

# 立法會 *Legislative Council*

LC Paper No. CB(1)842/20-21(04)

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## **Panel on Housing**

**Meeting on 5 May 2021**

### **Updated background brief on transitional housing**

#### **Purpose**

This paper provides background information on transitional housing, and gives a summary of the views and concerns expressed by members of the Panel on Housing ("the Panel") during relevant discussions in recent years.

#### **Background**

2. In view of the time required to identify land for housing construction, the current-term Government has since 2017 supported community initiatives on transitional housing to alleviate the hardship faced by families on the public rental housing ("PRH") waiting list and inadequately-housed households ("IHHs"),<sup>1</sup> and has indicated in the 2017 Policy Address various specific measures on transitional housing.<sup>2</sup>

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<sup>1</sup> According to the Hong Kong Housing Authority's website, there were about 153 900 general applicants (i.e. family and elderly one-person applicants) for PRH as at end-December 2020. According to the Long Term Housing Strategy Annual Progress Report 2020, the estimated number of IHHs in Hong Kong was 122 000.

<sup>2</sup> These measures include (a) optimizing the use of idle government premises by providing rental housing units like those under the "Light Housing" project launched by Light Be in Sham Tseng; (b) supporting the Community Housing Movement initiated by the Hong Kong Council of Social Service on a pilot basis, including encouraging the Urban Renewal Authority to participate by offering units in old buildings; (c) facilitating the Hong Kong Housing Society in allowing the owners of its subsidized housing to rent out their flats with premium unpaid to needy families at below market rentals on a pilot basis; (d) exploring the wholesale conversion of industrial buildings into transitional housing with waiver of land premium; and (e) supporting non-profit-making organizations to explore the feasibility of constructing pre-fabricated modular housing on idle sites.

### Task Force on Transitional Housing

3. As one of the six new housing initiatives announced by the Chief Executive ("CE") in June 2018, a task force on transitional housing ("the Task Force") has been established under the Transport and Housing Bureau ("THB") to spearhead transitional housing.<sup>3</sup>

### Supply of transitional housing

4. The 2019 Policy Address announced the target of providing a total of 10 000 transitional housing units within the three years from 2020-2021 to 2022-2023. In January 2020, the Government announced that it would further increase the supply of transitional housing by raising the three-year target to 15 000 units. The Task Force has assisted and facilitated a number of transitional housing projects proposed and operated by non-government organizations ("NGOs").<sup>4</sup> As at February 2021, the Administration had identified land for provision of about 14 000 units by 2022-2023.

### Financial measures to support transitional housing projects

5. In January 2019, the Finance Committee ("FC") approved the Administration's proposal to set up a \$1 billion fund to support NGOs for the gainful use of vacant government sites, including transitional housing projects.<sup>5</sup> The Administration announced in April 2019 that CE in Council had approved the exemption of waiver fee, rent and associated costs for land applications related to the provision of community-initiated transitional housing projects.

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<sup>3</sup> The Task Force comprises five dedicated officers (including two project directors) led by the Under Secretary for Transport and Housing (LC Paper No. [CB\(1\)388/18-19\(03\)](#)).

<sup>4</sup> These projects include social housing in privately owned vacant residential buildings and vacant government premises, other initiatives by different NGOs including proposals of using Modular Integrated Construction method to construct transitional housing on vacant government land and privately-owned land, or converting vacant non-residential buildings (such as privately-owned vacant school premises or industrial buildings) to transitional housing (LC Paper No. [FCR\(2019-20\)45](#)).

<sup>5</sup> As at 31 March 2020, the Development Bureau had approved the funding for the entire project or phased funding for eight applications, and of which, three were related to transitional housing on vacant government land, with a total of funding capped at about \$13 million granted to the NGO-applicants for kick-starting the preliminary works (LC Paper No. [CB\(1\)500/19-20\(01\)](#)).

