

For information

Subcommittee on Issues Relating to Policy on Industrial Buildings

**List of follow-up actions arising from the discussion
at the meeting on 6 June 2020**

Government's response to the information requested by Members is as follows -

I. Operating space for the arts and cultural sectors, creative industries, and innovation and technology sectors in industrial buildings

- (a) **the number of applications submitted by owners in relation to partial conversion of industrial buildings ("IBs") for IB tenants, such as arts, cultural, recreational and sports sectors, and the number of applications approved;**

As at now, Government has not received any application from private owners for partial conversion of IBs for the said uses.

- (b) **statistics on institutions/companies from various trades operated in IBs, the use of which were subject to restrictions in the context of land leases; and**

As at May 2020, of the total floor area for non-industrial uses covered by temporary waivers issued by Lands Department (LandsD), about 88 000 square metres are for the permitted uses of art studio, office (audio-visual recording studio), office (design and media production), office (used by "specified creative industries" only), and research, design and development centre.

- (c) **the forecast of supply of revitalized IBs and wholesale converted IBs.**

Regarding IB redevelopment, as at June 2020, of the 44 applications (including two withdrawn) for relaxation of the maximum permissible non-domestic plot ratio by up to 20% received by Town Planning Board (TPB), 28 applications were approved, while the remaining ones were being processed. Regarding wholesale conversion, LandsD is processing three applications (including one application with planning permission for the proposed commercial uses upon wholesale conversion as approved by TPB). Government will monitor the market response and the effectiveness of the revitalisation measures.

II. Receiving public views on policy issues related to industrial buildings

- (a) **the major views and concerns expressed by deputations at the meeting (including those issues addressed during the meeting in the Administration's verbal response);**

Transitional housing

The Finance Committee has approved the establishment of a \$5 billion funding scheme by Transport and Housing Bureau (THB) to support transitional housing projects undertaken by non-government organisations. The scheme also covers providing subsidies for private owners to pursue wholesale conversion of IBs into transitional housing. This will help address the concerns about the financial commitment to implement such short-term and non-profit-making uses. In addition, to ensure that these projects are in line with the policy objectives, their operation (including the rental level of a unit, tenancy period, basic eligibility for applying for the transitional housing, etc.) is closely monitored by THB.

Regarding an extension of the term of temporary waivers for transitional housing, please refer to Government's response to a motion related to the relaxation of non-industrial uses in IBs passed under agenda item II at the meeting held on 6 June 2020 on "Receiving public views on policy issues related to industrial buildings" (LC Paper No. CB(1)734/19-20(01)).

Subdivided units in IBs

Details of enforcement actions by Buildings Department (BD) in respect of subdivided units (SDUs) in IBs, and the assistance available to occupiers of these SDUs were reported to this Subcommittee at the meeting held on 19 May 2020 via LC paper CB(1)541/19-20(03) and in the supplementary information given at LC Paper No. CB(1)722/19-20(02).

There are views urging Government to rehouse SDU occupiers affected by BD's enforcement actions to Interim Housing (IH) directly. However, this idea will be unfair to many other eligible public rental housing (PRH) applicants including those waiting for a long time. Besides, it will convey a wrong message to the public that moving into illegal SDUs in IBs may become a shortcut for

admission to IH and PRH, and that this may in turn encourage IB owners to operate SDUs or raise their rentals for greater gains. As for whether the affected occupants may be referred to transit centres as soon as possible, we will examine the specific procedures with the relevant departments and see if there is room to improve the arrangement as appropriate.

As for the disbursement arrangement for removal allowance provided by the Community Care Fund, we will see if any enhancement may be made to assist needy applicants evicted by owners of IB units prior to BD's enforcement actions.

Regarding the suggestion of suspending enforcement actions targeting SDUs in IBs involving domestic use which do not pose any immediate risks, please refer to Government's response to a motion related to the relaxation of non-industrial uses in IBs passed under agenda item II at the meeting held on 6 June 2020 on "Receiving public views on policy issues related to industrial buildings" (LC Paper No. CB(1)734/19-20(02)).

Broadening the permissible uses under the land use zoning regime

Government is taking a pragmatic approach to permit certain non-industrial uses in existing IBs to support specific sectors, as we reported at the meeting held on 6 June (please see LC paper no. CB(1)702/19-20). We must emphasise that any non-industrial use which may compromise the safety of users and members of the public cannot be tolerated. In this light, as performance venues certainly attract members of the public, it is not suitable for these to take place in existing IBs from the perspective of fire safety. Consideration may be given to suitable venues outside existing IBs in addressing the demand for performance venues.

Speeding up the process for IB redevelopment

We covered the implementation of measures under the new round of revitalisation of IBs at the meeting held on 21 January 2020 (Details are at LC paper no. CB(1)337/19-20(01)). Regarding statistics on applications for redevelopment and wholesale conversion of IBs, please refer to our response to Item I(c) above.

