

**Motion on “Increasing transitional housing supply”
Passed at the Legislative Council Meeting of 20 February 2019**

Progress Report

Purpose

At the Legislative Council meeting of 20 February 2019, the motion on “Increasing transitional housing supply” moved by Hon Vincent CHENG as amended by Hon Alice MAK, Hon SHIU Ka-chun, Hon Andrew WAN and Hon LEUNG Yiu-chung was passed. The wording of the motion is at Appendix I. Having consulted relevant bureaux and departments, we would like to report to Members the progress of the work concerned.

Progress

Long Term Housing Strategy

2. The housing problem in Hong Kong stems from the long-term demand-supply imbalance. The current-term Government is determined to rectify the housing problem currently faced by the society with the greatest effort, and provide adequate and affordable housing to enable Hong Kong people to have comfortable homes and improve their living environment.

3. Based on the “supply-led” and “flexible” principles under the Long Term Housing Strategy (LTHS), the Government will continue to make efforts to identify land and increase public and private housing supply through a multi-pronged approach with a view to rebuilding the housing ladder. It was proposed in the motion that transitional housing should be included in LTHS. According to the framework under LTHS, the Government updates the long-term housing demand projection annually and presents a rolling ten-year housing supply target to capture social, economic and market changes over time, and make timely adjustments where necessary. One of the demand factors to be considered during the annual update of long-term housing demand projection is inadequately housed households, which covers households living in units made up of temporary structures (e.g. huts, squatters and roof-top structures); units located in a non-residential building (e.g. commercial and

industrial buildings); units shared with other households (e.g. rooms, cubicles, bedspaces and cocklofts in private permanent buildings); and subdivided units. When determining the total housing supply target under LTHS, the Government has already taken into account the housing needs of the inadequately housed households. Furthermore, given the short-term nature of transitional housing, the timing and amount of its supply are unstable and may subject to changes in different periods of time. It is therefore not suitable to include these housing units in the ten-year housing supply target.

Task Force on Transitional Housing

4. As indicated by the Chief Executive in the 2017 and 2018 Policy Addresses, since it takes time to identify land for housing construction, the Government, while taking forward long-term housing policy and measures, supports and facilitates the implementation of various short-term initiatives put forward and carried out by the community, so as to increase the supply of transitional housing. These short-term initiatives can bring in efforts beyond the Government as well as community resources for the provision of flexible and multiple relief measures.

5. To this end, the Chief Executive announced on 29 June 2018 that a task force would be set up under the Transport and Housing Bureau (THB) to provide one-stop co-ordinated support to facilitate the implementation of community-initiated transitional housing projects. The task force, led by the Under Secretary for Transport and Housing, will provide necessary support to suitable projects upon consultation with relevant bureaux and departments, offer advice on relevant administrative or statutory procedures, and render assistance in funding applications, etc. Five new posts have been created under THB to handle the relevant work, including two project directors. The Government will, from time to time, review the establishment and operation of the task force and take follow-up actions when necessary.

6. The task force has, over a period of time in the past, facilitated the implementation of a number of transitional housing projects initiated by the community, including several projects in existing vacant residential buildings through the "Community Housing Movement" operated by the Hong Kong Council of Social Service (HKCSS). The organisations responsible for these projects have made use of community resources flexibly to provide transitional

housing, and at the same time, provide appropriate support to meet the needs of the tenants. As at March 2019, a total of ten major non-profit community organisations / social enterprises provided about 610 units, of which about 220 were launched under the "Community Housing Movement" of HKCSS. Details on these projects are as follows:

Service Operators	Projects	Number of Units
Light Be	Light Home	70
	Light Housing	40
Society for Community Organization	Prior Community Social Housing	14
	Community Joy's To Gather	39*
	Rooms for Rent	4*
Lok Sin Tong	Lok Sin Tong Social Housing Scheme	20* 55
St. James' Settlement	James' House	14*
Hong Kong Sheng Kung Hui Welfare Council	Good Homes	60*
The Aberdeen Kai-fong Welfare Association Social Service	Best Neighbour Walk Together	16*
The Salvation Army	Home Plus	53*
Hong Kong Housing Society	Transitional Rental Housing Scheme	217
Yan Oi Tong	Green Garden	11*
	Total Number of Units	613

*Launched under the "Community Housing Movement" operated by HKCSS.