6. In March 2020, FC approved a funding allocation of \$5 billion to implement the Funding Scheme<sup>6</sup> to support transitional housing projects by NGOs. CE has announced in the 2020 Policy Address the proposed injection of an additional \$3.3 billion into the Funding Scheme, increasing the total government commitment to \$8.3 billion. The proposed increase in commitment has been included in the Estimates for 2021-2022 and LegCo's approval is sought in the context of the Appropriation Bill 2021. So far, about \$2.6 billion has been approved under the Funding Scheme. CE has also announced in the 2020 Policy Address a pilot scheme to subsidize NGOs to rent suitable rooms in hotels and guesthouses with relatively low occupancy rates for use as transitional housing.

### **Members' views and concerns**

7. The major views and concerns expressed by members during relevant Panel discussions are summarized in the ensuing paragraphs.

#### Operation of transitional housing projects

8. Members opined that the Administration should draw up appropriate standards regarding transitional housing such as the tenancy period, rent level, size of transitional housing units and the facilities inside such units such as whether there were independent toilet and kitchen.

9. The Administration advised that although NGOs might need to work out the operation details of their transitional housing projects according to unique service emphasis of their projects, the Administration had put in place some general guidelines for them to follow. For example, for a transitional housing project which was funded under the Funding Scheme, the Administration would require the project operator to allocate a major portion of the transitional housing units for applicants who were living in inadequate housing and had been waiting for PRH for three years or more, so that the project operator might use the remaining units to achieve its other missions or cater for applicants with special urgent needs. Standards regarding the

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<sup>6</sup> According to the Administration, the Under Secretary for Transport and Housing ("USTH") would be the approving authority for transitional housing projects under the Funding Scheme. An Assessment Committee, chaired by USTH and comprising representatives from relevant bureaux/departments and non-official members appointed by the Secretary for Transport and Housing, would be responsible for assisting USTH in vetting applications and overseeing the implementation of the Funding Scheme (LC Paper No. [FCR\(2020-21\)60](#)).

average living space per person and the length of tenancy would also be set for transitional housing units. The Administration expected that the rent level of transitional housing should be lower than the relevant market rent with a ceiling of no more than 40% of the prevailing PRH income limit, although in practice, most NGOs determined the rent level based on the latest rent allowance under the Comprehensive Social Security Assistance ("CSSA") Scheme or no more than 25% of the household income.

#### Funding Scheme for transitional housing projects

10. Members expressed concern about the support services provided by NGOs for residents of transitional housing after their intake. On the question of whether the Funding Scheme would provide financial support for setting up social work teams to assist residents of transitional housing, the Administration advised that the Funding Scheme mainly provided financial support for NGOs to carry out the works required to make fit the potential sites/premises for transitional housing projects on a one-off basis. NGOs operating transitional housing might deduct the expenses of the supporting services provided for their residents from rental income.

11. On members' concerns about the efficiency of the Assessment Committee in vetting applications of the Funding Scheme, the Administration advised that as the Task Force would convene inter-bureaux/departamental meetings to study the feasibility of the projects proposed by NGOs, the Assessment Committee would mainly assess the technical, financial and social aspects of the proposed projects and look into the experience and capability of the project applicants, etc.

12. Members considered that the Administration should exercise prudence in vetting the applications for subsidies under the Funding Scheme and put in place a monitoring mechanism to ensure appropriate use of the resources under the Funding Scheme with regular updates to the Legislative Council. In this connection, members enquired how the Administration would take into account the higher cost that might be incurred in constructing transitional housing at very small land sites when considering relevant applications; the respective proportions of the subsidies for administrative overheads and the construction cost under the project; and whether the funding allocation for management of a project would increase if the relevant NGO increased its management staff or upgraded their posts.

13. The Administration advised that when vetting applications, it would take into account the merits of the proposal submitted by the project proponent and a number of site-specific factors in determining the amount of funding to be allocated to subsidize a transitional housing project. The Funding Scheme was reimbursement-based and would subsidize NGOs to carry out the works required to make fit the potential sites/premises for their transitional housing projects on a one-off basis. NGOs would be allowed to use only a small proportion of the funding, i.e. 0.14% to 0.4% and subject to a specified ceiling amount, on administrative overheads for the implementation of their projects before the tenants moved in. After tenants moved in, the NGO concerned had to make use of its own rental income for paying the expenses incurred in operating its transitional housing, including provision of social services to the tenants.

