

Landlord and Tenant (Consolidation) (Amendment) Bill 2003
URA's Response to Points Raised by Bills Committee
at meeting on 19 January 2004

Point (1)

“To ensure impartiality, consideration should be given to offering clearerees of the remaining 12 projects of the former Land Development Corporation (LDC) compensation similar to that of their counterparts of the previous 13 completed or announced LDC projects or at least give them better terms other URA projects in future.”

URA Response

The URA feels that it would be confusing for the community as a whole if the URA were to draw a distinction between former LDC projects and ‘new’ projects. The nature and objectives of the projects are the same. Policies on re-housing and ex-gratia allowances should be designed to address the needs of people affected by the projects in light of the prevailing circumstances. They should not be dependent on whether a person happens to be affected by a former LDC project or otherwise, since the problems faced by clearerees are similar.

Considering that there would be no mandatory compensation if the Bill is passed, the URA's proposal to offer re-housing or approximately 24 months' rent in ex-gratia cash compensation is, in all fairness, a reasonable one. One of the fundamental objectives of the URA's re-housing policy is to improve the living environment of eligible clearerees; this objective would be defeated if the cash option were made unduly generous.

If more generous ex-gratia compensation policies were to apply in the former LDC projects, it is likely that people will seek to move into those areas in order to benefit from those policies.

Point (2)

“To provide details of each of the completed LDC projects, including the number of clearerees, their choice between rehousing and ex-gratia payment, problems encountered such as human problems.”

URA Response

There are a total of 508 households in the first three projects (they are the only ones for which clearance of domestic properties has been completed so far and for which final data are available). Discarding 129 which have moved out but simply kept the tenancies to benefit from the statutory compensation, about 26.4% (i.e. 100) households opted for rehousing. The data suggest that the current levels of cash payments encourage clearerees to opt for cash rather than re-housing even though re-housing is available. The URA believes that, while cash payments should continue,

re-housing should be the primary means of addressing the needs of clearerees. Cash payments should not be so high as to discourage people from accepting re-housing.

A summary of the measures taken by URA to help solve the problems encountered by persons affected by its projects and reported by the URA's own staff or the Social Service Teams appointed for each project is at Annex .

Point (3)

“To ascertain the adequacy of the level of assistance to be offered to clearerees, who are not eligible for re-housing to public housing after the enactment of the Bill.”

URA Response

Many of those who are not eligible have income and/or assets above the levels set by the Housing Authority and are therefore less in need of assistance than people in lower income groups. An allowance based on 2 x Ratable Value (approximately 24 months' rent) indicated as an option in the URA's paper discussed by the Bills Committee on 19 January 2004, if adopted, would be adequate to allow a household to improve its standard of housing in private accommodation for a considerable period after clearance. For example, when added to the rent already being paid by the household, the allowance would allow them to move to accommodation at a 50% higher rent for about four years. The URA Board will set policy on ex-gratia payments from time to time in the light of prevailing circumstances.

The URA also has the discretion to offer re-housing to people who do not meet the normal criteria on compassionate grounds if there are circumstances, such as age, illness, disability or family problems which would result in genuine hardship if re-housing were not available. The criteria for the allocation of compassionate re-housing are generally based on those applied by the Social Welfare Department.

Point (4)

“To avoid possible abuse, consideration should be given to extending the restriction periods for compensation and application for public housing for clearerees who have already received compensation in a redevelopment exercise.”

URA Response

The following restrictions already apply:

- (a) Under our current policy which has been updated upon experience gained in the three 'early launch projects', persons who have received statutory compensation and ex-gratia payments in one project and are found to have moved to another announced project, are offered only statutory compensation plus a 10% (formerly 70%) ex-gratia allowance

to encourage early clearance. At present, the statutory compensation under the LTO is a minimum. After enactment of the Bill, the URA will consider reducing payments to this category of clearers in order to discourage abuse.

- (b) Under arrangements between the URA and the Housing Authority, persons affected by URA redevelopment projects, who receive cash payments, are ineligible for even applying for public housing benefit for a period of two years afterwards. They have to apply afresh after the expiry of the two-year period, meaning they are barred from public housing for the two years plus the normal waiting period.

The URA keeps its policies under continuous review and will consider whether further measures should be applied in order to discourage abuse. We will consult the Housing Authority as appropriate.

(End)

**Measures taken to help Domestic Occupiers
affected by URA Projects**

The following is a summary of the main types of problem encountered by domestic occupiers affected by the URA's first three projects as reported directly to URA or through the Social Service teams appointed by the URA to identify and assist households in need.

- (a) Special needs, including illness or disability (physical or mental)
- (b) Elderly households (usually single persons or couples) who have close ties to local communities and face disruption if required to move away.
- (c) Family problems, including divorce/separation, difficulty living with family members, in-laws etc.
- (d) Financial problems.
- (e) Social problems, including households newly arrived in Hong Kong, who face difficulty adapting to local conditions.
- (f) Owner-occupiers of small sub-divided units, who face difficulty in purchasing a replacement property, even with payment of Home Purchase Allowance.

For categories (a) and (b) the URA tries to accord priority, as far as possible, in the allocation of re-housing units in Housing Authority (HA) or Housing Society (HS) estates in terms of location and design of the units. Both the HA and HS have flats, which are suitable for the elderly and people with disabilities. While it is impossible to guarantee allocation of suitable flats close to the area of the project, every effort is made to achieve this.

For category (c) the Social Service Teams provide counseling and other assistance as far as possible. In some cases, it is possible to allocate separate housing units.

Clearees in category (d) will usually qualify for re-housing. In cases of genuine financial difficulty, the HA may offer rental subsidies.

For category (e), the Social Service Teams will provide counseling and other assistance. Households living in Hong Kong for less than seven years are not normally eligible for permanent re-housing but may be offered interim housing by the HA if genuinely homeless.

For categories (a) to (e), the URA has discretion to offer re-housing to persons who do not meet the normal eligibility criteria in cases of genuine hardship. The criteria applied in such cases are generally based on those adopted by the Social Welfare Department in Government clearances.

For category (f), the URA has reached agreement with the HA that owner-occupiers of sub-divided units may be offered either the open market value of their property plus Home Purchase Allowance or the market value plus re-housing.