- (b) a member's concerns about the latest progress of the study conducted by the Hong Kong Housing Authority ("HA") regarding the feasibility of redeveloping its six flatted factory**

estates for public housing use, including (i) the estimated numbers of public rental housing units that might be provided upon redevelopment of the various flatted factory estates; (ii) what incentives were available or what measures the Administration would take to encourage or assist the affected tenants in vacating the premises; (iii) whether the Administration would in parallel take into account the implications arising from redevelopment of HA's factory estates, such as the traffic and transport impact on the district, the environmental impact and the provision of social welfare facilities; and (iv) whether the Administration would consult the relevant stakeholders including the District Councils as appropriate;

In response to the suggestion in “The Chief Executive's 2019 Policy Address”, Hong Kong Housing Authority (HA) is exploring the feasibility of redeveloping its factory estates individually under suitable conditions and arrangements for public housing use.

As all six factory estates are currently located in industrial or industrial-office areas, HA needs to carry out relevant technical assessments, including traffic, noise and air quality assessments, etc., to ascertain the feasibility of turning these sites into a residential use. Rezoning in accordance with the Town Planning Ordinance will also be required. It is anticipated that the studies will be completed progressively in late 2020. HA will announce the results of the studies and the estimated flat production in due course.

If it is decided that HA will proceed with developing public housing on these sites, relevant mitigation measures will be implemented with reference to the recommendations of the technical assessments. HA will also provide suitable social welfare and ancillary facilities in new public housing developments with reference to the requirements of the Hong Kong Planning Standards and Guidelines and in consultation with relevant departments (including the Social Welfare Department (SWD)), organisations (including the District Councils concerned) as well as other stakeholders.

When HA cleared its factory estates in the past, an advance notice of 18 months had generally been given to the affected tenants to enable early planning for vacating the premises. In addition, the rent increase was normally frozen until clearance, and an ex-gratia allowance was provided for the tenants concerned to assist

them in relocating or terminating their businesses. If HA finally decides to clear its existing factory estates, it will make reference to the said practices and the prevailing circumstances in making appropriate arrangements.

- (c) a member's concern about the quality of drinking water in IBs, including how the Administration would safeguard the quality of drinking water in IBs; and**

Drinking water supplied by Water Supplies Department (WSD) is safe for consumption, but property owners and management agents should properly manage the internal plumbing systems of their buildings to ensure the safety of drinking water within the premises. As such, WSD is promoting the implementation of Water Safety Plan for Buildings (WSPB) to safeguard drinking water quality through risk management. WSD has prepared relevant WSPB guidelines and templates for different kinds of buildings including IBs. Property owners and management agents of IBs may download the relevant documents from WSD's website.

- (d) (i) whether the Administration would consider relaxing non-industrial uses in IBs and permitting the operation of trades that are subject to the regulation by the Government or statutory bodies or specific trades, operating on a membership basis;**

Please refer to Government's response to a motion related to the relaxation of non-industrial uses in IBs passed under agenda item II at the meeting held on 6 June 2020 on "Receiving public views on policy issues related to industrial buildings" (LC Paper No. CB(1)734/19-20(03)).

- (ii) whether and how the Home Affairs Bureau would take the initiative to explore strategies to optimize the use of IBs in the territory, including HA's flatted factory estates and IBs owned by private owners, with a view to addressing the current demand for space from relevant sectors, such as arts, culture and sports sectors, creative industries;**

Government is aware of the demand for operating space by the arts and cultural sectors, and is actively exploring the feasibility of opening up more space for artists and arts groups, including using IBs to provide more affordable arts

space.

In this connection, Government encourages owners of IBs wholesale-converted under the previous round of the revitalisation scheme to rent out part of the floor area as arts space at below-market rent. With funding from Government and the generous support of a landlord, the first arts space operated by the Hong Kong Arts Development Council (HKADC) was launched in Wong Chuk Hang in 2014 where 17 units of arts studios were rented to artists at below-market rent. Subsequently, under the Space Sharing Scheme for Youth launched by Government in 2018, two more revitalised IBs in Kwun Tong are hosting a total of 11 arts studios currently operated by HKADC.

Home Affairs Bureau (HAB) is exploring the feasibility of further assisting the arts and culture sector in utilising IBs for arts creation and related activities with various relevant bureaux and departments. HAB will facilitate the implementation of the measures under the new round of revitalisation scheme, with a view to providing more arts spaces for artists and arts groups. Without prejudice to public safety, HAB will continue to examine how to make better use of IBs for arts, cultural and sports activities in consultation with relevant bureaux and departments.

