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20 January 2000

Miss Odelia Leung
Clerk to Subcommittee
Subcommittee to study the
Urban Renewal Authority White Bill
Legislative Council Secretariat
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Fax No.: 2877 8024
Total no. of pages: 11

Dear Miss Leung,

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

Thank you for your letter of 12 January 2000.

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

(a) Objections against proposed development projects

Some Members have suggested that there should be an appeal mechanism against the Secretary for Planning and Lands' (SPL's) decision on objections against proposed development projects (ie, development projects not yet authorized).

Before implementing a project by way of a development project, the Urban Renewal Authority (URA) is required to publish in the Government Gazette the commencement date of the implementation of the project and to exhibit general information about the project for public inspection (clause 20 of the Urban Renewal Authority Bill). The URA will have to provide the following material for public information –

- (i) a description of the general nature and effects of the projects; and
- (ii) a plan delineating the boundaries of the project.

A development project requires no amendment to the zoning of the project site on the relevant outline zoning plan. Under the existing Land Development Corporation Ordinance (Cap. 15), there is no formal procedure for lodging objections against a development proposal (equivalent to a proposed development project). The objection procedure under clause 21 of the Bill is new, and is an improvement over the present system.

After the publication of a development project, any person who considers that he will be affected by the project may raise objections. The URA has to consider all objections and to discuss with the objectors the issues involved. The URA will then submit the development project, its deliberations on the objections and any objections which are not withdrawn to SPL for his consideration.

After considering the development project and the objections, SPL may either –

- (i) make an amendment to the development project to meet an objection; or
- (ii) authorize the URA to proceed with the development project with or without any amendment; or
- (iii) decline to authorize the project.

The Bill already provides for an elaborate system to consider objections against proposed development projects put forward by the URA (a statutory public body). Our view is that there is no real need for an additional appeal mechanism against SPL's determination on objections against URA's development project. Such an appeal mechanism would inevitably delay the whole project approval process.

(b) Consideration of objections

Members have asked what factors will be taken into account in considering –

- (i) objections to proposed development projects; and
- (ii) objections to proposed development schemes.

(i) Development projects

The Government's policy is to balance the interests and needs of all sectors of the community and not to sacrifice the lawful rights of any particular group. The Government will also adhere to the principle of the protection of the rights of the individual.

In considering a proposed development project and any objections to it, SPL will have regard to the public interest and the rights and interests of the residents in the project area. Each case will be considered on its own merit.

The major considerations are –

- (1) whether the project area is old and dilapidated and required urgent redevelopment; relevant factors include the age of the buildings in the project area; the structural conditions of the buildings and the integrity of their external finishes and the fire safety conditions of these buildings;
- (2) whether rehabilitation of the buildings in the project area is a practicable and viable option;

- (3) the living conditions of the residents in the project area; relevant factors include the availability of basic amenities (e.g. flush toilets); the degree of overcrowding; hygiene and sanitation conditions, etc.
- (4) whether the objections are valid and reasonable;
- (5) whether the proposed development project will improve the area by replanning and restructuring, such as the provision of a better local transport network and other infrastructure and community facilities;
- (6) whether the proposed development project will achieve better utilization of land in the project area;
- (7) the local characteristics of the neighbourhood;
- (8) the existence of buildings of historical, cultural or architectural interest and whether they should be preserved;
- (9) the views of the residents in the project area; and
- (10) the views of the local community.

(ii) Development schemes

As in the case of a development project, before implementing a development scheme, the URA is required to publish in the Government Gazette the commencement date of the implementation of the scheme and to exhibit general information about the scheme for public inspection. Similar to a proposed development project, the URA will have to provide the following material for public information –

- (1) a description of the general nature and effects of the project; and
- (2) a plan delineating the boundaries of the project.

A development scheme requires amendment to the zoning of the project area on the relevant outline zoning plan. As such, objections to a proposed development scheme are dealt with by the Town Planning Board (TPB) under the Town Planning Ordinance (Cap. 131), instead of under this Bill. Under the Town Planning Ordinance, the TPB is responsible for considering all objections to a “draft plan” (in this case, the proposed development scheme). After consideration of all objections, the TPB will submit the draft plan, with or without amendments, to the Chief Executive in Council for approval. A schedule of the objections not withdrawn and a schedule of the amendments made to meet such objections will also be submitted to the Chief Executive in Council for consideration. There are no set rules for the TPB in considering objections to a development scheme. Each objection will be considered on its own merit. As the statutory planning authority in Hong Kong, the TPB will take planning considerations into account in handling objections.

Some of the major factors which the TPB will take into account in considering objections are –

- (1) whether the objection will frustrate or negate the planning intention of the scheme;
- (2) whether the objection will affect the soundness and completeness of the scheme;
- (3) whether the objection will affect the feasibility of the scheme;
- (4) whether the objector is able to proceed with the redevelopment of a building or a site separately and independently; relevant considerations include whether a building plan has been approved for the development and whether planning approval (“section 16” permission) has been obtained, where necessary;
- (5) whether making an amendment to meet the objection will impose serious design constraints on the scheme;

- (6) whether the objection will frustrate the replanning and restructuring of the project area, such as a proposed road improvement scheme or the provision of open space or community facilities;
- (7) whether the rehousing needs of affected tenants are catered for;
- (8) whether the objection and the consequential amendment is practicable or reasonable;
- (9) the views of the residents in the project area; and
- (10) the views of the local community.

The TPB will consider all relevant factors and come up with a balanced view on each objection.

