

Urban Renewal Strategy Review
Consensus Building Stage
Consensus Building Workshop Discussion Summary

Date: 15 May 2010 (Saturday)
Time: 2:30 to 5:30 pm
Place: 12/F, Madam Chan Wu Wan Kwai School of Continuing Education Tower, Hong Kong Baptist University, 9 Baptist University Road,
No. of Attendees: 136 persons (excluding the small group hosts performed by members of the Steering Committee on Review of the Urban Renewal Strategy and professionals , and the representatives from the Development Bureau, Urban Renewal Authority and Government departments)

The Steering Committee on Review of the Urban Renewal Strategy (Steering Committee) had discussed and analysed the opinions collected during the Public Engagement Stage and the results from a series of topical studies, following which the Steering Committee consolidated ten preliminary proposals on the future direction of urban renewal. A briefing on these preliminary proposals was delivered by the Secretary of the Steering Committee (Ms Winnie SO of the Development Bureau). After the briefing, the host Mrs Sandra MAK invited the public to join the discussions in groups.

Report Summary of the Discussions in Groups

1. District-based, Bottom-up Approach (District Urban Renewal Forum), Social Impact Assessment and Social Service Teams

1.1 The District Urban Renewal Forum

Some groups suggested that the District Urban Renewal Forum (DURF) should aim at satisfying the wishes of the community at large and the local residents, and that the various stakeholders should be spared from suffering any losses. At present, the major problem faced by the Urban Renewal Authority (URA) in implementing urban renewal is that it lacks sufficient representation from the community, and there is no monitoring mechanism. The DURF should therefore be managed by an independent organization, and community engagement must be enhanced to enable the community at large and the local residents to express their opinions freely and fully. This would ensure that the DURF would implement the "bottom-up" approach in its true sense, and would effectively protect the rights of

the small owners. Some groups wished to establish a Community Planning Centre to be led by residents and joined by town planners, Government representatives, members from the social welfare sector, and professionals to work in line with the DURF.

Moreover, there was an opinion that the DURF should be enlarged to become the District Planning Forum, the major aim of which would be to provide a quality living environment for the citizens, dispensing with the need to undertake redevelopment. It should have sufficient resources and powers to make and implement decisions, and not just simply offer opinions. The District Planning Forum could decide on the appropriate agent responsible for project implementation and only when there was no suitable agent should the URA undertake the project.

Some groups took the view that a capable person with integrity and of neutral background, such as a member of the legal profession, religion sector or university president should be appointed as the DURF chairperson. In addition, the DURF must not be replaced by the District Council to avoid the forum becoming too political. Some groups were, however not agreeable to the appointment system and suggested that representative who would join the DURF should be elected from the community at large including members of the underprivileged groups. In addition, a Social Service Team (SST) would first conduct a Social Impact Assessment. The findings of which would be submitted to the DURF. Subsequently people from all walks of life, comprising officials from Government departments, residents' representatives and professionals, would join together to engage in community planning.

Some participants suggested that the DURF should adopt a flexible mode to allow coverage between districts. A system should be set up to enable free access to information materials, including information about meetings. Professionals would assist the wider membership to appreciate the process of urban redevelopment. Moreover, consultation should be wide and of sufficient depth to include grass-roots sector surveys, and cover various aspects of culture, economy and preservation.

1.2 Social Service Teams

One person expressed that at present Social Service Team (SST) gave people the impression that it played conflicting roles and considered that SSTs should be

independent of URA, including that they should not be housed in URA offices. Additionally, some non-government organizations could also share the work of the SSTs. Some groups suggested to consider the possibility of the DURF hiring the SSTs, whereas the resources and funds could be provided by some Government departments (such as the Home Affairs Bureau) or the Hong Kong Jockey Club. The provision of resources by means of setting up trust funds could also be considered.

SSTs must make public their performance pledges with a clear division of duties and responsibilities, however their dual roles as case worker and involvement in advocacy should not be split.

1.3 Social Impact Assessment (SIA)

The general view was that SIAs should be conducted by an independent organization with the major aim of giving the citizens (including small shop owners) an opportunity for engagement and decision-making. Reference should be made to international standards regarding the method of assessment in order to achieve a comprehensive and detailed assessment, the findings of which must be made public in a clear and lucid manner. The geographical scope assessed should cover both the redevelopment district and the surrounding areas.

2. Compensation and Re-housing

2.1 Compensation in Cash

Some groups took the view that the way in which compensation had been calculated was not clear, in particular the calculation of the area of a flat i.e. what was saleable area, what was gross floor area, and when should saleable area or gross floor area be used as the basis for calculations, hence it was suggested that the URA should provide detailed information. Some groups considered that the method of calculating the price difference for compensation for a flat was not reasonable. Quite a few groups pointed out that the amount of compensation given based on a flat of 7 years of age could hardly be enough to buy a flat in the current property market. Moreover, some groups pointed out that there was a time gap between the announcement of a redevelopment project and the notice to acquire the property, and the time to release the cash compensation, thus restricting the affected owners from the early purchase of replacement flats.

Quite a few participants requested that the present compensation scheme should be critically reviewed. The factors that had to be considered included in such a review were: was a flat of 7 years old an appropriate comparable; whether the valuations done by a surveyor firm fair and just; should the saleable area or gross floor area be used to calculate the amount of compensation; whether rents could be used as the basis for calculating the amount of compensation; whether owners could share the subsequent profits of the redevelopment; how the owners of "upper floor shops" should be compensated.