7. The task force is currently providing support and facilitating the implementation of more than ten projects advocated by different non-governmental organisations. For example, HKCSS's Modular Social Housing Scheme at Nam Cheong Street in Sham Shui Po, funded by the Community Care Fund, will provide about 88 units; and a second Modular Social Housing Scheme at Yen Chow Street, is going to provide about

210 units. Besides, Lok Sin Tong has initiated a project to convert Lok Sin Tong Primary School for the provision of 45 to 55 community housing units, Yan Chai Hospital has launched a Pilot Scheme on Yan Chai Hospital Social Housing to provide about 110 to 130 units and MTR Corporation Limited will lend the Trackside Villas at Tai Po under the short term agreement to Hong Kong Housing Society for the purpose of converting the vacant units for providing about 150 transitional housing units. The task force will continue to examine the feasibility of various proposals and will seek supplementary information from the project proponents if necessary. Project details will be announced by the project proponents at appropriate times.

Related Policies on Transitional Housing

8. The task force has convened four inter-departmental meetings to deliberate on how to resolve obstacles from the policy perspective for non-governmental proponents. For example, the Buildings Department (BD), with respect to the genuine planning and design constraints arising from tenement buildings with deep footprint and narrow frontage, promulgated the Guidelines on Applications for Special Modification or Exemption for Transitional Housing Initiatives in Domestic Buildings in October 2018. For example, the Buildings (Planning) Regulations (the Regulations) require the provision of windows in living areas to provide natural ventilation and lighting. If eligible transitional housing projects within tenement buildings have difficulties in fully complying with the requirements under the Regulations because of building designs, BD will consider granting exemptions to the project proponents from part of the requirements, but will, at the same time, require them to provide artificial lighting and mechanical ventilation systems, as well as communal living areas that meet the relevant natural ventilation and lighting requirements. The proponents will also be required to entrust authorised persons to conduct annual inspections to ensure that the compensation measures continue to operate effectively. Regarding any proposed wholesale conversion of industrial buildings into transitional housing, BD will also adopt a similar pragmatic approach to favorably consider granting the projects certain exemptions from requirements on site coverage, plot ratio, open space within the site and service lane for domestic buildings under the Buildings Ordinance.

9. Other policy measures include an initiative announced by the Town Planning Board (TPB) in November 2018. TPB agreed that transitional housing projects co-ordinated by the task force in permanent buildings, including wholesale-converted industrial buildings in the “Commercial”, “Comprehensive Development Area” and “Other Specified Uses” annotated “Business” and “Residential” zones in the urban and new town areas, can be regarded as for temporary use, which is always permitted under the Outline Zoning Plan if such projects are for a period of five years or less.

10. In addition, under the revitalisation scheme for industrial buildings, the Government will exercise flexibility in the handling of planning, land lease and building design requirements for non-profit schemes supported by the task force involving the revitalisation of industrial buildings into transitional housing, which include exemption from payment of waiver fees for the specific use of transitional housing. To further promulgate measures to reduce the financial burden of non-governmental organisations, the Chief Executive in Council had approved the exemption of waiver fee, rent and associated costs for land applications related to the provision of transitional housing in April 2019, with a view to facilitating more community initiated transitional housing projects.

11. As a matter of fact, transitional housing projects are carried out by bringing various community efforts and resources with a view to alleviating the housing problem. Given the short-term nature of transitional housing and the varying objective circumstances of these projects, the number of units to be provided and the number of potential beneficiaries of each project depend on its specific details and implementation progress. Furthermore, community-initiated transitional housing projects vary in service targets, specific details and nature of service provision. The Government will, while playing an assisting and facilitating role, continue to deliberate on how to resolve obstacles from the policy perspective as a means to increase transitional housing supply.

Dedicated Fund for Transitional Housing

12. The task force, based on the amount of funding sought by various non-governmental organisations, had been holding discussions with them on the appropriate support to be rendered to their projects, which includes making

use of the funding under the Community Housing Movement subsidised by the Community Chest of Hong Kong and the Social Innovation and Entrepreneurship Development Fund for paying the renovation and conversion expenses of suitable units, thereby encouraging more property owners to dedicate their idle units for the purpose of transitional housing.

13. In terms of financial support by the Government, the Finance Committee of the Legislative Council approved a funding provision of \$1 billion in January 2019 for setting up a funding scheme to support non-governmental organisations for the gainful use of vacant government sites. Under the scheme, funding support can be provided to applicable transitional housing projects and the Development Bureau has started to invite funding applications. To further increase the funding support, the Financial Secretary announced in the 2019-20 Budget that \$2 billion would be set aside to support non-governmental organisations in constructing transitional housing. THB will map out the detailed arrangements after taken account of the operational experience of such projects and listened to the views of various sectors of the community. If all the preparatory work proceeds smoothly, the Government hopes that funding proposals can be submitted to the Legislative Council in 2019 to expedite the provision of transitional housing.