#### Provision of transitional housing in the long term

14. Members opined that transitional housing would be a major source of short-term housing supply to alleviate the hardship faced by IHHs, and the demand for it might continue to exist in the coming decade. On the suggestion that the Administration should incorporate the provision of transitional housing into LTHS, the Administration advised that when determining the total housing supply target under LTHS, the Administration had already taken into account the housing needs of IHHs. However, it was not suitable to include transitional housing units in the ten-year housing supply target as the timing and amount of their supply were unstable.<sup>7</sup>

#### Meeting the supply target of transitional housing

15. Members expressed concern on whether the Administration could achieve its supply target of transitional housing within the three years from 2020-2021 to 2022-2023 since NGOs in general were not specially tasked with the provision of housing. Members considered that the Government should assume a more proactive role in the provision of transitional housing as it had the land, financial resources and the relevant expertise.

16. The Administration advised that the sites identified by Task Force for providing 10 000 transitional housing units mainly belonged to four categories, namely, projects in existing buildings, newly-built projects, conversion of whole buildings, and projects currently under in-depth studies. The Administration had been assessing the feasibility to develop transitional housing on a number of government, institution or community sites that had

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<sup>7</sup> [Progress Report](#) on the Motion on "Increasing transitional housing supply" passed at the Council meeting of 20 February 2019.

no development plans in the short term, so as to meet the land requirement for the remaining target of 5 000 units. The Task Force would continue to assist NGOs in making land lease applications and other arrangements, and provide comments to NGOs on various aspects of transitional housing projects, including the architectural layout, environmental matters, traffic, fire services, and infrastructure provision, etc.

#### Support facilities in transitional housing projects

17. Members expressed concern on how the Administration would cater for the daily living and travel needs of residents of transitional housing provided in remote locations, and relieve the pressure brought about by large-scale transitional housing projects on the supporting facilities in the district concerned.

18. The Administration advised that the public consultation and town planning process for large-scale transitional housing projects in the New Territories taken forward by the Task Force would cover environmental, ecological and traffic impact assessments. The Administration would enhance the provision of support facilities for transitional housing by, for example, providing retail facilities in the vicinity of transitional housing in remote locations, and additional public transport services and public transport lay-bys. The Task Force would collaborate with NGOs to strengthen employment support to families living in transitional housing.

#### Views of local community on transitional housing projects

19. Members considered it important that the Administration consult the local community at an early stage of a transitional housing project and take into account local stakeholders' views in planning the project. They noted that there had been opposing views on proposals to provide transitional housing at vacant school premises and enquired how the Administration conducted consultations on transitional housing projects.

20. The Administration advised that it attached great importance to communicating with the local community on transitional housing proposals. It would carry out consultation after the site/premises had proved to be technically feasible to provide transitional housing. For a transitional housing project to be carried out within a public housing estate, the Administration would consult the mutual aid committee concerned, relevant Legislative Council Members, District Council Members, deputations and other local stakeholders.

### Land for transitional housing

21. Members opined that the Administration should make good use of vacant government sites/premises, such as vacant school premises, temporary works areas of public works projects, etc. for providing transitional housing.

22. The Administration advised that individual vacant government sites/premises might not be suitable for transitional housing because they had been earmarked for long-term development or under processing for short-term or temporary uses. If and when vacant school premises suitable for conversion into transitional housing were available, the Administration would approach interested NGOs proactively. Some of the temporary works areas of public works projects were relatively small in size, or had been re-allocated for provision of other facilities (such as railway associated facilities, roads, re-provisioned facilities, etc.); and some temporary works areas had been reserved for other long-term uses. The Task Force and relevant departments/organizations would review the latest situation of these sites to consider whether they were suitable for transitional housing.

### Wholesale conversion of industrial buildings for transitional housing

23. Members were concerned about the slow progress in the conversion of industrial buildings ("IBs") into transitional housing and measures for encouraging conversion. The Administration advised that IB owners might not be interested in converting their IBs to transitional housing if the rental income from transitional housing did not justify the cost of investment involved in the conversion, and the Task Force had been working out more effective proposals for encouraging wholesale conversion of IBs to transitional housing.

