

立法會
Legislative Council

LC Paper No. CB(1)1309/10-11
(These minutes have been seen
by the Administration)

Ref : CB1/PL/DEV/1

Panel on Development

Minutes of special meeting
held on Saturday, 20 November 2010, at 3:00 pm
in the Chamber of the Legislative Council Building

- Members present** : Prof Hon Patrick LAU Sau-shing, SBS, JP (Chairman)
Hon James TO Kun-sun
Hon Mrs Sophie LEUNG LAU Yau-fun, GBS, JP
Hon Abraham SHEK Lai-him, SBS, JP
Hon Tommy CHEUNG Yu-yan, SBS, JP
Hon Frederick FUNG Kin-kee, SBS, JP
Hon WONG Kwok-hing, MH
Hon KAM Nai-wai, MH
Hon Starry LEE Wai-king, JP
Hon IP Kwok-him, GBS, JP
Hon Mrs Regina IP LAU Suk-yeet, GBS, JP
Hon Paul TSE Wai-chun
Hon Alan LEONG Kah-kit, SC
Hon Tanya CHAN
Hon Albert CHAN Wai-yip
- Members absent** : Hon LAU Wong-fat, GBM, GBS, JP (Deputy Chairman)
Ir Dr Hon Raymond HO Chung-tai, SBS, S.B.St.J., JP
Hon CHAN Kam-lam, SBS, JP
Dr Hon Philip WONG Yu-hong, GBS
Hon WONG Yung-kan, SBS, JP
Hon Timothy FOK Tsun-ting, GBS, JP
Hon LEE Wing-tat
Hon CHEUNG Hok-ming, GBS, JP
Hon Cyd HO Sau-lan
Dr Hon Priscilla LEUNG Mei-fun

Public officers attending : Agenda item I

Mr Thomas CHOW Tat-ming, JP
Permanent Secretary for Development
(Planning and Lands)

Mr Tommy YUEN Man-chung, JP
Deputy Secretary for Development
(Planning and Lands) 2

Ms Winnie SO Chui-ying
Principal Assistant Secretary for Development
(Planning and Lands) 4

Attendance by invitation : Agenda item I

Mr WONG King-lai
Member
Concerning Urban Housing Rights Social Work Alliance

Mr Raymond LI
Member
South Tokwawan Concern Group

Mr TSUI Ka-fun
Representative
九龍城區舊區網絡

Mr TSANG Kam

Mr WONG Ho-yin
Member
People Planning in Action

Miss CHEUNG Sin-yi

Miss WONG Heng-yu

Ms LEE Wai-yi

Mrs KAM FOK Lai-ching

Mr LAU Wai-chung
Member
重建聯區居民業主聯會

Miss SIN Wai-fong

Mr CHU Yick-yiu

Ms YIP Mee-yung
Member
H15 Concern Group

Mr Nicholas CHAN Hok-fung

Mr CHAM Kam-shu
Representative
K28 Sport Shoes Street Concern Group

Ms IU Siu-yung

Ms WONG Yat-man
Chairperson
K7 Owner Union

Ms SIN Fung-ye

Ms LAU Tao-sheung

Mr WONG Yiu-keung

Mr POON Chi-kwok

Ms WONG Sau-ping
Representative
舊區租客大聯盟

Ms SHUM Sui-heung
Representative
士丹頓街及永利街重建租客組

Ms CHIK Yuk-chun

Mr LAI Kin-kwok

Mr Moses MUI
Chief Officer
The Hong Kong Council of Social Service

Miss Serena LAU
Vice-President
The Hong Kong Institute of Surveyors

Ms Mary MULVIHILL

Mr David CHUNG
Research Officer
The Professional Commons

Mr LEE Wai-fung
Secretary
Tai Kok Tsui Resource Centre Association

Mr LAM Ho-yeung
Yau Tsim Mong District Council Member

Ms Cora YUEN Chui-yi
Secretary
Hong Kong Institute of Housing

Mr Andrew YU Siu-yeung
Vice-President
Hong Kong Institute of Real Estate Administrators

Ms Katty LAW Ngar-ning
Convener
Central & Western Concern Group

Ms Anna KWONG
President
The Hong Kong Institute of Architects

Mr Edmond DING Charn-lam
President
The Chartered Institute of Building (Hong Kong)

Mr Philip FUNG Sing-sang
Chairman of Professional Development and Education
Committee
Hong Kong Institute of Land Administration