Some participants queried why the acquisition prices for the flats in the same project varied, and opined that the compensation of owner-occupiers and non owner-occupiers should not be handled differently. In particular, they pointed out that it was unfair for URA to deduct the compensation made to the non owner-occupiers.

Furthermore, there was an opinion that tracking study of owners should not be conducted after a property was sold as it could infringe on owners' privacy. Apart from the issue of cash compensation, some participants proposed the possibility of allowing individual owners, especially those owners who owned their shops and did business, to participate in the redevelopment.

2.2 "Flat for Flat" and "Shop for Shop"

"Flat for flat" is certainly conducive to providing an alternative for the owners. However, some participants indicated that in a "flat for flat" transaction the price difference involved might be so great an amount as to make it unrealistic, thus some owners might not want to choose the "flat for flat" option. Special consideration therefore had to be given to the care of those elderly who were financially challenged. The Government should clarify and clearly explain the actual mechanism of "flat for flat", for instance: the method of calculating the areas of the new and old flats (some attendees were agreeable to the method of "foot for foot" by which the saleable area of a flat was compared to the saleable area of another flat in the same district); whether the current market property price or the future property price should be used as the base figure for calculating the property price of the new flat to be exchanged for at a later time; if a flat owner decided to give up the new flat in the exchange deal, whether the flat owner could withdraw from the scheme once it had commenced. The practice of fixing/placing part of the compensation with a solicitor firm for safe keeping by a 'flat for flat' owner received approval from some attendees, and the actual percentage could be

thoroughly discussed at a later time.

Participants widely supported the principles of "build first demolish after" and "in-situ re-housing" to maintain the community network. They hoped that the Government or quasi-government organizations like the Hong Kong Housing Society (HKHS), Hong Kong Housing Authority, and even URA, could coordinate to provide arrangements for re-housing for owners or tenants in developed projects in the same district or nearby areas. The model of "flat for flat" should be one with options aiming at fair agreements with high transparency. Opinion was expressed that flat owners should not be asked to choose their flats by drawing lots, instead, they should do so according to their wishes. Other participant(s) pointed out that there was at least a time difference of several years between the demolition of old buildings and the completion of new buildings, during which time the community network might have already dissolved, which gave cause of concern that the residents could not move back.

Several groups proposed that simple and realistically priced "affordable housing" instead of luxurious flats or "gentrification" projects should be built. Some participants worried that the design of luxurious projects might in future increase the burden of the owners, for instance, the building of grand club houses and facilities resulting in the owners being charged for management fees that were beyond their financial means, or there might be concerns over future maintenance and management. There was a suggestion therefore that the Building Management Ordinance or the Town Planning Ordinance should be reviewed to discourage the phenomenon of "gentrification" or "luxurification". URA could cooperate with HKHS, making reference to the experiences in the projects at Lai Shing Court and The Belcher Garden, to provide an alternative "flat for flat" housing of a standard comparable to sandwich class housing in the same district or nearby areas. Some of the participants expressed the hope of obtaining completed flats in the exchange agreement, because if the decision to accept "flat for flat" had to wait until after the completion of the flats, then measures must be taken to ensure that the affected residents or owners would have enough money to rent a flat for temporary housing during that period of time. If the Government built interim housing, it still had to adhere to the "build first demolish after" principle. In addition, some of the participants proposed that URA could find 7 year old flats in the redevelopment district for affected owners to choose.

Regarding "shop for shop", quite a few groups were of the view that after redevelopment many shopping malls were monopolized by financial consortia

thus depriving the small and medium enterprises of space for their businesses. The feasibility of "shop for shop" must therefore be further studied with a "people-centered" approach to enable small shop owners to continue with their businesses and to maintain their standard of living.

There was a point of view that the "shop for shop" scheme must offer comparable conditions and environment, such as pedestrian flow, whether the new shops were suitable for running the business, and must take into consideration the differences between upper floor and ground floor shops.

Some of the participants took the view that "shop for shop" meant to look for suitable shops in the same district for affected owners or operators, and did not mean the consideration of providing or choosing a "shop for shop" scheme only after the completion of the new shops.

2.3 Tenants

Some opinions indicated that those who had been registered as eligible tenants in the freezing survey should be given compensation and re-housing, especially in-situ re-housing, to prevent a decline in their quality of living as a result of the redevelopment. There was a suggestion from some groups to relax the restrictions imposed on those tenants who had received compensation for moving from the Kowloon Walled City, and that they should be allowed to apply for public housing.

Some groups took the view that the Landlord and Tenant Ordinance had exhibited problems after changes and amendments several years ago, thus there should be special policies or measures to protect the rights of the tenants, and that the mechanism for assisting the tenants should be activated at the same time when the redevelopment project commenced.

3. The scope of urban renewal, URA's role in redevelopment, and financial arrangements

3.1 The scope of urban renewal

There was a general view among various groups that the Urban Renewal Strategy Review should focus on the "bottom-up" and "district-based" approaches, and should consider the wishes of the local residents as the major issue, taking into consideration the local situation and characteristics (for instance whether there

was the need for revitalization). There should be a sufficiently long gestation period to enable citizens to engage more in discussions and enhance the transparency of urban renewal. No excuse of confidentiality should be cited to inhibit the engagement of the citizens. Moreover, some groups took the view that a review should be conducted on the outstanding projects from the 200 projects to be implemented by the URA to give an account to the community as to why, when and how such projects would or should be executed, and to allow citizens to take part in the review.