### Provision of transitional housing units in hotels and guesthouses

24. At the policy briefing of the Panel on 17 December 2020, members opined that the Administration should set targets and timeframes for providing transitional housing units in hotels and guesthouses, and simplify the relevant procedures to facilitate the early provision of such units. The Administration advised that the Government had not set any target for the number of transitional housing units to be provided in hotels and guesthouses, and would seek funding from the Community Care Fund to implement a pilot scheme to subsidize non-governmental organizations to rent suitable hotels and guesthouses for use as transitional housing. The Administration had met representatives of the hotel and guesthouse trades to listen to their views

about the proposed provision of transitional housing in hotels and guesthouses, and would continue to communicate with the trades on the subject matter.

25. Members expressed concern that it might not be feasible to provide transitional housing in guesthouses which had no cooking facilities. The Administration advised that the trades had expressed a similar concern. As some guesthouses provided cooking facilities in rooms or common pantries, they would be more suitable for providing transitional housing.

### **Council motion and questions**

26. The Council passed a motion on "Increasing transitional housing supply" at the meeting of 21 February 2019. The wording of the motion is at **Appendix I**.

27. Council questions on the provision of transitional housing by making use of vacant government properties and idle land, support for tenants in inadequate housing and transitional housing projects were raised at the Council meetings of 11 April 2018, 21 November 2018 and 20 November 2019 respectively. The Council questions and the Administration's replies are hyperlinked in **Appendix II**.

### **Latest development**

28. The Administration will brief the Panel on the expansion of the scope of the Funding Scheme and provision of additional subsidy to projects with special constraints at the meeting on 5 May 2021.

### **Relevant papers**

29. A list of relevant papers is set out in **Appendix II**.



**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, Hon CHU Hoi-dick and Hon LEUNG Yiu-chung**

That, 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 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; and
- (5) 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.

## Appendix II

### List of relevant papers

Council/ Committee	Date of meeting	Papers
Panel on Housing	30 October 2017	2017 <a href="#">Policy Address</a>
Panel on Housing	4 November 2019	Administration's paper (LC Paper No. <a href="#">CB(1)67/19-20(04)</a> )  Minutes of meeting (LC Paper No. <a href="#">CB(1)294/19-20</a> )  Administration's supplementary paper (LC Paper No. <a href="#">CB(1)235/19-20(01)</a> )
Panel on Housing	8 November 2019	Administration's paper (LC Paper No. <a href="#">CB(1)32/19-20(01)</a> )  Minutes of meeting (LC Paper No. <a href="#">CB(1)492/19-20</a> )  Administration's supplementary paper (LC Paper No. <a href="#">CB(1)373/19-20(01)</a> )
Panel on Housing	2 December 2019	Minutes of meeting (LC Paper No. <a href="#">CB(1)544/19-20</a> )
Panel on Housing	26 May 2020	Administration's paper (LC Paper No. <a href="#">CB(1)652/19-20(01)</a> )  Minutes of meeting (LC Paper No. <a href="#">CB(1)948/19-20</a> )  Administration's supplementary paper (LC Paper No. <a href="#">CB(1)882/19-20(01)</a> )
Panel on Housing	14 January 2021	Administration's paper (LC Paper No. <a href="#">CB(1)293/20-21(03)</a> )
Panel on Housing	1 February 2021	Administration's paper (LC Paper No. <a href="#">CB(1)504/20-21(06)</a> )

**Hyperlinks to relevant Council Questions and Motions:**

<b>Date</b>	<b>Council Question/Motion</b>
11 April 2018	<a href="#">Council question</a> on provision of transitional housing by making use of vacant government properties and idle lands
21 November 2018	<a href="#">Council question</a> on support for tenants in inadequate housing
20 November 2019	<a href="#">Council question</a> on transitional housing projects
21 February 2019	<a href="#">Motion</a> debate on "Increasing transitional housing supply"