Ms Anna TANG King-yung
Wan Chai District Council Member

Ms Nicole LAU Pui-yuk
Sham Shui Po District Council Member

Clerk in attendance : Mr Stephen LAM
Chief Council Secretary (1)4

Staff in attendance: Ms Sharon CHUNG
Senior Council Secretary (1)5

Ms Christina SHIU
Legislative Assistant (1)7

Action

- I Urban Renewal Strategy Review**
(LC Paper No. CB(1)155/10-11(04) -- Administration's paper on Urban Renewal Strategy Review
- File Ref.: DEVB(PL-CR) 1-150/77 -- Legislative Council Brief on People First: A District-based and Public Participatory Approach to Urban Renewal -- Urban Renewal Strategy Review
- LC Paper No. CB(1)155/10-11(05) -- Paper on review of the Urban Renewal Strategy prepared by the Legislative Council Secretariat (Updated background brief))

Submissions from organizations/individuals not attending the meeting

- (LC Paper No. CB(1)440/10-11(04) -- Submission from Mr PUN Chi-man, Kowloon City District Council member, dated 8 November 2010
- LC Paper No. CB(1)440/10-11(11) -- Submission from The Kowloon West Branch of Democratic Party dated 10 November 2010
- LC Paper No. CB(1)469/10-11(01) -- Submission from Mr YEUNG Wai-sing, Eastern District Council member, dated 13 November 2010
- LC Paper No. CB(1)500/10-11(02) -- Submission from Mr CHEUNG Yiu-tong dated 18 November 2010)

Members noted the following submissions tabled at the meeting --

- (a) Submission from Concerning Urban Housing Rights Social Work Alliance dated 17 November 2010;
- (b) Submission from 九龍城區舊區網絡 dated 20 November 2010;
- (c) Submission from Blue House Living Rights Concern Group;
- (d) Submission from 舊區租客大聯盟;
- (e) Submission from HK Development Concern Group dated 20 November 2010;
- (f) Submission from The Hong Kong Council of Social Service; and
- (g) Submission from The Hong Kong Institute of Architects.

(Post-meeting note: The soft copies of the submissions (LC Papers Nos. CB(1)546/10-11(01) to (07)) were issued by email on 24 November 2010.)

Presentation by deputations

Session 1

2. The Chairman welcomed the deputations and invited them to present their views.

*Concerning Urban Housing Rights Social Work Alliance
(LC Paper No. CB(1)546/10-11(01), tabled and soft copy issued by email on
24 November 2010)*

3. Mr WONG King-lai, Member, Concerning Urban Housing Rights Social Work Alliance, made a statement on behalf of all the deputations in attendance. He said that the deputations regretted that, due to the absence of some Panel members at the special meeting of the Panel originally scheduled for 2:00 pm on that day, the deputations had wasted one hour in waiting. He said that the deputations would withdraw from the meeting to show their dissatisfaction. He also requested the Panel to hold another public hearing to gauge the deputations' views, and that Panel members who had been absent earlier or arrived late should apologise to the deputations. He also urged that the Secretary for Development (SDEV) should attend the public hearing.

4. The Chairman explained that in view of the large number of deputations attending the special meeting to give views, he had earlier decided that the meeting should start at 2:00 pm. As this was not the usual time for starting a meeting in the afternoon, some members might not have noticed the advancement of the meeting and had arrived late. Due to the absence of a quorum scheduled for 2:00 pm, the meeting was not held. However, as there was subsequently a quorum for a meeting and since representatives of the Administration and deputations were present, he decided that a meeting should be convened at 3:00 pm to listen to deputations' views. He apologised for having to keep some deputations waiting.

5. Miss CHEUNG Sin-yi said that the public hearing should be re-convened on another day with SDEV attending. She demanded that the requests of deputations be recorded.

6. The Chairman said that he would request SDEV to attend the next public hearing and the deputations' request would be put on record.

7. The deputations left the Chamber.
8. Mr WONG Kwok-hing said that the deputations attending Session 2 of the meeting might also withdraw from the meeting to show their dissatisfaction with the cancellation of the meeting at 2:00 pm on that day. Mr James TO opined that even if there was only one deputation or individual to give views, Session 2 should proceed as scheduled.
9. The Chairman said that the meeting would be adjourned until 4:00 pm, and Session 2 would start as scheduled.

(Note: During the adjournment of the meeting, some members expressed views on the logistics of the meeting.)