Some of the participants took the view that priority should be given to rehabilitation and redevelopment should only be considered when rehabilitation was not feasible. In addition, some of the participants took the view that redevelopment and rehabilitation should have equal weight, and that preservation and revitalization should be undertaken in moderation. Under special circumstances, certain preservation projects could be included in the overall redevelopment or rehabilitation plans.

3.2 URA's role in redevelopment

The opinion was expressed that whether URA played the role of a "facilitator" or an "implementer" in the redevelopment projects, it should follow the wishes of the local residents, care for the needs of the various sectors of the community, and adhere to the "bottom-up" policy.

It was feasible for the URA to play the role of an "implementer"; however, there should be a division of labour with other Government departments. The architectural design of different districts should be diversified to echo their local characteristics.

When playing the role of a "facilitator", the URA should assess the redevelopment projects initiated by the owners themselves, or allow the owners to do their own redevelopment, and assist them in gathering funds and liaising with various Government departments relevant to the redevelopment. The URA could release the tender results to the public. If there were many developers submitting tenders, citizens should be allowed to make comparisons. Some of the participants hoped that the URA could coordinate the pricing and flat sale strategies adopted by the developers.

Many groups however, raised the same issue that if the URA played the role of a

"facilitator", why not just let the affected residents find a surveyor firm to conduct valuations or invite tenders on their own without the need of the URA's participation. This reflected the view of some participants that whether or not the URA played the role of a "facilitator", it was not the main purpose of its participation in urban renewal.

Some groups emphasized that affected residents should have the right to share the fruits of redevelopment and that owners might be allowed to invest in individual projects, and develop their own properties. Some owners indicated that as long as they could share the fruits of redevelopment, then even if risks were involved in their participation in the redevelopment, they would be willing to do so. Some of the participants put forward a proposal which was similar to owners participation scheme, where the owners and the URA cooperate in an urban renewal project which might include several buildings and public space in the project vicinity., This proposal was however relatively complicated and needed further study, and the relevant ordinances might have to be amended accordingly.

3.3 Financial arrangements

Some participants were of the view that the planning of urban renewal projects had to take into consideration the social mission and social benefits that the projects would bring to the surrounding areas. Social benefits should be given priority and importance over financial self-sufficiency. There was even an opinion that the target of self sufficiency would undermine the implementation of urban renewal, and it queried the past practice of adopting the principle of "prudent financial principle" as the basis for financial arrangements. Some groups objected to the consideration in future privatization of the URA or issuance of bonds.

There was a general agreement among the participants that the URA's finances should be made public and transparent. Some of them suggested that the URA made reference to the precedent created by the former Land Development Corporation which had announced financial information and data concerning its relationship with developers. Alternatively, it could make public relevant financial information concerning individual renewal projects.

Some groups queried the bonus system enjoyed by the URA's high ranking staff, strongly objected to the variable pay scheme, and proposed that their remunerations should be reviewed.

A-World Consulting
May 2010

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Urban Renewal Strategy Review Consensus Building Stage Concluding Meeting Discussion Summary

Date: 5 June 2010 (Saturday)
Time: 2:30 to 5:30 pm
Place: Auditorium, 9/F, The Hong Kong Federation of Youth Groups Building, 21, Pak Fuk Road, North Point, Hong Kong
No. of Attendees: 166 persons (excluding members of the Steering Committee on Review of the Urban Renewal Strategy, and representatives from the Development Bureau, Urban Renewal Authority and Government departments)

The moderator Mrs Sandra MAK briefed the attendees on the background and progress of the Urban Renewal Strategy (URS) Review. The Steering Committee on Review of the Urban Renewal Strategy (Steering Committee) after analysing and digesting the views collected during the "public engagement" stage, making reference to the results of a series of (a total of 7) topical studies, and considering the unique circumstances of Hong Kong, highlighted ten preliminary proposed directions for the future development of urban renewal. The Secretary of the Steering Committee (Ms Winnie SO of the Development Bureau) presented these preliminary proposed directions together with the explanatory notes on the "flat-for-flat" preliminary proposal. The ten preliminary proposed directions were elucidated in the "Public Views and Future Direction Paper for the Consensus Building Stage" of the URS Review (hereinafter called the "Future Direction Paper"), and released on 11 May, 2010.

In order to understand and gain a broader perspective on the views of the wider community at large, the Telephone Survey Research Laboratory of the Hong Kong Institute of Asia-Pacific Studies of the Chinese University of Hong Kong conducted randomly selected telephone interviews from 14 to 25 May. The moderator invited Mr. YIP Tin-sang to report on the "Surveys of Public Views on the URS Review". The video of the report has been uploaded to the URS Review website.

Public Discussion

1. District-based, Bottom-up (District Urban Renewal Forum), Social Impact Assessment and Social Service Teams

1.1 District Urban Renewal Forum (DURF)

Regarding the composition of the DURF members, some participants took the view that the setting up of a "bottom-up" DURF should be commended for its good intentions. Participants were worried however that if the DURF was appointed by the Government, it would not be able to fully utilize its professional resources and maintain its neutrality.

Other participants indicated that the public tender mode could be adopted, and the DURF could be run by community groups or Non-Government Organizations (NGOs). There was also a view that the “DURF” could be formed by democratic means such as election. It was also pointed out that although the social characteristics of the proposed DURF were emphasized consistently, the DURF would also be involved in matters such as land resumption, acquisition and compensation. As such, the DURF should also include professionals in the fields of acquisition and compensation.

