

**For discussion
on 15 November 2016**

**Legislative Council Panel on Housing
Challenges and Difficulties in
Taking Forward Public Housing Development Projects**

Purpose

This paper briefs Members on the challenges and difficulties in taking forward public housing development projects.

Key Issues and Challenges

2. The Government has been striving to secure sites for public housing development, and the Hong Kong Housing Authority (HA) has been working hard to fast-track the development process where possible. HA has been successful in pushing forward “spade-ready”¹ sites, including to complete the first batch of six newly-built Home Ownership Scheme projects and the Eastern Harbour Crossing Site Phase 7 in around five years. However, such “spade-ready” sites are rare and we have virtually used up all spade-ready sites at hand. About 80% of the projects for which we have consulted District Councils (DCs) in the past six years are not “spade ready”.

3. In cases where the site is not “spade-ready”, it is unlikely that we can complete public housing development in around five years. Based on our experience, it would normally require at least about 7 or more years. However, we have still endeavoured to fast-track the development process with success in some cases. For example, although Queen’s Hill Site 1 is government land and the site is partially formed, it lacks basic infrastructure for supporting the public housing development. Besides, some historical buildings are found within the site. A considerable lead time is therefore required to carry out the technical assessments and go through the statutory procedures before the site can be developed to deliver 12 000 public housing units. Based on the latest estimation, under a fast-tracked programme, the first phase of Queen’s Hill Site 1 will be completed in 2020-21 the earliest, with a lead

¹ Sites that have been properly zoned, and do not require resumption, clearance, reprovisioning of existing facilities, site formation or provision of additional infrastructure.

time of around seven years.

4. Sites that are not “spade-ready” take longer time to develop partly because we need to go through various processes to make them “spade-ready” and such processes are subject to uncertainties. The following analyses those relevant processes and how they affect our efforts.

Planning and Consultations

5. To develop a project, we first need to conduct technical studies to collect data, explore options, and assess if and how impacts from the proposed development can be overcome. For straight forward cases, such studies may take about 12 months, but for large-scale or complex cases, or when more complicated issues are revealed in the study, it may take longer time. A recent example is Pokfulam South. To lessen the impacts on ecology and minimise tree felling, we have to reduce the development area. Therefore, extra time is required for refining the layout options and ascertaining the technical feasibility of the revised site layout. The study started in early 2015, and is still in progress.

6. Where appropriate, we will conduct consultations in parallel with the technical study. Such parallel processing has its advantages and disadvantages. On the one hand, issues raised during consultations can be addressed in the study. On the other hand, the interaction between the study and the consultations can prolong the study and cause parts of the study abortive.

7. Consultations often start with informal consultations, followed by formal public consultations. Public consultations with the relevant DCs (and the Rural Committee in the New Territories) are indispensable when the Town Planning Board (TPB) considers our application. Informal consultations are necessary as they help us to improve on our proposal, and ensure that the proposed development is more likely to gain acceptance by the local community. Consultations take time and often generate demands that lead to further amendments to the development layout.

8. The time required to complete such consultations varies. It may take two to three months for straight forward cases like Lai Cho Road in Kwai Chung and Tung Chung Area 54, or as long as over 30

months for complicated case such as Chung Nga Road West in Tai Po. The informal consultations of Chung Nga Road West project started in 2013, followed by formal DC consultation in 2014 and 2016. During the consultation process, the DC raised concerns about various issues including the building height, the impact on nearby burial ground and land resumption issues, etc. To date, we are still working on addressing those issues raised by the DC.

Town Planning Board Procedures

9. The Government needs to seek TPB's approval for rezoning of non-residential land and occasionally, HA needs to submit planning applications to TPB for increasing plot ratio for public housing sites. The process of statutory rezoning normally takes about 11 months to complete, but when the amendments involve controversial issues and attract substantial amount of representations or comments, an extension of up to six months may be required. For example, over 3 500 representations/comments/further representations were received for the Tsing Hong Road project in Tsing Yi. TPB had so far held 12 days of meeting to hear and consider the representations and comments, and the rezoning process is still yet to be completed.

10. Furthermore, in recent years, some TPB's decisions have been subjected to judicial reviews (JR). For example, in the case of Tai Wo Hau Road site in Kwai Chung, the court has granted an interim stay of submission of the draft Kwai Chung Outline Zoning Plan (OZP) for Chief Executive in Council's approval, pending the determination of the concerned JRs. Though the Tai Wo Hau site itself was not the subject of challenge in the JR, the land would not be granted to HA before the Chief Executive in Council's approval of the OZP. The Tender Committee of HA had no choice but to cancel in May 2015 the foundation tender which was issued in March 2015. The project completion date is uncertain as the JR proceedings have been adjourned and the court hearing date is yet to be fixed.