Session 2

10. The Chairman welcomed the deputations and invited them to present their views.

Mr LAI Kin-kwok

11. Mr LAI Kin-kwok said that from the perspective of a social worker, he welcomed the proposal under the revised Urban Renewal Strategy (URS) to set up the Urban Renewal Trust Fund to financially support the operation of social service teams who would provide assistance and advice to residents affected by urban renewal projects. However, he was concerned about the lack of information about the detailed arrangements in the revised URS, such as the relation between the social service teams and the Board of Trustees of the trust fund, who in the Board would manage the teams, the manpower arrangement for the teams, the duration of services to be provided by the teams and the locations of the teams' offices, etc. He urged the Administration to advise whether it had any plan to consult the social work sector on these matters. Mr LAI opined that the teams should advocate fair and just policies, and serve only those affected by urban renewal projects. Their service scope should cover issues related to building maintenance, building management, compulsory sale of properties for redevelopment, building and window inspection, which were all under the purview of the Development Bureau. The teams' clients should include both community organisations and individuals. The management team of the social service teams should exclude members of the Urban Renewal Authority (URA).

12. Mr LAI queried the reasons for missing out "the 225 redevelopment projects" and "the URS will be reviewed and updated regularly (every two or three years)" from the text of the revised URS, as such words existed in sections 37 and 39 respectively of the current URS.

*The Hong Kong Council of Social Service
(LC Paper No. CB(1)546/10-11(06), tabled and soft copy issued by email on
24 November 2010)*

13. Mr Moses MUI, Chief Officer, the Hong Kong Council of Social Service (HKCSS), delivered his presentation, the details of which were given in his submission. He stressed that HKCSS was very concerned about the composition of the Board of Trustees of the Urban Renewal Trust Fund. In HKCSS' opinion, the Board should comprise residents of old urban areas, representatives from district non-governmental organisations, professional organisations and concerned government departments, but not necessarily URA members.

The Hong Kong Institute of Surveyors

14. Miss Serena LAU, Vice-President, the Hong Kong Institute of Surveyors (HKIS), said that HKIS was generally supportive of the revised URS and the three initiatives related to urban regeneration in the 2010-11 Policy Address. She pointed out that with the ageing of more and more buildings, URA should set up the location selection criteria and implementation priorities for urban renewal projects in a more open and fair manner. On building maintenance, it was important to introduce the concepts of proper preventive maintenance to building owners. For small business operators which were affected by urban renewal projects and unable to find suitable replacement shop premises in the same districts, they should be granted additional ex-gratia payments determined by factors including the number of years of business operation on the affected premises. On the compensation to owners of tenanted domestic units, factors to be considered should include duration of ownership, current conditions of the units, levels of income and numbers of other residential units owned. She stressed that, in assessing the cost-effectiveness of a redevelopment project, the economic benefits that it would bring, both inside and outside the parameter of the project, should be taken into account.

Ms Mary MULVIHILL

15. Ms Mary MULVIHILL disagreed to the statement of the Administration in the relevant Legislative Council Brief (the Brief) that there

was no noticeable pressure (except from those former or current URA project-affected owners) to change the current compensation rate. She believed that many property owners were not aware that they would be affected by URA's redevelopment projects and it was obvious that many affected property owners were not satisfied with the compensation structures, which had made them move to less centred locations. On the District Urban Renewal Forum (DURF) to be set up, she was concerned that the participation of residents would be excluded. As a result, the problem of little community input in past URA projects would continue. As regards the Administration's statement in the Brief that there would not be additional financial burden to the Government, Ms MULVIHILL queried why the Administration could allocate billions of dollars on the Guangzhou-Shenzhen-Hong Kong Express Rail Link and the Asian Games but never any extra money on essentials like housing. She suggested that at least 1% of the Capital Works Reserve Fund be set aside for heritage and recreational facilities.

16. On the overview of the development of the urban renewal policy, which was an annex to the Brief, with reference to compulsory sale of properties for redevelopment in particular, Ms MULVIHILL queried the absence of stringent rules with regard to the justifications for redevelopment on the ground of state of repair of a building, and proposed that a mechanism be set up whereby buildings approaching 50 years of age were inspected and then issued with certificates.

The Professional Commons
(LC Paper No. CB(1)500/10-11(01))

17. Mr David CHUNG, Research Officer, The Professional Commons, delivered his presentation, the details of which were given in his submission. He stressed that the Administration should refer to the international standards proposed by the International Association for Impact Assessment to improve the existing social impact assessment mechanism. Furthermore, it was not healthy for URA to own a "small coffer" which was independent of the monitoring of the Legislative Council. URA should also be subject to the "value-for-money audit" of the Audit Commission.

