

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
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