Moreover, some participants considered that if the District Councils were all elected and in possession of sufficient resources with established planning committees, then they would be able to perform the functions of the proposed DURF. Hence, it might not be necessary to set up another platform with overlapping duties. Some of the participants however were worried that since residents do not have the right to speak up at the consultation meetings of the District Councils, they therefore do not want District Councils to run the DURF.

In respect of the DURF's independence, some of the participants had the perception that the documents and materials prepared by the secretariat would be inclined to the views of the Government, since the Government was responsible for the secretariat work of the DURF. Consideration must therefore be given as to how the independence of the DURF members could be safeguarded, and they should be allowed to make independent judgments in choosing renewal projects.

Some people were worried that the DURF would not be established under statute so the URA had no obligation to abide by its proposals. There was no mechanism to monitor how the authority would adopt the views of the people. The view was expressed that the district planning and social impact assessment had to be done with considerable sophistication, and would depend mostly on the sincerity and trust between the stakeholders.

Some participants suggested that apart from setting up the DURF, more resources should be allocated to mobilise local residents, whose voices should be heard on district issues.

Some of the participants criticised that urban redevelopment work in the past had destroyed the social network of the community, bonds between the residents and the customer network established by the shops. Some of the participants hoped that planning would come before redevelopment. Furthermore, it was hoped that in future, planning for redevelopment should include not only big shopping malls, but also it should have regard for the needs of various people by providing more choices and discouraging large developers/consortia from monopolising the market.

Some members of the Steering Committee responded that as URA had been restrained in the past by the operation mode of the existing mechanism, it had very often failed to meet some of the needs desired by the community, thus giving rise to confrontation between those affected by redevelopment and the URA. Therefore, it was hoped that by taking the opportunity of the URS Review, all parties could take a step forward to strive for the

building up of mutual trust to make future urban renewal meet the community needs. Moreover, some members also made reference to the example of the Harbour-front Enhancement Committee to demonstrate that the practice of Government appointment would not necessarily undermine the independence of the DURF. The Government could appoint a professional body which could then assign its representative to take up the relevant post.

1.2 Social Service Teams

In respect of the independence of the social service teams, some of the participants disagreed with an increase in the URA's internal manpower because there was concern that it would cause a conflict of interests for social workers, making their work even more difficult. There was also a view that if the NGOs were given community organization and advocacy work, whereas URA was entrusted with the management of case work, the affected residents would not choose to approach the social workers for help knowing that the latter was employed directly by the URA.

Some of the participants pointed out that, the existing practice requires social workers to comply with the registration requirement, hence every social worker should be accountable to his/her own profession. If there was a separation between case work and advocacy work, it would be very difficult for the social workers to handle the cases from a professional perspective. Many social services would be provided on the basis of case work. However, it would be difficult for the social workers to ignore advocacy work if certain affected residents were in need of such assistance. As the profession of social work nowadays advocates a multi-dimensional and one-stop service, there will be disagreement with the view that there should be a division of labour in social work services.

Some of the participants queried the way funds were allocated to the social service teams, and pointed out that some members of the social service sector thought that the conflicts of interests derived from urban redevelopment projects were more serious than those found within the general sphere of social services. Hence, they were of the view that if the URA was responsible for employing social workers, the results would be counter-productive. There was a view that social service teams should not receive funds from any organisations which were directly involved in the execution of urban redevelopment projects. Reference could be made to the Hong Kong Jockey Club's "Ping Wo Fund" model to establish a completely independent fund to employ social workers.

2. Compensation and Re-housing

2.1 Cash Compensation

Some of the attendees suggested that flexibility should be given to the consideration of the ways to deal with the compensations for elderly owners, owners of flats for rent, elderly people with financial difficulties, retirees, or other owners facing hardships owing to redevelopment. There was also a view that owner-occupiers and non-owner-occupiers

should receive the same amount of compensation.

In view of the existing, time-consuming process of land resumption and property acquisition, some participants suggested that the authority should increase the allowances given to affected owners and residents as an incentive for early handing over of their property to the URA.

2.2 "Flat for Flat" and "Shop for Shop"

Some participants pointed out that the recently completed redevelopment projects were all comprised of luxurious flats and it was unaffordable for affected owners to use the original, old flats in exchange for a new one. Some participants also requested the authority supplement the details of the "flat for flat" proposal. Some participants took the view that if the "flat for flat" proposal implied an increase in compensation, it would be akin to rewarding those owners who had failed to perform their duties to maintain their own property. These participants disagreed with this proposal because it would directly contradict the present principle that owners' are responsible for maintaining and preserving their own property.

The view was expressed that the URS should explain clearly whether future redevelopment would include the so-called "*buildings without redevelopment value*". If these buildings were to be converted to value in cash, then their values would be comparable to the prices of the buildings after redevelopment, hence the "flat for flat" mode could be activated to minimise disputes.

Some of participants hoped that the authority would conduct research on and attempt to implement the policy of in-situ "shop for shop" exchange to preserve the community network and characteristics.

The Development Bureau clarified that the "flat for flat" proposal in the Future Direction Paper was an additional option in lieu of cash compensation. There was to be no increase in the amount of compensation or change in principle.

2.3 Tenants

It was expressed that the authority should safeguard the rights of the residential tenants affected by urban redevelopment projects. Unless they were willing to move out, otherwise, the URA should provide the affected tenants with public housing estate re-housing arrangements in the same district or reasonable compensation in accordance with the records of the freezing survey made on the registration date.