Tai Kok Tsui Resource Centre Association
(LC Paper No. CB(1)440/10-11(08))

18. Mr LEE Wai-fung, Secretary, Tai Kok Tsui Resource Centre Association, delivered his presentation, the details of which were given in

his submission. He highlighted that the "flat for flat" compensation option should be implemented in Tai Kok Tsui as soon as possible, as there were quite a number of redevelopment projects in progress which should be able to provide residential units for this purpose. As regards the compensation rate which was based on a notional 7-year old replacement flat in the same district, he urged the Administration to set a definition for "same district".

*Mr LAM Ho-yeung, Yau Tsim Mong District Council Member
(LC Paper No. CB(1)440/10-11(09))*

19. Mr LAM Ho-yeung, Yau Tsim Mong District Council Member, delivered his presentation, the details of which were given in his submission. He added that when deciding on whether and when to initiate a redevelopment project, URA should strike a balance between the project's financial benefits and the anticipation of the community. The Administration and URA should give the public a clear message that they were committed to the redevelopment of old urban districts for the benefits of the society.

*Hong Kong Institute of Housing
(LC Paper No. CB(1)440/10-11(10))*

20. Ms Cora YUEN Chui-yi, Secretary, Hong Kong Institute of Housing, delivered her presentation, the details of which were given in her submission. She stressed that the composition of the proposed DURF should include professionals from various concerned sectors, including housing managers. Revitalisation and regeneration were key elements of URS, which should not only focus on demolishing and rebuilding.

Hong Kong Institute of Real Estate Administrators

21. Mr Andrew YU Siu-yeung, Vice-President, Hong Kong Institute of Real Estate Administrators (HKIREA), expressed support for the establishment of the DURF. However, HKIREA had reservation about URA taking a facilitator's role in owner-initiated redevelopment. That might cause misunderstanding that URA was the purchaser. In fact there were professional consultants providing such facilitating services for acquisition of property titles. On the "flat for flat" compensation option, HKIREA suggested that the option might be offered in the form of exchange entitlement letter, on which free transaction in the market should be allowed. The value for such entitlements should be determined by the Lands Department, with a cap at the value of a notional 7-year old replacement flat

in the same district. HKIREA did not fully agree that URA should operate on a self-financing basis. If URA only took up redevelopment projects that would generate monetary profits, this might not be in line with the spirit of the Urban Renewal Authority Ordinance (Cap. 563) (URAO) in setting up URA. From a macro perspective, URA's mission was not only to redevelop, rehabilitate, revitalise and preserve heritage, but also restructure and replan old urban areas.

Central & Western Concern Group

22. Ms Katty LAW Ngar-ning, Convener, Central & Western Concern Group, asked why Session 1 of the meeting had not proceeded, whether another public hearing would be convened to hear the views of those who intended to participate in Session 1, and whether SDEV would be invited to attend the hearing. The Chairman explained that, since some members might not have noticed that the meeting should have started at 2:00 pm, half an hour earlier than usual time, a quorum had not been formed at 2:15 pm and so the meeting had to be cancelled. When Session 1 of the meeting was re-convened at 3:00 pm, despite his explanation, the deputations and individual participants were dissatisfied and insisted to leave. He would consider holding another public hearing, if possible, and would invite SDEV to attend it.

23. On the review of the URS, Ms Law said that she was disappointed at the results and the draft text of the revised URS. She considered that there was not much improvement in URS and many basic issues had not been addressed. For example, there was no check-and-balance system for the work of URA. She queried the independence of the review, as some of the consultants for the review had been hired previously by URA for special projects. As for the proposed DURF, she did not consider that it would enhance public participation in the urban renewal process, as the members would be appointed by the Administration. Citing the Graham Street redevelopment project as an example, she said even with the new URS in place, URA would continue to demolish old buildings without considering public views about preservation of historic features in an area. With the lowering of the application threshold for compulsory land sale for redevelopment, the urban renewal policy would continue to lean towards property developers. Without a change, there would be more problems and confrontations arising from urban redevelopment.