Potential Sites for Transitional Housing

14. As far as site selection is concerned, the task force and the Lands Department are co-ordinating and studying with relevant departments the preliminary sites suitable for developing transitional housing, including the service period and basic restrictions of these sites. Moreover, the task force will follow up the land use arrangements of those temporary land allocation sites used for construction works or temporary works areas under the Hong Kong Section of Guangzhou-Shenzhen-Hong Kong Express Rail Link project and the Shatin to Central Link project, which are to be returned by the Highways Department and the Mass Transit Railway Corporation Limited. Based on preliminary information, some of these sites are currently occupied by permanent facilities (such as railway associated facilities, roads, re-provisioned facilities, etc.), may have been reserved for other long-term uses, or are relatively small in size. The task force will look into the latest situation of these sites with relevant departments/ organisations to consider whether they are suitable for transitional housing.

15. It was also suggested in a motion that the site reserved for Hong Kong Disneyland Resort (HKDL)'s Phase 2 development (the Phase 2 site) should be used for the purpose of transitional housing. According to the Option Deed signed between the Government and Hong Kong International Theme Parks Limited (i.e. the joint venture with the Government and The Walt Disney Company as shareholders) (the joint venture) in 2000, the joint venture has an Option to purchase the Phase 2 site for taking forward HKDL's further development. The Phase 2 site can be put to short-term uses before the joint venture exercises the Option, and such short-term uses have to comply with various permitted uses as listed in the Deed of Restrictive Covenant, including recreational, sports and cultural facilities, etc. but not residential use (e.g. transitional housing). When considering the short-term uses of the Phase 2 site, the Government also needs to take into account whether such uses are compatible with the use and atmosphere of HKDL. The Government has no intention to change the existing land use arrangements for the Phase 2 site for the time being.

16. Some Members have raised a request with the Urban Renewal Authority (URA) to participate in transitional housing development. A majority of the URA redevelopment projects, however, involve buildings of over 50 years, whose conditions are mostly "varied" or "poor", with unauthorised building works or falling short of modern facilities (such as lifts and fire services systems). Furthermore, the structure of these buildings suffered damage to a certain extent due to the conversion of certain flats into sub-divided units. It is thus necessary for URA to carry out substantial rehabilitation and improvement works at these buildings before they are suitable for residential use. This is not only time-consuming but there will also be difficulties in meeting the redevelopment schedule of the project for enhancing the community environment. There are suggestions that vacant sites in URA redevelopment projects can be utilised for the development of transitional housing. Given that URA will, after the clearance of the buildings in the redevelopment projects, implement its development programmes as soon as possible for the early provision of additional units, these sites are mostly unsuitable for the purpose of transitional housing. Having said that, URA has set aside some units in its rehousing blocks and revitalisation projects in Central and Sheung Wan where appropriate for participating in HKCSS's Community Housing Movement. The Government

will continue to encourage URA to provide more suitable units for transitional housing.

17. It was also mentioned in the motion that transitional housing units could be used to rehouse residents affected by Government's clearance exercises. To address the concerns of those affected by the clearance exercises, the Development Bureau, in May 2018, announced measures to revise the ex-gratia compensation and rehousing arrangements for squatter households affected by Government's development clearance exercises. According to the new rehousing initiatives, the Government, in addition to maintaining the existing means-tested rehousing option offered by the Housing Authority (HA), provides a non-means tested rehousing option for eligible squatter households. Under that option, the Hong Kong Housing Society (HKHS) will develop and manage dedicated estates which will provide both subsidised rental units and subsidised sale flat units for the selection of eligible households. Prior to the intake of these dedicated estates, HKHS and HA will make use of vacant units in their rental estates to provide a one-off transitional arrangement to those eligible households who have selected the non-means tested rehousing option. The Government therefore has no plan to use transitional housing units for rehousing residents affected by Government's clearance exercises.

18. As regard the suggestion of increasing the supply of interim housing (IH) and resumption of the policy of provision of Temporary Housing Area (THA), according to the prevailing Government's policy, clearerees living in illegal squatter structures not covered by the 1982 survey, illegal rooftop structures built after 1 June 1982, or living in industrial premises need to find their own accommodation if they are evicted. However, if they are rendered homeless due to Government actions and have the need for temporary accommodation, they may, upon referral by relevant government departments, be accommodated in the Po Tin Transit Centre (TC) while waiting for eligibility vetting for further rehousing or looking for alternative accommodation themselves. If these persons have stayed in Po Tin TC for three months, passed the "homeless test" and fulfilled the eligibility criteria for public rental housing (PRH) (including income limit, asset limit and "non-domestic-property" requirement), they can be admitted to the Po Tin IH while awaiting PRH allocation. The HA anticipates that the existing IH should be able to meet the needs of households who will be affected by

Government clearances and enforcement, hence currently has no plan to build new IH or resume the provision of THA.

