

**Urban Renewal Strategy (URS) Review
Public Engagement Stage
Gist of Topical Discussion 6:
Public Engagement**

Date: 15th August, 2009 (Saturday)
Time: 2:30 p.m. – 5:00 p.m.
Venue: Rooms 1001 & 1002, The Hong Kong Federation of Youth Groups Building, 21 Pak Fuk Road, North Point, Hong Kong
No. of participants: 60 (including 2 members of the Steering Committee, 10 observers ¹ including representatives from the Development Bureau, Urban Renewal Authority (URA), Hong Kong Institute of Asia-Pacific Studies from the Chinese University of Hong Kong and a University of Hong Kong student, and 6 discussion group facilitators from the Hong Kong Institute of Planners)

Gist of the Public Presentations

Presentation 1

Topic: Different perspectives towards public participation
Speaker: Mr. Kwan Chuk-fai, member of the Steering Committee

The speaker acknowledged the public's appeals for this review, namely to increase the transparency of the urban renewal projects, to issue and share information and to strengthen public engagement. These appeals were all aligned with the spirit of democracy and accountability of Hong Kong society, and helped increase the recognition of the urban renewal projects. He suggested that specific, workable plans must be worked out to carry out the renewal of Hong Kong's communities, and that fruitless discussion should be avoided.

¹ The observers are the representatives of the Development Bureau and the Urban Renewal Authority. They were present to listen to the opinions and clarify or supplement certain facts and information. Hong Kong Institute of Asia-Pacific Studies (The Chinese University of Hong Kong) is responsible to conduct analysis on the valid opinions collected in the URS Review. Its representatives attended the Discussion to facilitate analysis work. A student from the University of Hong Kong was present for personal learning. Their comments would not be regarded as valid opinions.

The speaker made a comparison with the experiences of other Asian cities. In Tokyo, the renewal of private properties required the agreement of two-thirds of property owners, and that in Shanghai required three quarters of the owners to agree². This, however, resulted in longer processing time for the entire project, for example, the urban renewal project in Roppongi took 17 years to complete and it even took 40 years to complete the Akabane station west entrance project. The longer the time required, the more the changes and the greater the risk involved. The public must take this into account. Furthermore, the public discussion should also consider how to increase participation without encouraging speculation.

Presentation 2

Topic: Owner participation is right and proper

Speaker: Mr. David Tam, H19 Owners' and Tenants' Right Concern Group

The speaker said that owner participation was right and proper. In the previous urban renewal projects, it might be valid to say that property owners would move out after urban renewal and thus, participation was not required. Such thinking was no longer appropriate at present. High transparency was the most important factor as far as owner participation and public consultation was concerned.

As pointed out by the speaker, the fact that the urban renewal projects involved purchase by the central authorities, followed by sale via a bidding process was in essence and financially a speculative exercise. The Government and the URA simply wanted to eliminate other investors or speculators, yet the Basic Law of Hong Kong did not have any definition for either 'investor' or 'speculator'. The speaker said that the URA's thinking was conservative, they were unwilling to communicate with affected parties and could not adapt to new challenges. The speaker suggested that the URA should change their way of thinking and even their corporate culture.

Presentation 3

Topic: Public engagement

Speaker: Ms. Katty Law, Central and Western District Concern Group

² The regulation is still on a trial basis. The current statutory requirement in Shanghai is a minimum of two-thirds.

The speaker said that since urban renewal affected our living environment, every member of an affected community was a stakeholder. The speaker noticed that at the community participation workshop for the URA redevelopment project at H19 Staunton Street/Wing Lee Street in which she participated in 2007, only a very small number of residents from the adjoining neighbourhood attended the workshop. The speaker considered that the residents from the adjoining neighbourhood and the environment were the most affected parties by an urban renewal project, yet they were not invited to participate. At the workshop, the URA introduced four proposals. Although it was not explicitly mentioned that one of the four options must be selected, one was chosen in the end. The four proposals were all of a high building density, yet the URA explained that the Government had already authorised such building density. As a result, the project that had undergone public consultation eventually faced thousands of written objections to the Town Planning Board, because people all thought that it had an adverse effect on the environment.

The speaker also noted that at the public forum for the URA development project at H18 Peel Street/Graham Street in 2008, many participants were opposed to the mode and scope of the renewal, calling into question several important planning issues. The URA claimed that the planning had been determined and hence no changes would be made. The only item open for discussion was how to draw out the unique features of the community and its local market. A few professional bodies were also opposed to the project, such as the Hong Kong Institute of Planners and the Hong Kong Institute of Architects, but the URA still pushed forward the inappropriate plan all the same. The URA was also unable to provide a Heritage Impact Assessment and a Social Impact Assessment. Even for consultations with the District Councils, the speaker expressed that the consultation was conducted in a way that the planning and the property acquisition of the project had to be bundled together. She noted that the URA hoped to make money and retain the most power, which was an innate contradiction and would obstruct the operation of the market, thereby indirectly creating urban decay and polarising residents. She expressed that the public should consider whether or not the URA should be responsible for urban renewal. She considered that renewal should not be achieved by way of redevelopment only. Instead, detailed research into urban and housing decay should be conducted to enable the market and the

property owners to lead the way to decide which areas were to be renewed and redeveloped, i.e. planning by the people; whereas the URA should only play a supporting role. In addition, she queried whether the URA's issuance of over HK\$8 billion in bonds would obstruct future restructuring of the URA or even its abolition, and whether the presumption that the URA would continue to exist was a pre-determined issue.