The Hong Kong Institute of Architects

(LC Paper No. CB(1)546/10-11(07), tabled and soft copy issued by email on 24 November 2010)

24. Ms Anna KWONG, President, the Hong Kong Institute of Architects, delivered her presentation, the details of which were given in her submission. She stressed that financial viability should not be the only factor governing URS. Moreover, a more three-dimensional approach to urban renewal should be adopted. The interfaces of one area to another must be addressed and taken care of to maintain an integrated community and cityscape.

The Chartered Institute of Building (Hong Kong)

25. Mr Edmond DING Charn-lam, President, the Chartered Institute of Building (Hong Kong), welcomed the Administration's proposals on running a pilot scheme for DURF and the "flat for flat" compensation option. However, the effects of the resolutions of DURF on urban planning decisions were unclear. He considered that the role of DURF in urban planning should be clearly defined. He urged the Administration to promote the offer of reverse mortgage and to facilitate developers' acquisition of properties with redevelopment potentials. To protect the interest of property owners and ensure fair trade, the Administration should issue guidelines, preferably with legal effects, to developers on the collection of titles.

Hong Kong Institute of Land Administration

26. Mr Philip FUNG Sing-sang, Chairman of Professional Development and Education Committee, Hong Kong Institute of Land Administration, welcomed the three new initiatives under the revised URS. He considered it a good choice to have the pilot scheme for DURF to be launched in Kowloon City, which was a district with a large number of dilapidated buildings. He hoped that the redevelopment projects to be suggested by DURF would be of a scale large enough to attain efficiency. On the role of the social service teams, he opined that they should have good knowledge about urban redevelopment, including the plot ratios for buildings within an outline zoning plan, the compensation that could be offered by the Administration, the conditions for property owners in a lot to initiate redevelopment, etc. The teams should also be able to fully inform affected owners on these facts. If social service teams could play an effective coordinating role, the progress of urban redevelopment projects could speed up.

Ms Anna TANG King-yung, Wan Chai District Member

27. Ms Anna TANG King-yung, Wan Chai District Member, supported the 4Rs Approach (redevelopment, rehabilitation, heritage preservation and revitalisation) under URS. She said the 4Rs should be well balanced and an over-emphasis on redevelopment was not desirable. She hoped that the Administration would put more efforts in heritage preservation and revitalisation. As regards the Land (Compulsory Sale for Redevelopment) Ordinance (Cap. 545) and Operation Building Bright, she urged the Administration to closely monitor the implementation with a view to rendering assistance to the flat owners of "three-no's" buildings (which had not formed owners' corporations, or other residents' organisations, and had not engaged the services of property management companies). On the "flat for flat" compensation option, she considered that the Administration should re-examine the requirement of paying, by an affected property owner to URA, the difference in the value between the flat offered and the cash compensation he/she was entitled to. She asked if the reverse mortgage arrangement adopted by the Government of Singapore could be followed in Hong Kong. While she basically agreed to paragraphs 26-28 of the text of the revised URS, she urged the Administration to continue to explore "shop for shop" compensation arrangements.

Ms Nicole LAU Pui-yuk, Sham Shui Po District Member

28. Ms Nicole LAU Pui-yuk, Sham Shui Po District Member, said that voices in her district generally supported the new URS but the Administration should give the public more information about the details. On compensation arrangements, she agreed that the compensation level based on a notional 7-year old replacement flat was acceptable. However, disputes on compensation arose from the lack of transparency in the evaluation method. When affected owners challenged URA's offer based on the professional advice of the consultants on URA's list, very often URA adhered to its original evaluation. She urged that the transparency in the evaluation method be enhanced. On DURF, she would like to see it be implemented as soon as possible and the second DURF be set up in other districts like Sham Shui Po. However, she was concerned about the representativeness of DURF and hoped that more information about its operation would be made available. As regards the Urban Renewal Trust Fund, she hoped the public could have more details about how it would be used and could participate in its operation.

Discussion

"Shop for shop" compensation and rehousing arrangements for tenants

29. Mr WONG Kwok-hing sought the views of the professional institutes on how to handle two highly controversial issues, namely "shop for shop" compensation and rehousing arrangements for tenants affected by urban redevelopment.

30. Ms Anna KWONG, President, the Hong Kong Institute of Architects, opined that "shop for shop" compensation was desirable and the issues involved were financial in nature. As for rehousing of tenants, how it could be handled would depend on the negotiation between the tenant and the landlord, as well as the financial ability of the tenant. In Hong Kong, the housing policy ensured that no one would be homeless.