(c) Preliminary agreement with the Housing Society

An outline of our preliminary agreement with the Housing Society concerning the rehousing of tenants affected by the redevelopment projects of the URA and a brief situation report of our discussions with the Housing Authority is at the Annex.

Yours sincerely,

(Stephen Fisher)
for Secretary for Planning and Lands

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

**Preliminary agreement between
the Government and the Housing Society
concerning the rehousing of tenants
affected by the redevelopment projects
of the Urban Renewal Authority**

Introduction

The Government has made a commitment not to make anyone affected by the Urban Renewal Authority's (URA's) redevelopment projects homeless. We need to ensure that there are sufficient rehousing resources to accommodate people affected by URA's projects.

2. The Housing Society (HS) currently assists to the Land Development Corporation (LDC) by rehousing tenants who are affected by LDC projects. With the establishment of the URA, we intend that both the HS and the Housing Authority (HA) would assist the URA in rehousing affected tenants.

3. We had discussions with the HS and has now come to a preliminary agreement with the HS. The HS has agreed to act as a rehousing agent of the URA.

Preliminary agreement

4. The HS has agreed to assist the URA by:

- (a) providing a sufficient number of rental flats from its existing housing stock or from newly-built blocks to the URA for rehousing affected tenants; in return, the Government will grant land to the HS for constructing an equivalent number of flats provided by the HS; and
- (b) constructing pump-priming blocks on sites granted to the HS for the purpose of rehousing tenants affected by the URA redevelopment projects.

5. Under both modes, the new flats will be owned and managed by the HS upon completion. The URA and the HS intend to form a "strategic partnership" in future.

6. The main elements of the proposed arrangements are -

(I) Mode 1 - use of causal vacancies

- (a) subject to an annual quota to be determined in consultation between the URA and the HS on the basis of a projected 5-year programme, the HS will provide sufficient housing units for rehousing tenants displaced by URA projects;
- (b) the Government will grant land to the HS for the construction of an equivalent number of flats provided by the HS over this five-year period; any land premium payable to the Government under the prevailing policy will be reimbursed to the HS by the URA; we propose that land for rehousing should in future be granted at nil premium;
- (c) the URA will reimburse the HS the full costs for the construction of the flats provided by them (including the costs for the planning and design, administration and supervision of the projects, etc);
- (d) the HS will use causal vacancies from their existing housing stock to rehouse tenants displaced by URA projects;
- (e) if available, new housing units may also be provided to supplement causal vacancies;
- (f) over a period of time (say five years), the Government will provide sufficient land for the HS to construct an equivalent number of flats the HS have provided for rehousing affected tenants; in other words, there will be a "balanced account" at the end of an accounting period;

(II) Mode 2 - construction of pump-priming blocks

- (g) efforts will be made to provide rehousing in urban areas for the tenants affected; as an alternative to Mode 1, sites in the urban areas will be granted to the HS for the construction of rehousing blocks for tenants affected by large redevelopment projects;
- (h) the URA will reimburse the HS the full costs for the construction of these pump-priming blocks; these blocks will be used to rehouse tenants affected by URA redevelopment projects;

(i) efforts will also be made to provide local rehousing for groups with special needs, e.g. elderly and disabled people; small urban sites would be granted to the HS for the construction of special housing blocks for these groups; the construction costs will be reimbursed to the HS by the URA;

(III) Other arrangements

(j) the actual allocation of rehousing flats will be the responsibility of the URA; it will pool the flats provided by the HS with other rehousing resources to enhance flexibility in making rehousing arrangements for displaced tenants;

- (k) a freezing survey will be conducted by the URA on the same day as the gazettal of a project to minimize the chances of a sudden influx of new tenants to an area to be redeveloped;
- (l) management and maintenance costs of the flats provided by the HS will be borne by the HS; once the public rental housing units are reserved and allocated to the URA, it will start to pay rents to the HS even if they are not yet occupied by the clearerees;
- (m) displaced tenants will be rehoused according to existing eligibility criteria set by the HS;
- (n) a tenant household which meets the eligibility criteria of the HS may be offered a choice of rehousing by the HS or cash compensation by the URA; a tenant household which is not eligible for rehousing will only be offered cash compensation;
- (o) a tenant household which is covered by URA's freezing survey but which cannot satisfy the basic rehousing eligibility criteria may be accommodated in interim housing;
- (p) a system will be devised to avoid tenant households receiving double benefits; and
- (q) apart from providing public rental flats, the HS may also consider offering other schemes to affected tenants as an option.

The Way Forward

7. A detailed agreement between the URA and the HS will be drawn up. A formal agreement will be signed when the URA is established.

Discussions with HA

8. Considerable progress has been made in our discussions with the HA. The HA is prepared to consider providing an annual quota of rental flats from its existing housing stock for rehousing affected tenants. It has proposed a set of terms and conditions which we need to put to the future URA before accepting. We intend to come to an agreement with the HA as soon as practicable.

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Dear Miss Leung,

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

Thank you for your letter of 13 January 2000.

Members have asked us to reconsider the option of providing housing loans to tenants affected by the redevelopment projects of the Urban Renewal Authority so as to assist them in acquiring their own flats in the private sector. We are prepared to further consider this proposal.

We will explore the possibility of offering financial assistance to affected tenants under one of the existing housing loan schemes administered by the Housing Authority and the Housing Society. We will raise this with both the Housing Authority and the Housing Society.

Yours sincerely,

(Stephen Fisher)
for Secretary for Planning and Lands

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