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Dear Sir/Madam/Councillors.

The Public Affairs Committee of the Hong Kong Institute of Planners (HKIP) has set up a special working group ("the Group") on the Urban Renewal Strategy Review ("the Review"). As we understand, the Review has just completed its Envisioning Stage (or 1st Stage) and is now entering the Public Engagement Stage (or 2nd Stage). Given the very broad nature of the subject, the Group is still studying the pertinent issues involved and their implications. Notwithstanding, the following issues have been identified by the Group as being central to the process of the Review and thus should be carefully addressed.

- 1. Urban renewal and urban regeneration can be two different concepts in urban planning literature. While urban renewal is essentially a process of physical change, urban regeneration often covers practical outputs that contribute to social, economic and even cultural restructuring of an urban area. Urban renewal in Hong Kong in its present form has been considered inadequate by some stakeholders, in particular, its more top-down approach which often gives the impression of a district-wide gentrification and displacement of local residents and business. The prevailing community aspiration tends to tilt towards the urban regeneration model than just the emphasis in physical renewal. How far then could the future URS go beyond the physical aspects and effectively address the social, cultural and economic dimensions?
- 2. Urban redevelopment does not necessarily equate to large-scale one-off site clearance followed by the building of higher-density tower blocks over a multi-storey commercial podium. What would be a more acceptable density (or mix of densities) in an old urban area, and how urban design (or the 'art of place making') can add value to the building of a sustainable community in the urban renewal process?
- 3. The existing Urban Renewal initiative has included the 4Rs (viz. Redevelopment, Rehabilitation, Revitalisation and pReservation). How could these four renewal modes be better coordinated/ integrated in a target area designated in the URS, or

even within a single UR project, to achieve synergy effects?

- 4. The current URA's acquisition/ compensation approach follows the LegCo's directive of March 2001, although the URA has also devised a number of top-up incentives over time. However, the prevailing approach with heavy reliance on cash compensation has attracted conflicting criticism as being too generous or insufficient. The question remains whether the existing policy to compensate and/or rehouse affected parties including owners, tenants and business operators is fair and adequate. If not, is there any need to explore other acquisition/ compensation models, e.g. "shop for shop", flat for flat", owner participation scheme and/or rehousing in same locality etc., although these models could be also problematic in themselves?
- 5. There is currently no approving authority, nor government agency, such as the Town Planning Board, responsible for vetting/ endorsing the social impact assessments prepared and submitted by the URA. Seen in this context how could the social impacts brought about by an urban renewal project be evaluated in a legitimate manner? Additionally, social solutions often do not have a real finishing point (as with a newly completed building) the results or impacts are therefore hard to measure. It follows that the mutual coordination of the physical and social solutions can become difficult in both project planning and implementation.
- 6. There have been mixed reactions as to how UR projects should be financed. Currently, it is primarily an outcome of public-private partnership with injected equity from Government Putting redevelopment projects aside, is it viable for the other 3Rs (Rehabilitation, pReservation and Revitalisation) to be self-financed? If not so, what should be the alternative revenues for financing? A cursory survey of different practices in overseas countries has indicated that urban regeneration projects can also be financed by other means such as government allowance, tax incentives and the setting up of special public funds (e.g. the National Lottery Funds and Urban Regeneration Grant in the UK; the European Regional Development Fund allocated by the EU etc.).
- 7. Urban renewal is a subject of intense debate, as changing the physical landscape involves displacement of individuals, relocation of businesses and bringing significant changes to a local community in multiple dimensions. It is therefore generally accepted that the affected parties and stakeholders should be given a role to play in the UR process. But how different stakeholders including the government, URA, affected residents/ shop owners, local community, the public, joint venture developers, real estate investors, etc. could be effectively engaged and how their participation can

be reinforced in the urban renewal process? In acknowledging the shortcomings of a top-down/ property-led approach (e.g. the legitimacy of partnerships and uneven representation of different stakeholder groups), is it possible and necessary then to adopt a more community-led (or bottom-up) model for urban renewal?

- 8. In the current URS, there are 9 urban districts within Hong Kong designated as target areas for urban renewal. However, the selection criteria for these target areas in need of urban renewal actions are seldom known. For accountability and community engagement, such criteria should perhaps be made known to the public; and, if needed, be reviewed/ updated to ensure that they can be aligned with the changing community aspirations.
- 9. Given the foregoing concerns, is the current institutional and financial arrangement of URA adequate to respond to the latest community aspirations? Would the Urban Renewal Authority Ordinance, the Town Planning Ordinance and other related legal instruments require amendment as a result following the completion of the Review?

The Institute is keen to see that the above issues could be thoroughly debated and studied in a comprehensive manner during the Review. The Group is, and will continue to be, actively involved in the Review process, and at the same time has set out to further investigate the issues in the coming months. Please contact the undersigned should you have any queries to the above.

Thank you for your kind attention.

Public Affairs Committee

Hong Kong Institute of Planners