31. Miss Serena LAU, Vice-President, the Hong Kong Institute of Surveyors (HKIS), said that HKIS had studied the issue of "shop for shop" compensation. For shop operators affected by urban redevelopment, a shop in a future development years later would not meet their primary concern for uninterrupted business. Under the revised URS, DURF was expected to identify locations with thriving local economies and avoid proposing redevelopment of these areas which would extinguish such local economies. For those shops not within such areas, the compensation to shop operators should be increased, taking into account the period of the business operation.

32. Mr LAI Kin-kwok commented from the viewpoint of a social worker that it was important for a redevelopment project to be supported by local residents. With their support and participation, hurdles in the redevelopment process would be easier to overcome. Concerning the rehousing of tenants, he asked whether the division of work of the Development Bureau and the Transport and Housing Bureau had brought changes to rehousing arrangements. He understood that in the past, 2,000 newly built public housing units were reserved for residents affected by urban development each year. However, he heard that from now on, no new units in Kowloon would be reserved for those residents.

33. In response, Permanent Secretary for Development (Planning and Lands) said that the Administration had examined in detail "shop for shop" as an option in lieu of monetary compensation but concluded that it would not be a practicable arrangement. The reasons had been like those pointed out by HKIS. As regards the allocation of public housing units to residents affected by urban redevelopment, he did not think there had been any

changes which were results of the restructuring of the policy bureaux. The bureaux worked together to tackle all issues. It was true that not all the public housing units offered to those residents affected by URA projects were newly built.

District Urban Redevelopment Forum (DURF)

34. Mr IP Kwok-him welcomed the establishment of District Urban Redevelopment Forum (DURF), which he expected could contribute to strengthening the "bottom-up" approach to urban renewal planning. Referring to the Graham Street redevelopment project cited by Ms Katty LAW Ngar-ning, Convener, Central & Western Concern Group, Mr IP said that in fact the Central and Western District Council (C&W DC) had listened to public views about the project for a number of times. Eventually, the views of certain organisations had not been taken. But this did not mean that such views had not been heard or considered. He asked Ms LAW about her views on how to make the best use of a consultation platform and to avoid continuous disputes which arose from not taking certain views.

35. Ms Katty LAW Ngar-ning said that URA had presented the proposal on the Graham Street redevelopment project to the C&W DC in a "bundled" approach. URA had convinced a group of local residents that if the project were not supported by the C&W DC, they had to wait for another decade for Graham Street to be redeveloped. Concerned about the expectation of these residents, the C&W DC finally supported URA's proposal. But she understood that many C&W DC members, professional institutes and local residents had great reservations about the high development density under the redevelopment plan. The plan, though eventually endorsed by the Town Planning Board (TPB), had set a bad planning example. She further criticised that many URA redevelopment projects had a focus on profit making and were implemented in a top-down approach. She queried whether these were in line with public expectation.

36. Mr LAI Kin-kwok commented that it was not clear in the Administration's documents as to how many DURFs would be set up eventually. He was concerned that DURF might become a shield for URA in that all issues would be discussed at DURF and they would be taken as having gone through the necessary consultation process. It was unclear how influential DURF would be in urban redevelopment. All these issues needed to be discussed. He held the view that all stakeholders of URA, including elected members of the District Councils and the Legislative Council for the

concerned districts, non-governmental organisations and local residents, should be members of DURF.

37. Ms Starry LEE enquired how residents' views would be reflected in the future decisions of URA regarding whether to initiate a redevelopment project. She urged that for URA-implemented projects, DURF's support would be required.

38. Referring to the suggestion of the Hong Kong Council of Social Service about the inclusion of residents' organisations and representatives of social service teams in the composition of DURF, Mr Kam Nai-wai asked if the Administration would consider the suggestion.

39. Permanent Secretary for Development (Planning and Lands) replied that members of DURF would include members of the Area Committees, who would be local representatives. As regards the proposal of including representatives of social service teams, it had to be carefully considered because the social impact assessments on redevelopment projects to be commissioned by DURF might involve social workers. Issues of conflict of interest might arise. In the process of advising the Administration on district-based urban renewal initiatives, DURF would conduct broad-based public engagement activities. Therefore, DURF's advice should, to a large extent, reflect the views of the residents of the concerned areas. As for the total number of DURFs to be set up eventually, the plan had not been worked out. The priority was to set up a pilot scheme in Kowloon City in the first quarter of 2011. With the experience gained from the pilot scheme, the second DURF would be set up later on. District-based consultation on redevelopment projects would go on in areas without DURF.