Taking Shun Ning Road Project as an example, one participant pointed out that, there were tenants who had already been registered on the date of the freezing survey, but were forced to move out before the authority made the offers of compensation. This happened frequently in various districts. He suggested that all those tenants who had already been registered in the freezing survey be entitled to compensation. The policy of "re-housing

before compensation" should be adopted to plug the existing loopholes.

2.4 Others

One of the participants indicated that when the authority redeveloped tenement buildings, it must treat all affected persons including owners of rooftop structures fairly and equally, so affected owners could receive reasonable compensation.

3. The scope of urban renewal, URA's roles in redevelopment, and financial arrangements

3.1 The scope of urban renewal

Some participants pointed out that the URS should be a strategy for overall urban renewal in Hong Kong at large and should include the principles of sustainable development: i.e. to strike a balance between economic, environmental and social development.

There was a view that poor building management might be the result of the lack of management ability on the part of owners. Some participants suggested that the authority consider increasing the role played by the Home Affairs Department in the URS. This could expedite the promotion and formation of Owners' Corporations for buildings to prevent rehabilitated buildings from falling into disrepair again through mismanagement in the absence of owner corporations.

3.2 URA's roles in redevelopment

Some participants opined that irrespective of the role of the URA as a "facilitator" or an "implementer", relevant urban renewal projects must have good planning and citizens should be allowed to participate in the whole design. If the URA acted as a "facilitator" which assisted in searching for private developers to carry out redevelopment projects, there were concerns that private developers might not consider public views during the planning process.

Some participants opined that URA should play the role of a "helper" cum "technical supporter". As a public organization, URA should not play the role of a redeveloper or developer. Instead, it should help owners who would not be able to redevelop and rehabilitate their properties and play more the role of a "facilitator". Moreover, there was another opinion that URA should become a subsidiary of the Hong Kong Housing Society to assist in community redevelopment, and should not place its own benefit as its priority.

Some participants raised the point that thoughts should be given on the priorities of URA's future redevelopment directions: whether the residents should maintain their own properties with URA's assistance; or should affected owners be allowed to raise funds for developing their properties together with URA; or should the status quo be maintained in which URA would inform the residents of which districts required redevelopment.

Some attendees raised the point that the URA had an obligation to ensure that its projects would not only provide luxurious flats, and that all the flats in the redevelopment projects should be affordable by the residents in the same locality. Furthermore, some participants thought that the most important task of the authority lies in the formulation of a sound policy despite the public's primary concern over compensation issues.

Some of the participants opined that the authority should cooperate more with small owners instead of invoking the Land Resumption Ordinance at every turn. Besides, there was also a suggestion that apart from URA being an "implementer" and a "facilitator", URA should have joint ventures with the small flat owners to carry out redevelopment projects. If the owners were unwilling to sell their flats to the URA, they could self-finance the redevelopment project themselves, so as to resolve the existing mistrust that the flat owners had towards URA.

There was a view which pointed out that the process of urban redevelopment should be transparent and there should also have a good monitoring mechanism.

Regarding the participation of other stakeholders in the redevelopment process, there was the suggestion that private developers be included in the URS development process.

3.3 Financial arrangements

Some of the participants opined that URA should be a non-profit-making organization, the executives of which should not receive any bonuses.

There was a view that URA should follow the example of a listed company to make known publicly the details of its financial arrangements, with complete transparency to allow public examination. It should also take the initiative to invite the Audit Commission's scrutiny and set up a mechanism which enables the citizens to make consultations or lodge complaints regarding the URA's financial operations.

4. Others

4.1 Views regarding the report on the Survey of Public Views on the Urban Renewal Strategy Review

Some of the participants queried the telephone survey as being unscientific and opined that some of the questions should have been split into several short questions in order to help the interviewees to clearly express their views. Also, at the time of the survey, interviewees should be asked beforehand whether they understood the existing policies of the URA. If the interviewees had no knowledge of the existing policies, then the findings of the survey might be undermined by such limitations.

Mr YIP Tin-sang of the Telephone Survey Research Laboratory of the Hong Kong Institute of Asia-Pacific Studies of the Chinese University of Hong Kong responded that if

"the contents of the policies were complicated, the general public might not understand" be regarded as a reason for not interviewing and listening to the public views, then many surveys on policy consultations could only be conducted with experts. Similarly, surveys on public views would never be conducted, and as such, public views would never be known. Since the Public Engagement Consultant had already sought the views of people who were knowledgeable about or had been actively engaging in the issue, there was such need to employ other survey means to consult the wider, general public. That being said, the Steering Committee would be at liberty to assess the reliability and weight of the views collected.

Furthermore, regarding concerns about the methodology of the survey, Mr YIP stated that practicality must be taken into consideration. If a question was split into several questions, then the current sixteen questions might be increased to seventy to eighty questions which would not be feasible. Mr YIP further explained that if a question included several elements, the interviewees must totally agree with all the elements in the question for their answers to be counted as "agree". If the interviewees did not agree with one of the elements contained in the question, then their answers would be counted as "disagree". Moreover, if the interviewees would only agree with the elements under specific conditions, and would only disagree with the elements under certain conditions, then such answers would be counted as "other answers". The interviewees also agreed with this arrangement.