Land Resumption and Clearance

11. Some projects require land resumption and clearance and it takes a relatively longer time to complete the relevant procedures. For example, it took around 24 months to complete the land resumption and clearance procedures for the Fo Tan site. It is also a common

phenomenon where graves are found on sites during detailed land survey. For these sites, additional time would be required for grave clearance, for instance, in the North East New Territories New Development Areas.

Provisioning and Reprovisioning of Facilities

12. We need to provide community facilities for development projects. If reprovisioning of existing facilities (e.g. parks, community halls and sports grounds, etc.) is required, the process will be even more complicated. For example, in the case of Tuen Mun Area 29 West, we have to include a clinic and a residential care home for the elderly in a 1 000-unit public rental housing project, which adds about two and a half years to the development programme. In the case of Ma On Shan Road site, we need to relocate facilities for temporary uses (e.g. a bicycle park, a community farm and an archery field) and carry out the diversion works for underground utilities running from the New Territories to Kowloon. It is estimated that a total of about five years are required to make the site ready for housing development.

Site Formation and Infrastructure Provision

13. Some sites require site formation or provision of additional infrastructures, or both. The lead time for these works also varies depending on complexity of the projects. For example, Wang Chau Phase 1 requires site formation and road works, which adds about three years to the development programme. In another case, it is estimated that about two years is required for the completion of the site formation and road works for Tuen Mun Area 54 Site 1 and 1A. For complicated sites such as Ka Wai Man Road Phase 2 in Central and Western District, it is estimated that a longer lead time is required for natural terrain hazard measures, and road and site formation works.

Sites Involving Government-funded Items

14. For cases involving Government-funded works (such as public transport interchange, community hall, road improvement works, etc.), the time required to secure the Legislative Council (LegCo)'s funding approval often has an impact on the lead time for the completion of public housing developments. Seven public housing related government-funded projects require such funding approval in 2016-17,

including the Ancillary Facility Block in Tseung Kwan O Area 65C2. The timely funding approval granted by the LegCo is essential to the completion of the relevant housing projects.

Building Construction

15. The time required for building construction can vary widely depending on the complexity of projects. It normally takes about three and a half years for the construction of a 40-storey public housing block. However, sites involving more difficult or complex ground conditions require longer time for foundation works, while others involving construction of refuge floors, basement or podium, or a combination of such, for maximising development potential would require a longer time, for example, Tung Chung Area 39, Shek Mun Estate Phase 2 in Shatin and Northwest Kowloon Site 6.

16. Besides, during the construction stage of individual projects, HA also encounters unforeseeable factors that may affect the completion time of the projects. For example, due to the industry-wide shortage of labour, including rigger/metal formwork erector, steel bender, carpenter, plumber and drainlayer, etc., the completion dates of Anderson Road Site D in Kwun Tong, Shatin Area 52 Phases 3 and 4, Conversion of Chai Wan Factory and Ex-Au Tau Departmental Quarters in Yuen Long have been delayed from 2015-16 to 2016-17, whereas Tuen Mun Area 54 Site 2 Phases 1 and 2, and Anderson Road Site A and C1 are delayed from 2016-17 to 2017-18.

17. Apart from shortage of labour, the “excess lead-in drinking water incident” has affected the progress of individual projects. To comply with the Water Supplies Department’s new inspection requirements introduced since 2015, more time will inevitably be required for conducting relevant inspections.

Meeting the Challenges

18. We have been adopting and will continue to adopt the following measures to overcome the above challenges and will continue to do so –

- (i) to closely liaise with relevant government bureau/departments to ensure timely availability of

sites and supporting infrastructure;

- (ii) to communicate proactively with the local communities to enlist their support for the proposed public housing projects, and address their concerns as far as practicable. Besides, we will carry out consultations and other forms of exchanges with DCs, local communities and other stakeholders;
- (iii) to maximise flat production of each public housing site through relaxation of development restrictions (e.g. plot ratio, building height) in an appropriate scale where planning condition permits; and to enlarge or amalgamate sites, or both, to create larger buildable platforms. A notable example is the Fo Tan site, where site boundary has been rationalised, and plot ratio and building height have been relaxed to increase flat production by 15%, i.e. about 650 flats. As regards the Tuen Mun Area 29 West site, with a domestic plot ratio of 6 and an additional allowance of non-domestic plot ratio of 2, around 1 000 flats could be constructed and a clinic originally planned at Tuen Mun Area 2 could be included;
- (iv) to adopt site-specific design to capitalise the optimal development potential of each site. For example, at the Tai Wo Hau Road and Texaco Road sites, innovative design was adopted to overcome the hilly terrain to enlarge the net site area by creating terraces on slopes. We will also continue to improve the construction process and built quality, as well as expedite flat production by adopting the pre-cast building technology and lean construction at sites; and
- (v) to work with industry stakeholders to improve and implement labour training and procurement schemes, including Contractors Co-operative Training Scheme, Supplementary Labour Scheme, etc., to mitigate the labour shortage problem.

19. Members are invited to note the content of this paper.

**Transport and Housing Bureau
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