40. On the remarks that redevelopment projects would go on in areas without DURF, Mr KAM Nai-wai queried if DURF was only a decoration in the urban redevelopment process. Miss Tanya CHAN enquired about the Administration's plan on the coverage of DURFs in various districts as well as the time-table and mechanism for launching more DURFs.

41. Permanent Secretary for Development (Planning and Lands) assured members that DURF was not a decoration but one of the major new initiatives under the revised URS, which had taken two years to formulate. At this stage there was not yet a time-table for setting up other DURFs. The Administration noted the aspirations of some local communities for having DURF set up in their districts. The Administration would listen to public views and consider objective factors such as the number of old or dilapidated

buildings and URA's existing projects in individual districts, when contemplating the next DURFs.

Urban Renewal Trust Fund (URTF) and social impact assessment (SIA)

42. With regard to the statements in the draft text of URS that the Government would appoint individual persons onto the Board of Trustees of URTF and the Board would maintain transparency in its monitoring of the social service teams and in its financial reporting on the trust, Mr Alan LEONG asked Mr LAI Kin-kwok about his views on how to ensure the representativeness of the Board. Mr LAI cited the composition of the Government's Ping Wo Fund as an example and proposed that the Board of Trustees of URTF should be represented by various stakeholders, including concerned groups.

43. Mr LAI requested the Administration to clarify whether the social service teams providing assistance to residents affected by URA-implemented projects were to be employed by DURF or URTF. He was of the view that SIA should be conducted by universities or institutes but not social workers, yet social workers could perform a monitoring role. Miss Tanya CHAN enquired about the source of funding for URTF. She also asked and why it would have to operate in the form of a trust fund.

44. Permanent Secretary for Development (Planning and Lands) advised that when the Board was formed, the members would work out the mode of operation for URTF. Strategically, the social service teams would report to the Board which would approve the funds required for the engagement of these service teams. As to who would be the best parties to conduct SIA, social workers' advice would be useful to the Board. As for the source of funding for URTF, it was stated in the relevant Legislative Council Brief that a \$500 million capital injection into the trust fund should come from URA and URA might be invited to replenish the trust fund when needed.

45. Referring to paragraph 36 of the draft text of the revised URS, which listed out the scope of SIA to be conducted before the publication of proposed redevelopment projects, Mr KAM Nai-wai queried whether SIA would be conducted on a confidential basis and how it would be done.

46. Permanent Secretary for Development (Planning and Lands) replied that SIA was not a new initiative. All along it was done before the announcement of a project. With the new "bottom-up" approach to the

planning of urban redevelopment projects, it was proposed that DURF could initiate additional SIA at an earlier stage.

Other issues

47. On the roles of URA as implementer and facilitator, Miss Tanya CHAN asked whether the adoption of any one of the two roles would hinge on the consent of a certain percentage of flat owners, the conditions of the concerned buildings, or other factors. Mr Alan LEONG pointed out that the respective principles for URA to take each of the two roles were not enshrined in the draft URS. He noted the Administration's explanation that URS was a document about strategic directions but not implementation details. However, he would like to listen to deputations' views on the principles.

48. Mr LAI Kin-kwok opined that for the redevelopment projects other parties were not interested, URA should take up an implementer's role. He welcomed the new role of URA as facilitator and suggested that resources should be allocated to URA to strengthen its professional knowledge and services, such as social services, needed for performing this role.

49. Miss Tanya CHAN said that in paragraph 39 of the existing strategy, it was stated that URS would be reviewed and updated regularly but there was no such statement in the revised URS. SDEV had responded earlier that it might only be a slip. She asked the Administration to confirm that the statement would be added.

50. Permanent Secretary for Development (Planning and Lands) advised that the existing URS had been drawn up 10 years ago and the text needed refinement. Section 20 (1) of the URAO provided that SDEV might prepare from time to time an URS. Therefore it might not be necessary to put a statement about regular review in the revised URS. However, the Administration would consider Miss CHAN's suggestion.

51. Mr KAM Nai-wai enquired whether the Administration would review the issues related to the big difference between the high selling prices of new developments, such as the Masterpiece and K11, and the compensation paid years ago to property owners affected by the developments. He also asked if the Administration would consider introducing a mechanism whereby affected property owners could share the profits, at and above a certain level, generated from URA redevelopment

projects. Ms Starry LEE said that if affected owners could reap the fruit of redevelopment, their discontent would, to a certain extent, be mitigated.

