



HONG KONG HOUSING AUTHORITY

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香港房屋委員會

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10 June 2002

Miss Sandy CHU
The Clerk
Public Accounts Committee
Legislative Council
8, Jackson Road Central
Hong Kong

Dear Miss CHU,

**The Director of Audit's Report on the
results of value for money audits (Report No. 38)
Chapter 5 : Residential Services for the Elderly**

Thank you for your letter of 30 May 2002 seeking additional information regarding the letting position and policy of Housing for Senior Citizens.

My response is given at the Appendix. The Chinese version of it will be forwarded to you separately.

Yours sincerely,



(K.H. LAU)
for Director of Housing

c.c. Secretary for Housing
Secretary for Health and Welfare
Secretary for the Treasury
Director of Social Welfare
Director of Health
Chief Executive, Hospital Authority
Director of Audit

Appendix

- (a) Regarding the position of the 887 vacant Housing for Senior Citizens (HSC) units as at 30 April 2002, as stated in the Appendix of my letter of 15 May 2002**

- (i) breakdowns by the elderly and the non-elderly of the 383 units which had been let and the units under offer**

As the letting of HSC units is an on-going process, the vacancy position changes daily due to the recovery and the successful letting of vacated flats. Only current vacancy position can readily be retrieved from the computer system. The information regarding the 383 vacant units and 210 under offer cases as at 31 March 2001 have become historical data. We need a much longer processing time to trace manually all individual application and tenancy records for retrieval of relevant particulars of the tenants and applicants.

The Committee may, however, wish to note that since relaxation of the age restriction from 60 to 55 in April 2001 and subsequently total lifting of the age limit in November 2001, 223 non-elderly applicants have been rehoused to HSC units as at 31 May 2002. In addition, 229 HSC units were under offer to non-elderly applicants as at 31 May 2002 with intake dates in early June 2002.

- (ii) the timetable for making full use of the 294 units which were vacant**

All vacant HSC units including these 294 units are under a continuous process of allocation, although some of them may not be accepted by the applicants for one reason or another. In order to expedite the letting of vacant HSC units, we will be sending individual invitations around mid June to all applicants who are at end of the queue including those not satisfying the Residence Rule, to join the Express Flat Allocation Scheme. The application period will be from 24 June to 8 July 2002. At the time of arranging flat-selection under the scheme in early August, all the said 294 units, if still vacant, will be put up for selection by eligible applicants. We hope that many of the vacant HSC units will be taken up by the end of the selection period in September, 2002.

- (b) Having noted that the HD would as far as possible allocate vacant HSC units according to the elderly applicants' preference, including HSC units close to their families, the Committee would like to know whether**

the HD had implemented any administrative arrangements in this regard, e.g. the issuance of notices to residents of public housing estates, and would like to have sight of the documents relating to such arrangements

There is already in place an established policy to facilitate special transfer for elderly tenants near to his/her family members already living in public housing so that the younger members can look after them. The policy is laid down in Chapter 4 Section A of the General Housing Policies issued to all District Council Members, the relevant part of which is now annexed. The

General Housing Policies are made known to Estate Management Advisory Committees (EMAC) and regular EMAC newsletters to tenant of the estates have adequate coverage of such policies.

Moreover, during the vetting interview of the elderly persons before allocation, an elderly applicant's request to be rehoused to a specific HSC near his/her relatives in public housing will be recorded in the interview form for follow-up action by the allocation team. Matching can normally be made to those HSCs especially in the more remote estates with higher vacancy rates.

(c) Whether the HD would consider adopting the following two proposals to make full use of vacant HSC units :

- (i) if there were some residents of public housing estates whose parents were already on the waiting list for HSC units and there were vacant HSC units in their housing estates, their parents would be invited to apply for these vacant units;**

The elderly parents have to be successfully registered on the Waiting List in the first instance. During the vetting interview of the elderly applicants, the elderly's rehousing preference will be noted in the interview form. Offer of rehousing to a specific HSC can normally be made as far as resources permit.

- (ii) if there were two or more applicants who wished to share a unit but they were at different places on the waiting list for HSC units, priority would be given to them in the allocation of vacant HSC units.**

For the information of the Committee, only 333 (3.5%) out of the total stock of 9,580 HSC units are 2-person units. They are suitable for couples, related persons or unrelated elderly persons who opt to live together. Two or more related or unrelated elderly persons are encouraged to apply together under one single application. Under the Elderly Persons Priority Scheme (EPS) already implemented

since 1979, related or unrelated elderly persons can apply together for public housing and be rehoused together earlier. If individual applications from the elderly persons occur in the process of waiting, the later applications can be advanced through combining with the earlier one. Since implementation in 1979, about 15,000 elderly applicants have benefited from the EPS.

