment in the environment and people.

15. Mr CHENG Kai-nam echoed that the concept of urban renewal should be broader than the physical redevelopment of designated areas. The multi-dimensions, including social, economic and environmental aspects, of the issue should be taken into account when formulating the urban renewal strategy. He asked HKCSS whether redeveloping an old urban area should become an option in the event of unfavourable outcomes of various impact assessments. Mr Andrew CHAN/HKCSS answered in the affirmative as it might be preferable to preserve an old urban area for heritage or social reasons.

16. Noting REDA's suggestion of allowing participation of owners in redevelopment projects, Mr Ronald ARCULLI enquired about REDA's views on the appropriate measures for resolving technical problems, such as sharing of investment risks among owners and the role of URA in this owners participation scheme. He also doubted if private developers would be willing to join effort with owners in redevelopment projects.

17. Mr Augustine WONG/REDA said that owners' participation would be on a voluntary basis where interested owners would have to forgo their cash compensation and opt for equity participation in the redevelopment project. URA would assume the role of a coordinator in the arrangement. He pointed out that at present, LDC also provided a similar scheme under which owners were allowed to participate in redevelopment projects.

18. Mr Abraham RAZACK/LDC explained that under the existing owners participation scheme, LDC acted as a coordinator to liaise with individual owners. Participating owners would have to decide on their share on the investment and bear the investment risks.

19. Mr James TO asked HKIREA's view on the suitable public officers to be appointed to the Board of URA to ensure accountability of URA. He suggested that the Secretary for the Treasury should be appointed to the Board to oversee the financial aspects of URA's work plans.

20. Mr Stanley WONG/HKIREA said that as there would be only four public officers in the 14-member URA Board, it would be unlikely for the public officers to dominate the decisions of the Board. He suggested that to ensure accountability of URA, the Administration should explore the feasibility of setting up a trading fund for the urban renewal programme. Consideration could be given for annual report on the income and expenditure as well as application for additional funding for the trading fund to be made to the Legislative Council so that it could monitor the operation of the trading fund and hence the financial position of URA.

21. In response to Mr TAM Yiu-chung's enquiry on the propriety of having a three-year term of office for members of the URA Board, Mr Barry CHEUNG/LDC said that the arrangement was acceptable as it would allow the appointment of new members to the Board every three years while at the same time retaining existing members to ensure continuity.

22. The Chairman thanked all the representatives for attending the meeting and invited them to give their further written submissions, if any, to the Subcommittee as soon as possible.

II Any other business

23. Members noted that the next meeting would be held on Tuesday, 30 November 1999, at 2:30 pm. Members also noted that the Administration undertook to provide its written response to the written submissions by deputations before the fifth meeting scheduled for 6 December 1999.

24. There being no other business, the meeting ended at 12:45 pm.

Legislative Council Secretariat

16 October 2000