4.2 Views regarding the consultation process of the Urban Renewal Strategy Review

Some attendees protested against the Development Bureau's consultation arrangement for the URS Review. They said that the Development Bureau only listened but never responded to the views it had heard since the commencement of public engagement activities in July 2008. It was not until the beginning of May this year that it put forth some preliminary proposals (which lacked details) and the Future Direction Paper (which excluded many public comments and views). They were of the view that the exercise was a fake consultation and a failure to reach consensus.

5. Closing Remarks

Closing Remarks by Mr Thomas CHOW, Permanent Secretary for Development (Planning and Lands)

The Permanent Secretary understood that many proposals were still in dispute. He pointed out that at present the review of the Strategy was ongoing and the policy was yet to be amended. The authority would study the relevant details and initiatives when amendments to the URS were being made

In respect of the establishment of the DURF, most of the stakeholders were agreeable to the idea. The authority would investigate in detail ways to strengthen the DURF's independence and credibility as well as ways in which local residents could participate in DURF's work.

Concerning Social Service Teams and the deployment of social workers, the authority would continue to investigate whether it would be more appropriate for URA or independent bodies to employ social workers.

In respect of compensation and re-housing, he clarified again that having listened to the public views, the authority understood that the public would like to have other options besides cash compensation, and that residents could continue with their livelihood in the original communities where they had been living. The authority therefore proposed that apart from the existing cash compensation, there would be an additional option of "flat for flat". As to the details, the authority would adopt the criterion of "Home Purchase Allowance for a 7-year-old flat in the same locality" as passed by the Legislative Council, and would proceed to conduct a more detailed study.

In respect of the shops, the Government and URA would maintain the "people-centred" principle, and would as far as practicable endeavour to assist affected shop operators to relocate their shops in the same district to enable them to carry on with their business operation in the district.

In respect of the tenants, the authority would conduct a detailed study to make appropriate arrangements to assist affected tenants.

Finally, in respect of the future role of URA (as "facilitator", "implementer"), the authority would carefully consider the feasibility and relevant issues concerning URA taking up the dual roles simultaneously.

The Permanent Secretary thanked the participants and the Steering Committee for their participation in the meeting, and welcomed any views that the public would continue to express.

A-World Consulting
July 2010

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**Urban Renewal Strategy Review
Consensus Building Stage
Professional Groups Consultation Meeting (1)
Discussion Summary**

Date: 8 June 2010 (Tuesday)
Time: 6:00 to 8:00 pm
Place: Urban Renewal Exploration Centre (Room 601, Low Block, Grand Millennium Plaza, 181 Queen's Road Central, Hong Kong)
No. of Attendees : 22 persons (excluding members of the Steering Committee on Review of the Urban Renewal Strategy , and the representatives from the Development Bureau, Urban Renewal Authority and Government departments)

The host, Mrs Sandra MAK WONG Siu-chun, briefed the participants on the background and progress of the Urban Renewal Strategy Review. The Steering Committee on Review of the Urban Renewal Strategy (SC), after analyzing and discussing the views collected during the “Public Engagement” stage, making reference to the results of a series of (a total of 7) topical studies, and considering the unique circumstances of Hong Kong, had put forward ten preliminary proposals for the future of urban renewal. A briefing on these preliminary proposals was delivered by the Development Bureau’s representative. The preliminary proposals were recorded in the Public Views and Future Direction Paper for the Consensus Building Stage of the Urban Renewal Strategy Review (hereinafter referred to as the “Future Direction Paper”), and released on 10 May 2010. After these briefings, the host invited participants to express their views which were responded to by the SC members.

Public Discussion

1. District-based, Bottom-up approach (District Urban Renewal Forum), Social Impact Assessment and Social Service Teams

1.1 District Urban Renewal Forum (DURF)

Some participants supported the setting up of the proposed DURF, and that the district aspirations of the DURF should coordinate with the aspirations of Hong Kong as a whole. The participants suggested that reference could be made to the example of Singapore to adopt a “Regional Planning” approach to solve cross boundary issues. There was a concern that the DURF members would only take a narrow view of the opinions and issues within a district. If the DURF objected to a certain item for public facilities under the redevelopment proposal, it might go to the extreme of turning down the entire proposal, thus undermining holistic planning within or between districts. Hence,

one/some of the attendees suggested that the matters that the DURF could resolve should be restricted. Moreover, some participants took the view that redevelopment also involved issues like transport and public health, thus in addition to the focus on social problems, financial aspects should also be addressed.

Some of those present worried that if every DURF was of the view that its own project was more important than others, URA would not have the resources to commence various projects at the same time. Hence, a mechanism should be set up to determine the projects priorities. One of the participants used the “Thirteen Streets” area in an old district as an example that in addition to the multiple ownerships involved, there were also various projects nearby like the former animal quarantine depot, the former “Kai Tak Airport” site, and the redevelopment of Kwun Tong Town Centre, hence emphasis should be placed on the importance of holistic planning.

To promote the flow of information, there was a suggestion to increase transparency by setting up an online e-Forum to facilitate the public to search for online public information. Furthermore, each DURF could set up its website or online tools like Facebook. Through online social networks, the public would be able to express their views and the “bottom-up” approach would be enhanced.

Some participants noted that the URA is governed by the Urban Renewal Authority Ordinance which empowers it to complete acquisition. If the proposed DURF relies only on the Planning Department, there would be some concern that the Government would not be able to acquire land and commence projects, unless the Ordinance invests it with additional power. Moreover, as the DURF would not be a statutory organization, there was concern that the current statutes would not be able to govern its operation.