(d) **The number of applicants for HSC units who would get earlier rehousing than their normal turn**

Compared with the current average waiting time for families at 3 years, the current average waiting time for single elderly at 1.2 years is obviously more favourable. This is far ahead of the Government's target of 2 years by 2005. As has been explained in (C) (i) and (ii) above, we are in fact already adopting the Committee's proposals in the allocation of flats for the elderly. As we are planning to promote the general awareness of the EPS, we would take the opportunity to publicize the measures in place so as to ensure that all prospective elderly applicants are fully aware of the scheme.

Depending on the locations of HSC, elderly applicants choosing the less popular HSCs can have earlier rehousing. The shortest waiting time at the moment is about 3 months. These less popular HSCs are all open to the existing 8,016 elderly applicants registered on the Waiting List. The potential benefit of the Committee's proposals will be these 8,016 elderly applicants.

Section A

Chapter 4: Transfer

Mutual Exchange

Public housing tenants who wish to move to other estates of their choice through exchanging their existing flats with those of other tenants may approach the "Tenants Mutual Exchange Bureau" (TMEB) at the Hong Kong Housing Authority Customer Service Centre, Podium Level 2 at 3, Wang Tau Hom South Road, Kowloon or their estate office for registration. The tenants should bring along their identity cards and the photo-copies of the identity cards and birth certificates of all family members, the tenancy agreement/card, current rent card and \$20.- for the registration fee. All applications will be entered into the Bureau's computer system and searches will be made to see whether a suitable exchange can be arranged.

Each registration is valid for two years only during which the TMEB will endeavour to arrange a maximum of four matches for the applicants. If the applicant has rejected all the four matches, his/her application will automatically be cancelled. Besides, he/she will be debarred from registration on the TMEB for one year from the date of his/her final refusal.

Tenants should not make any unauthorized exchanges themselves, otherwise, they will breach the tenancy conditions thereby resulting in termination of their tenancies by the Housing Authority.

Internal/External Transfer

(1) Special Transfer

Tenants who have genuine difficulties in continuing living in their existing flats due to special circumstances or on medical/social grounds may apply for transfer to a flat in the same or another estate. Should tenants in financial difficulties find it hard to afford the existing rent, they may request transfer to flats of a cheaper rent in another estate. Those tenants who are seriously handicapped or in poor health conditions and in need of a private toilet or washing and cooking facilities may also apply for transfer to a suitable flat in the same or another estate.

(2) Pre-redevelopment Transfer

To fully utilize the limited resources, tenants in estates scheduled for redevelopment within three years may apply for 'pre-redevelopment transfer'. When suitable flats in new estates are available, these tenants will be invited by notices to apply. Upon relocation to new flats and surrender of their existing

public housing units, tenants will be granted a removal allowance.

(3) **Transfer for Major Repairs/Improvement Programmes**

Tenants who have to move out due to structural problems or comprehensive repair and improvement works of their block will be allocated another suitable flat by the Housing Department. These tenants are also entitled to a removal allowance upon surrender of their existing public housing unit.

(4) **Transfer for Creation of Suitable Vacancies in Older Estates**

In order to create suitable vacancies at certain old estates to meet demand from rehousing categories such as redevelopment and clearances, the Housing Department will set aside a number of flats in new estates for application by the tenants of older estates.

Overcrowding Relief (OR)

To uphold the principle of equitable utilization of public rental housing (PRH) resources for those in genuine need, which was re-affirmed by the Long Term Housing Strategy White Paper published in 1998, and to enhance the effectiveness of the existing OR mechanism, the HA revised the Policy on Overcrowding Relief on 23.1.2001.

Territory-wide OR transfer exercises will be conducted centrally by the Applications Section of the Housing Department three to four times a year subject to availability of housing resources. The OR process is further streamlined by inviting applications for each transfer exercise from overcrowding households in need of relief through public advertisements and notices put up in estate offices and individual housing blocks. Details on OR arrangements, eligibility criteria and particulars of flats available in the exercise, etc. will be put up on notice boards for tenants' information.