52. Permanent Secretary for Development (Planning and Lands) advised that for the redevelopment projects in which URA played a facilitator's role, the concerned property owners might be able to share the profits from the redevelopment. For URA-initiated projects, there would not be profit-sharing arrangements with the affected owners as the prevailing compensation packages for URA-initiated projects such as a Home Purchase Allowance for domestic owner-occupiers would continue to apply. URA could not be compared with private developers as it had a social mission to carry out redevelopment projects in the public interest. In the future, with such projects to be initiated in a "bottom-up" approach involving DURF and taking the conditions of buildings into consideration, he believed that there should be less argument over URA redevelopment projects.

53. Making reference to the heights and wall effects of the buildings of some URA projects, Ms Starry LEE queried whether URA could set for itself a higher standard for building designs. She hoped that URA could set an example to developers by not only following the Town Planning Ordinance but also taking the lead in complying with the new rules regarding gross floor area (GFA) concessions.

54. In response, Permanent Secretary for Development (Planning and Lands) said that URA had made a pledge after the Administration's announcement of the new rules for GFA concessions that all successful bidders for URA's new projects would be required to follow the new rules even though the rules had not yet come into effect.

55. Mr James TO asked whether the Special Stamp Duty (SSD) announced on 19 November 2010 to curb speculation in residential properties would apply to properties acquired by URA. If SSD was chargeable on such properties, new buyers of residential units in old buildings might be reluctant to sell them voluntarily to URA. However, if the properties were compulsorily acquired by URA, and therefore it would not be a matter of sale, SSD might not apply to such situations. As a result, the new buyers of residential units in old buildings would wait for compulsory acquisition by URA instead of selling the units to URA voluntarily. By so doing, URA redevelopment project would be unduly delayed. Permanent Secretary for Development (Planning and Lands) said that the Administration would check with the URA.

The Administration's response

56. Permanent Secretary for Development (Planning and Lands) said that he was encouraged by the positive response of two social work professionals in attendance to the proposed setting up of social service teams. He would convey their views about the URTF to the Board of Trustees to be formed. He believed the Board would consult stakeholders when formulating the operational arrangements for the trust fund. He was thankful to the support of the various institutions to the revised URS. The Administration would seriously consider their comments. He agreed with the Chartered Institute of Building (Hong Kong) and Ms Anna TANG King-yung that rehabilitation was an essential aspect of urban regeneration and stressed that, as highlighted in the revised URS, rehabilitation would be URA's core business. He clarified that while the "flat for flat" compensation option would be an alternative to cash compensation, affected elderly owners taking the option would not be granted any extra cash compensation, as suggested by the Hong Kong Institute of Housing in its submission. He reassured members that DURF would fully reflect the views of local communities as it would conduct many broad-based public engagement activities to gauge public views. As for "shop for shop", he reiterated that even if this were put in place, it could not address shop operators' concern about uninterrupted business. The mode of operation of a business in an old area might not be able to repeat in a redeveloped area. The Steering Committee on URS Review had fully deliberated on the issue and came to the conclusion that "shop for shop" compensation was not practicable. On the pricing and styles of certain new URA projects, he said that public comments were well noted. URA would aim to meet public expectation in its future projects. In the Ma Tau Wai project and the future Kai Tak Development, the units to be supplied by URA would be small to medium in size and of a modest standard.

57. The Chairman thanked the deputations for their views. He also apologised for not being able to start Session 1 at 2:00 pm as scheduled. He said that another meeting would be arranged for those deputations which had not been able to present in Session 1 to give their views to the Panel. He would invite SDEV to join the meeting.

58. Miss Tanya CHAN suggested that, as the Administration's consultation on the revised URS only lasted for two months, the meeting should be arranged as soon as possible. Mr Alan LEONG also conveyed his apology to those who did not attend Session 1 of the meeting. He said that it would be difficult to re-arrange a meeting that would last longer than two

hours, the Panel should only invite the 25 deputations and individuals who did not attend Session 1 to the next meeting to be arranged.

(Post-meeting note: Another public hearing on URS Review was subsequently scheduled for 7 December 2010. With the concurrence of the Chairman, those who had not attended Session 2 of the public hearing on 20 November but had subsequently made a request to attend on 7 December were also invited.)

II Any other business

59. There being no other business, the meeting ended at 5:53 pm.

Council Business Division 1
Legislative Council Secretariat
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