Concern was expressed that the public might not be able to submit appropriate urban renewal plans with proposals for the Government to conduct research on urban redevelopment areas so as to let people in the community express views on the proposals, nor would it be able to propose designs to attract residents to participate in redevelopment or rehabilitation. However some participants took the view that the “bottom-up” approach would face difficulty in reaching consensus in the district. Meanwhile one/some of the attendees thought that through public education, the public’s expectations of urban renewal could be drawn closer to reality.

One suggested that in order to listen to the views of the community, the District Building Management Liaison Teams set up by the Home Affairs Department could be mobilised to assist building owners to form owners’ corporations. The teams should be attached to the URA, and to maintain contact with the residents to facilitate the work of the DURF.

Attending SC members opined that as good city planning and a quality city environment needed the participation of professionals, members of the DURF should therefore include professionals, and assessment should be made on the basis of objective information like the extent of dilapidation of the building and the cost effectiveness of rehabilitation.

1.2 Social Service Teams

Some participants indicated that Social Service Teams (SSTs) should be experienced in administration, compensation and rehousing matters, and were of the view that the work of SSTs should not be limited to social welfare alone. Since economic and environmental issues were also involved, it was suggested that the SSTs should be renamed as Community Development Teams and should provide services for the DURF.

The Development Bureau made a consolidated response and indicated that the “Future Direction Paper” mentioned that the authority would conduct a more comprehensive and in-depth “Social Impact Assessment”, and had already conducted scientific studies like “Economic Impact Assessment Study” for the purpose of assisting the DURF’s discussions.

2. Compensation and Rehousing

2.1 “Flat for Flat” and “Shop for Shop”

Some participants indicated that when the DURF submitted the planning proposals, it should strive for the “comprehensive” planning of the land use of the city on behalf of the residents, and should also propose layouts for the buildings under redevelopment projects to help those affected owners who were minded to opt for a “flat for flat” arrangement, so that they would not have to make up for a great difference in price. There was also a view which hoped that the Government would strike a balance between deriving profits from redevelopment projects and meeting the redevelopment wishes of the residents.

Regarding “shop for shop” arrangement, there was a view that space for particular shop types should be reserved in the project area, and the shop owners in the original old district should be informed of such plans to enable them to appreciate the chances of returning to the project area to resume business. For instance, businesses like garages for car repairs stood a relatively low chance of resuming business in the original district. The Government should coordinate with the relevant departments and maintain communication with the shop owners.

One of the participants took the view that the “economic incentives” mentioned in the “Future Direction Paper” could expedite the redevelopment progress, however, if there were no concrete mechanisms or methods proposed, those incentives could cause some citizens to have unreasonable expectations and ultimately trigger confrontation at the time of the redevelopment.

The Development Bureau clarified that the term “economic incentives” mentioned in the “Future Direction Paper” referred to the economic incentives under the preservation policies, and the authority did not have any plans to change the current levels of economic incentives for the urban redevelopment compensation or rehabilitation. The “flat for flat” proposal was an option for the affected owner-occupiers, and not for

adjusting the levels of compensation.

2.2 Others

There were views that some of the old district elderly owners were very often in need of funds to carry out rehabilitation and redevelopment, hence, it was suggested that reference be made to overseas examples of setting up loan funds: to mortgage the current property of an elderly owner with the URA and to rehabilitate the property for that elderly owner. When the elderly owner passed away the property would be assigned to URA.

3. The scope of urban renewal, URA's roles in redevelopment, and financial arrangements

3.1 The scope of urban renewal

Some pointed out that the height of the current newly-built buildings had been increased to 40-50 floors as compared with 20-30 floors in the past. The authority must consider incentives or methods to enable profits to be derived from these buildings when in future they would be redeveloped.

There was a view that urban renewal policies as implemented in various big cities predominantly focused on rehabilitation followed by redevelopment and Hong Kong should make reference to such policies. Regarding preservation, there was a view that public funds should be used wisely and there was no need to preserve various buildings of the same kind of architecture, such as police stations.

3.2 URA's role in redevelopment

One of the participants took the view that reference could be made to current legal aid practices and suggested that if owners wished to redevelop their property, the URA could play the role of an "examiner" to perform a preliminary feasibility study on that project to determine its redevelopment value.. If it was feasible and the owners had gathered all the ownerships and lacked only the funds for redevelopment, the URA could release a loan and upon the completion of the project, repayments would be made to the URA. Moreover, there was a view that URA could play the role of a "coordinator" to talk to private developers about redevelopment on behalf of the owners and impose limits on the profits that the developers could derive.

One participant indicated that if the URA played the role of a "facilitator", there might be a surge of owners approaching the URA and seeking assistance which would be a cause of concern should the URA's resources be unable to meet such a demand. There was also a suggestion to outsource such work.

Some of the attendees worried that if the URA played the role of a “facilitator” and acted as the redevelopment project consultant, this would cause competition with providers of the same kind of consulting service in the market. If owners of most of the projects sought assistance from URA, this might affect the diversities of urban renewal proposals.

There was query on the URA’s current credibility and that society lacked urban renewal policy making organizations which were both well recognized by the public at large and possessed professional knowledge.

3.3 Financial arrangements

Some participants took the view that for the sake of enhancing the flexibility of urban redevelopment by building public facilities like parks and promoting economic benefits to surrounding areas, then the requirement of maintaining a balance between income and expenditure in respect of each project should be relaxed. Moreover, some took the view that it was not essential that the authority should gain profits from the redevelopment. If the principle of self-financing could be set aside it might be more beneficial to social development.