Apart from IBs, HAB provides arts spaces for local artists and new arts groups in different formats according to the actual situations and conditions. Some of the initiatives include -

- (a) Government has reserved floor area in the ex-Aberdeen Fire Station development to provide arts spaces. Upon completion of the project in December 2022, it will include arts space and related facilities, including 28 arts studios, an exhibition hall, an arts information centre, and the permanent office of HKADC.
- (b) With the support of HAB, HKADC collaborated with the Tai Po District Council to retrofit the former Tai Po Government Secondary School into the Tai Po Arts Centre. The Tai Po Arts Centre came into operation in 2019, providing 21 arts studios for performing arts groups at below-market rent. The Centre also provides a black

box, a white box, a dance studio and two music rooms for short-term hiring by members of the public, and an arts information centre for visitors.

- (c) The Venue Subsidy Scheme - HKADC aims to subsidise arts groups and artists in rent venues for arts activities and rehearsals to create and display their arts works. This covers a wider range of venue choices, including venues managed by Government and other proper non-government venues for public performances, exhibitions, or other arts activities.
- (d) Government supports HKADC to promote collaboration among schools and arts groups so that they may use school facilities as arts spaces. The collaboration project has commenced since the second quarter of 2018.
- (e) HAB supports, where appropriate, short-term tenancy applications for vacant government sites from arts groups. A recent example is the application from the Hong Kong Repertory Theatre (HKRT) for using the Ex-Portuguese Community School at No.7 Cox's Road, Jordan. HKRT proposes to revitalise this Grade 2 historic building into a theatrical arts and education base for providing a series of drama courses and workshops for the public. Development Bureau is also providing funding support for this project under the "Funding Scheme to Support the Use of Vacant Government Sites by Non-government Organisations".

We will continue to listen to views of the arts and culture sector and support the development of local arts groups and artists.

(iii) the utilization of Shek Kip Mei Jockey Club Creative Arts Centre, including whether some floors of the centre had been occupied for storage purpose;

The Jockey Club Creative Arts Centre (JCCAC) is operated as a self-financed, non-profit making organisation by the Hong Kong Creative Arts Centre Limited (HKCAC), a wholly owned subsidiary company of Hong Kong Baptist University. It is positioned as a multi-disciplinary arts village and arts centre. The vast majority of the studio units

of JCCAC are offered for use by artists and arts organisations at below-market rent, with the remaining small number of units rented out to cultural organisations and companies in the creative industries. Open invitation for tenancy application is made from time to time on a need basis, and JCCAC generally enjoys full occupancy.

Within JCCAC, artists and arts groups have flexibility to use their units as studios for creative work, teaching, exhibition, etc. Naturally, tools and artworks can be kept in these artist studios, but tenants are prohibited from using the units for storage purpose. Upon HAB's enquiry, JCCAC advised that staff of JCCAC management office would conduct regular check on the premises. JCCAC has not observed any misuse of arts studios as storage facilities. Staff of JCCAC would continue to closely monitor the usage of all units. Any breach of usage conditions would be dealt with in accordance with the terms and conditions of the tenancy agreement.

- (iv) **how the Administration would assist the affected tenants in applying for the "Relocation Allowance for Residents of Illegal Domestic Premises in Industrial Buildings Who Have to Move out as a Result of the Buildings Department's Enforcement Action" under the Community Care Fund, and the reasons for rejecting such applications, if any; and**

During enforcement actions, officers of Buildings Department (BD), together with its in-house Social Service Teams (SST), will visit the affected premises to conduct on-site registration for the affected tenants, distribute application forms for the "Relocation Allowance for Residents of Illegal Domestic Premises in Industrial Buildings Who Have to Move out as a Result of the Buildings Department's Enforcement Action" ("Relocation Allowance"), and offer assistance for those in need regarding the application. SST will also provide appropriate social welfare assistance and advice for the affected tenants according to their eligibility and situation, including making referrals to SWD or other suitable non-governmental organisations and social programmes. Details of the Relocation Allowance,

including the application form, notes to applicants, frequently asked questions and the list of IBs with BD's enforcement action taken against illegal domestic use, have been uploaded to BD's website.

Reasons for unsuccessful application includes applicants failing to meet the eligibility criteria for the Relocation Allowance such as exceeding the income limit or not being a Hong Kong resident.

- (v) **the Administration's policy to rehouse residents who were rendered homeless due to Government actions and needed temporary accommodation.**

According to the current policy, persons residing in illegal domestic premises in IBs and are affected by BD's enforcement action resulting in them moving out of the premises have to find their own accommodation. However, if they are in need of temporary accommodation, they may, through referral by the relevant departments (including BD), apply to Housing Department to move into the Po Tin Transit Centre (TC) in Tuen Mun while they look for alternative accommodation or await eligibility assessment for further rehousing. If they have stayed in TC for three months, passed the "homeless test" and fulfilled the eligibility criteria for PRH (including income limit, asset limit and "no-domestic-property" requirement), they may be admitted to the Po Tin IH in Tuen Mun while awaiting PRH.

**Development Bureau
Home Affairs Bureau
Housing Department
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