Eligible applicants will be invited for flat selection, however, households living in the New Territories (NT) may only select flats in the NT estates while households in extended urban areas may not choose flats in urban estates.

Conditions and Eligibility Criteria

(1) **Eligibility criteria**

- (a) occupying public rental housing accommodation with density less than 5.5m² internal floor area (IFA) per person;
- (b) passing the domestic property test (DPT), i.e. during the period from 24 months prior to the closing date of the OR transfer exercise up to the date of signing up new tenancy, all household members must not own any

domestic property in Hong Kong;

- (c) passing the comprehensive means test (CMT) with income and asset limits being the same as those used in the Housing Subsidy Policy and the Policy on Safeguarding Rational Allocation of Public Housing Resources (please refer to Chapters 4 and 5 of Section B for details of the relevant limits); and
- (d) all members of the household should not be in breach of any clause of the tenancy agreement and the occupancy position of the PRH unit should be in order.

(2) Order of priority for flat selection

The living density of applicants will determine the order of priority for flat selection - household with the highest density will come first. Density being the same, the household of a larger size will have priority. Both conditions being the same, the length of residence in the existing tenancy will determine. All things being equal, priority on flat selection will be determined by ballot. On the production of medical certificate, an unborn child of at least 16 weeks gestation as at the date of application will be counted as one family member in the calculation of living density.

(3) Rent levels and declarations on household income and assets after OR

After successful transfer to a larger flat, the household has to pay normal, 1.5 times or double net rent plus rates according to the level of their household income (please refer to Chapter 4 of Section B for details). They will be required to declare their household income/assets once every two years irrespective of the length of their residence in public housing. Households paying normal or one and a half times net rent shall declare their household income biennially. Those paying double rent shall declare their household assets biennially. For households which tenancies before transfer are granted under the Policy on Grant of New Tenancy, they shall continue to declare their household income and assets every two years as required under the policy.

(4) Second Priority Green Form status

For non-property-owning household which application for OR is rejected for failing the CMT, they will, however, be accorded Second Priority Green Form status (valid for one year) in flat selection to purchase a flat under Home Ownership Scheme/Private Sector Participation Scheme or to purchase a flat under other subsidized home ownership schemes.

(5) One-year time bar

Unsuccessful applicants may apply again in the next OR exercise. However, eligible applicants who fail to secure a flat after being invited to flat selection exercises for three times (either because they refuse to select flats or fail to turn up for flat selection) will have their eligibility for OR frozen for one year.

(6) OR in blocks due for redevelopment within three years

Vacated flats in blocks due for redevelopment within three years may be used

for OR within the same block. When such vacancies arise, they will be advertised on block basis to invite applications from overcrowded families. In case the vacated flats advertised outnumber the applications received, the flat will first be allocated to applicants living adjacent/opposite to the vacated flats under Automatic Offer (AO). Any flat, which cannot be disposed of by way of AO for whatever reasons, will be allocated to another eligible family within the same block with priority being determined on the basis of degree of overcrowding. If the reverse is true, the vacated flats will be allocated to those families with the highest living density.

Eligible overcrowded families are usually allocated larger flats. Under special circumstances, such as where the vacated flats are situated in blocks due for redevelopment within three years, the Housing Department may consider allocation of additional flat(s) for relief of overcrowding. Nevertheless, families who have obtained additional flat(s) for OR will not be allowed to acquire extra housing benefits, e.g. extra entitlement to purchase additional Home Ownership Scheme/Private Sector Participation Scheme flats or to acquire additional loan under the Home Purchase Loan Scheme.

Transfer of Tenants Occupying Converted One-person (C1P) Flats

Flats which provides the occupants with exclusive living area but shared toilet and balcony facilities within the partitioned premises is termed C1P flats. The Housing Authority endorsed on 23.1.2001 to open up an additional channel for the C1P tenants, especially those living in an overcrowded condition, to acquire self-contained accommodation.

Subject to availability of housing resources the Housing Department will make available each year an appropriate number of such flats (particularly those suitable for re-allocation to households with two or more persons) for the transfer of the C1P tenants. Territory-wide transfer exercises will be conducted centrally by the Application Section and the C1P tenants will be invited to submit applications through notices put up on notice boards in estates.

Other than being tenants of C1P flats, applicants should pass the DPT and CMT as those applying for OR.

For eligible applicants, their order of priority for flat selection, restriction on choice of locality, rent levels and declarations on household income and assets after transfer, as well as the one-year time bar, are the same as those under OR.