There was a view that redevelopment should focus on long-term values instead of giving top priority to short-term commercial principles. The authority had to strike a balance between the monetary profits derived from the redevelopment projects and the citizens’ housing quality.

- End -

**Urban Renewal Strategy Review
Consensus Building Stage
Professional Groups Consultation Meeting (2)
Discussion Summary**

Date: 10 June 2010 (Thursday)
Time: 6:00 to 8:00 pm
Place: Urban Renewal Exploration Centre (Room 601, Low Block, Grand Millennium Plaza, 181 Queen's Road Central, Hong Kong)
No. of Attendees : 11 persons (excluding members of the Steering Committee on Review the Urban Renewal Strategy , and the representatives from the Development Bureau, Urban Renewal Authority and Government departments)

The host, Mrs Sandra MAK WONG Siu-chun, briefed the attendees on the background and progress of the Urban Renewal Strategy Review. The Steering Committee on Review of the Urban Renewal Strategy (SC), after analyzing and discussing the views collected during the “Public Engagement” stage, making reference to the results of a series of (a total of 7) topical studies, and considering the unique circumstances of Hong Kong, had put forward ten preliminary proposals for the future of urban renewal. A briefing on these preliminary proposals was delivered by the Development Bureau’s representative. The preliminary proposals were recorded in the Public Views and Future Direction Paper for the Consensus Building Stage of the Urban Renewal Strategy Review (hereinafter referred to as the “Future Direction Paper”), and released on 10 May 2010. After these briefings, the host invited participants to express their views which were responded to by the SC members.

Public Discussion

1. District-based, Bottom-up approach (District Urban Renewal Forum), Social Impact Assessment and Social Service Teams

1.1 District Urban Renewal Forum (DURF)

Some participants took the view that the current proposed DURF was heading towards the right direction, however its actual operation was more important than its form. Hence, the view was that the elements of a “bottom-up” and a “top-down” approach were equally important and that both had to be included. Moreover, one/some of the participants worried that if in future there was a difference in views between the districts, then the holistic planning approach might be undermined.

One attendee pointed out that the current proposed method of forming the DURF did not include representatives of owners or residents which was a cause for concern that the work

of the DURF would not be accepted by the affected persons. Some participants hoped that the authority would increase the number of contacts with the owners' corporations in the old districts and consult the chairpersons, vice chairpersons and members of the corporations to obtain their views. The view was expressed that many residents in the old districts hoped that the progress of redevelopment could be expedited.

There were views that the public should be allowed to check information about the redevelopment projects through the DURF, such as the processes and results of surveys conducted on buildings.

The Development Bureau explained that the proposed DURF would provide views on urban renewal for the entire region instead of just expressing views for individual buildings or flat units.

1.2 Social Service Teams (SSTs)

One participant was mindful of the situation that SSTs felt that they were playing contradictory roles, and suggested that SSTs should be provided with a code of practice and training so that they would have a clear understanding of their role.

2. Compensation and Rehousing

2.1 "Flat for Flat" and "Shop for Shop"

There was a view that it was very difficult to judge if the proposed "flat for flat" compensation scheme was reasonable or not. Regarding the "shop for shop" option, one attendee considered that price was the only reason that the "shop for shop" scheme could not be implemented. If the affected shop owners were willing to make up for the difference in price between the new shops and the old shops, the "shop for shop" scheme should be a feasible one. Moreover, one the participant, taking Wedding Card Street as an example, pointed out that most of those affected were shop tenants and it would not be feasible if only the ownership of one new shop was offered in exchange for the ownership of the original old shop. If the URA wanted to preserve the community activities and culture it should consider how to assist in re-establishing the original shops. There was a view however that the focus of the "shop for shop" scheme was on community preservation and that emphasis should not be placed only on the amount of compensation offered to the shop owners.

The Development Bureau clarified that the purpose of the proposed "flat for flat" option was to provide the affected owner-occupiers with one more choice and not to raise the compensation. Moreover, an SC member stated in response to the issue of "shop for shop" that as redevelopment must meet the requirements of the existing land planning and the relevant ordinances, the number and areas of the ground level shops that could be offered under the projects might be vastly different from those of the original old buildings. In addition, there might not even be any ground floor shops built under the new projects, thus it might not be feasible to look for similar shops under the redevelopment projects for the purpose of implementing the "shop for shop" option. Furthermore, another SC member

explained that quite a few affected shop owners hoped that after they had moved out they could immediately resume business in the vicinity to maintain the customer network. Hence, the biggest issue was the amount of their compensation and not that of returning to their original location to do business.

3. The scope of urban renewal, URA's roles in redevelopment, and financial arrangements

3.1 URA's role in redevelopment

A participant indicated that apart from playing the roles of an “implementer” and a “facilitator”, the URA should even consider playing more the role of a just “arbitrator” to showcase to the public that the URA would be a fair player..

Some participants pointed out that rehabilitation and revitalization were included in the existing 4Rs, however, currently these two items of work were taken up by more than one organization, and the public might find it confusing. There was nothing in the “Future Direction Paper” to explain clearly how this division of labour would be applied to these items of work in future. There was a suggestion that the SC and the Government could clearly explain in this review how various organizations should divide the work of rehabilitation and revitalization amongst themselves.

4. Others

There was a view that urban renewal should include planning of the harbourfront areas.

- End -