

Subcommittee to study the Urban Renewal Authority White Bill

Concerns raised at the meeting on 6 December 1999

Members requested the Administration -

- (a) to reflect the people-oriented approach in the urban renewal strategy;
- (b) to provide the number of buildings to be redeveloped in the nine target areas;
- (c) to consider conducting a sample survey in one of the target areas to establish the percentage of persons who would opt for rehousing in lieu of monetary compensation should their building be earmarked for redevelopment;
- (d) to explore suitable means of allowing participation of affected small owners in the cases illustrated in the paper (entitled "Disposal of land resumed under the Lands Resumption Ordinance by the Urban Renewal Authority") to avoid any allegation of impropriety on the part of Urban Renewal Authority (URA) for resuming private land and selling it to private developers for profit making;
- (e) to review the proposed Executive Chairman model for the URA. Some members are concerned about the centralization of power on the Executive Chairman which would weaken the monitoring role of the Board; and
- (f) to consider providing clear policy guidelines on preservation of sites and structures of historical, cultural or architectural interest within the target areas.

(5) in PELB(UR) 25/99/12 (99) II
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Subcommittee to study the
Urban Renewal Authority White Bill
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Dear Miss Leung,

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

Thank you for your letter of 7 December 1999.

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

(a) **People-oriented approach**

We will use a people-oriented approach to urban renewal. Under our policy, people will always come first. We will highlight the people-oriented approach in our Urban Renewal Strategy and in other policy documents.

(b) **Target Areas**

We have designated nine urban renewal target areas within which most of the 200 priority projects are clustered. A total

of 1,155 private buildings in these nine target areas have been identified for redevelopment.

(c) Rehousing demand survey

It has been suggested that the Administration should conduct a survey of one of the nine urban renewal target areas as a sample to estimate the percentage of persons who would opt for rehousing. We are concerned that some residents (particularly the elderly) might confuse such a survey with a real freezing survey (especially if this survey is conducted by the Government). It is also doubtful whether reliable information could be obtained since respondents might not be able to make a realistic choice under a hypothetical situation.

The Government has made a commitment that no one affected by urban renewal will be made homeless. Sufficient resources will be made available to the Urban Renewal Authority (URA) to rehouse everyone who needs accommodation.

(d) Disposal of resumed land

Any resumption of land under the Lands Resumption Ordinance (Cap. 124) must be for a public purpose. Under clause 25 of the Urban Renewal Authority Bill (the White Bill), the Chief Executive in Council shall determine whether the URA's proposal to sell or dispose of resumed land is in the public interest. The URA may offer participation to property owners in any redevelopment project. However, in order for a 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. The financial risks involved are substantial. It may not be suitable for small property owners.

An owners' participation scheme for a project involving disposal of the land resumed is possible, but the financial risks to owners are still significant.

(e) Executive Chairman

Both the Mass Transit Railway Corporation and the Kowloon-Canton Railway Corporation have executive Chairmen. We propose that the URA should also have an executive Chairman. There are sufficient safeguards in the White Bill to ensure that the executive Chairman of the URA is accountable.

(f) Guidelines on conservation

We will provide clear policy guidelines on the preservation of buildings, sites and structures of historical, cultural or architectural interest to the URA. The Antiquities Advisory Board will also be consulted on conservation projects.

Yours sincerely,

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

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