Communication with Various Sectors of the Community

19. As a matter of fact, the Government has been exchanging views with various social welfare organisations, professional bodies (including HKHS and URA) and friends in the legislature on how the Government promotes and supports community-initiated transitional housing projects. In this connection, the Legislative Council has set up the Subcommittee to Follow Up Issues Related to Inadequate Housing and Relevant Housing Policies under the Panel on Housing in December 2018. In the last four meetings of the Subcommittee, many Members and non-governmental organisations have shared their valuable views on transitional housing.

20. Regarding the detailed arrangement of the proposed dedicated fund on transitional housing, the task force has met non-profit making organisations / social enterprises who were major operators of transitional housing in March and April 2019 in order to seek their views on the dedicated funds. The Government will continue to listen humbly to the views expressed through various platforms. Any proposed projects that are feasible will definitely be taken forward by the task force together with the proponents in a pragmatic manner.

Transport and Housing Bureau
May 2019

**Motion on
“Increasing transitional housing supply”
moved by Hon Vincent CHENG
at the Council meeting of 20 February 2019**

**Motion as amended by Hon Alice MAK, Hon SHIU Ka-chun,
Hon Andrew WAN and Hon LEUNG Yiu-chung**

That, in recent years, surging property prices and inadequate public housing supply have put grass-roots families in increasingly acute housing difficulties; according to the projection in the Long Term Housing Strategy Annual Progress Report 2018, over 110 000 households in Hong Kong live in inadequate housing conditions; prior to the allocation of public housing units for such households, transitional housing is an important housing option for them; yet, the failure to include transitional housing in the Long Term Housing Strategy announced on 16 December 2014 and its subsequent annual reviews has resulted in a lack of policy and financial support for transitional housing and its supply stagnancy; in this connection, this Council urges the Government to adopt the following measures to substantially increase transitional housing supply, in a bid to improve the living environment of families living in inadequate housing conditions:

- (1) to include transitional housing in the Long Term Housing Strategy, and formulate a comprehensive policy and a supply target for transitional housing, including setting the target of its total supply within the next three years at no less than 10 000 units;
- (2) to invite the Hong Kong Housing Authority, the Hong Kong Housing Society and the Urban Renewal Authority to actively increase the provision of transitional housing;
- (3) to introduce policies for encouraging private property owners to convert their residential properties or whole blocks of industrial buildings into transitional housing;
- (4) to establish a transitional housing fund of no less than \$2 billion, so as to take forward and support various transitional housing schemes;

- (5) to provide a one-stop website for the centralized dissemination of information on and the unified receipt of applications for transitional housing programmes under various organizations, while taking the initiative to introduce transitional housing programmes to grass-roots families awaiting public housing and inviting applications from eligible families at regular intervals;
- (6) to increase the size and functions of the Task Force on Transitional Housing under the Transport and Housing Bureau, so as to support more transitional housing schemes and those of a large scale, thereby expediting transitional housing supply;
- (7) to make public a list of idle government lands or facilities that are suitable for transitional housing purpose, including those lands or facilities with tenure or tenancies due to expire within one year, so as to enable the relevant organizations to study and prepare for any transitional housing programmes as early as possible; and
- (8) to introduce measures for encouraging developers and private land owners to lend their idle lands for developing transitional housing schemes;
- (9) to implement the transitional housing policy under the Government's lead, rather than solely assisting with and facilitating those short-term measures led and implemented by the community, so as to take forward and support various transitional housing schemes, with a view to providing adequate and affordable temporary housing for families which have awaited public housing for three years or above to improve their living standards; and
- (10) to formulate a central co-ordination mechanism for vacant buildings and lands, and to entrust the Lands Department with the management of those idle government lands, facilities and buildings which are not expected to be planned for any use within the next two years, so as to expeditiously utilize the relevant resources for constructing transitional housing, and to use a portion of such transitional housing units to rehouse those residents affected by the

Government's enforcement actions on housing demolition and land resumption;

- (11) to conduct studies on converting the use of part of the site which has been reserved for the second phase development of the Hong Kong Disneyland to transitional housing development; and
- (12) to actively convert vacant school premises into transitional housing;
- (13) to urge the Urban Renewal Authority, after land resumption, based on social needs to allocate more sites for constructing transitional housing, so as to rehouse those residents affected by urban redevelopment;
- (14) to streamline the application procedures for using idle government lands or facilities and increase the transparency of the application mechanism, so as to expedite the construction of transitional housing; and
- (15) to examine the enhancement and reinstatement of the policy on temporary housing areas in the colonial era, in a bid to increase transitional housing supply, so as to provide a safe, reasonably comfortable living environment for families awaiting public housing and alleviate their financial pressure arising from renting private residential units.