Presentation 4

Topic: 'Irresponsible remarks' made by experts
Speaker: Mr. Yuen Yun-fai, Resident Group Concerning the
Redevelopment of Old Districts (Kwun Tong)

In the URS Review Topical Discussion held on 1st August, Mr. David C Lee, member of the Steering Committee, said monetary compensation was the simplest method of compensation and that the compensation was sufficient for a property owner in Kwun Tong to buy an owner-occupied flat plus a tenanted flat³. The speaker said that was actually not possible.

He noted that there were many problems in the current mode of acquisition. For example, an owner-occupier was entitled to receive Home Purchase Allowance (HPA) for no more than three properties. It was also specified, however, that under normal circumstances a home owner should live with his/her spouse and children. The speaker said he did not understand how a home owner could possibly receive HPA for three properties.

The speaker also thought that the URA was 'creating' old buildings. For example, redevelopment in Kwun Tong had been discussed for 20 years; hence, buildings had become dilapidated. He said the URA then made up an excuse to compensate less because these were dilapidated buildings. He did not understand how the valuation reports were prepared.

Presentation 5

Topic: Influence on the adjoining neighbourhood of the redevelopment areas
Speaker: Ms Cheng Lai-king, Member of Central and Western District Council

³ Mr. David C Lee clarified his point. He said monetary compensation was the simplest way and it was "sufficient for a home owner in Kwun Tong to buy two relatively old flats, an owner-occupied flat and a tenanted flat".

The speaker quoted a few cases to illustrate that the adjoining neighbourhood could come under the influence of urban renewal projects. She pointed out that people in the community did not always fully understand the scale and the profound effects of the project before the commencement of redevelopment. As far as projects H1 and H2 are concerned, while tourists would regard The Centre and The Grand Millennium Plaza as landmarks⁴; it resulted in the serious light pollution. For the project of Queen's Terrace, the smoke extraction system in the cooked food centre near the area had affected the adjacent Chinese herbal garden. The 'Wall-effect' was created by the redevelopments in Graham Street, Staunton Street, and in First Street and Second Street (H18, H19, and H20 projects). She said the residents in the adjoining neighbourhood had to bear the outcomes of the redevelopment but they did not have room to oppose to the project. District Council members were also forced to accept the planning project. People in the community had to put in much effort before they could win very little rights.

She said many people in Hong Kong were concerned about urban renewal. The Government had 'ceded' some of the best land to URA yet the parties affected could only get back some worthless spaces.

Presentation 6

Topic: Encourage public engagement - the foundation of urban renewal
Speaker: Mr. Lai Kin-kwok, Caritas Francis Hsu College

The speaker explained that public engagement in the overall urban renewal framework was put forward in other countries as early as 1969. He said there were many models for different levels of public participation: no participation at all (like the situation in Mainland China); nominal participation (common practice of the Hong Kong Government such as the public consultations conducted under the URS Review); genuine public participation (exercising civil rights, even to the level of joint planning and partnership collaboration); and the highest level of public engagement (planning by people where the public have complete control over the overall policy).

⁴ The correct project reference numbers for the Centre and Grand Millennium Plaza are respectively H6 and H3.

The speaker explained the importance of public engagement in urban renewal: 1) redevelopment was always involuntary for the residents. It disrupted people's lives; it had profound and long-term influence that involved many aspects, including the Government, Non-government, the private sector, and community organisations; 2) there were considerable uncertainties in the process of urban renewal with confusing information; and 3) The outcome of urban renewal would change the way of life of the affected parties and the environment.

He pointed out that the public was engaged in the current urban renewal process, such as Social Impact Assessment, the District Advisory Committees, the Legislative Council Panel on Development, and the current URS Review. However, he said the level of participation and transparency was low in the Social Impact Assessment organised by the URA. The District Advisory Committee lacked representation. The social worker teams had insufficient resources and lacked independence. The Legislative Council Panel on Development did not form an ad hoc committee. The public engagement was only limited to consultation. He suggested that a bottom-up approach should be adopted in the future to take care of local residents' needs. Various participation methods should be provided, including district consultation, social impact assessment and regular meetings between the residents and relevant departments. Resources should be provided for the affected parties, including independent financial assistance and support from professionals such as social workers, planners, surveyors, and legal advisors and architects. Community planning centres should be set up as well.

Presentation 7

Topic: Public engagement

Speaker: Mr. Lau Wai-chung, Alliance of Owners' Corporations in the Kwun Tong Town Centre Redevelopment Project

The speaker said both the URA and the Government refused to give in initially on the issue of plot ratio. URA did not want to redevelop Kwun Tong as it might make a loss. The affected parties then actively participated, hoping that the redevelopment project could be accelerated. URA later offered different options for the residents to choose and stated that certain options might lead to a loss. The Government then put pressure by reducing the plot ratio from 12 to 9.5 and lowering the building height. On the issue of

compensation, assessment and valuation, however, the URA refused to let the general public to participate.

He regarded the Kwun Tong project as a genuine bottom-up approach with public engagement. Many residents and owners' corporations held monthly meetings and shared information, doing a lot more than URA. Through active participation by the people in the community, URA agreed to redevelop Kwun Tong comprehensively. Within nine months, URA had acquired more than 80% of the property titles. Unfortunately, URA had failed to further study this issue and draw on the experience.

Presentation 8

Topic: Stakeholders and conflicts

Speaker: Mr. Paul Zimmerman, Designing Hong Kong

The speaker said if a property was included in a URA project its value would rise. As a result, the property owners would become dishonest as the URA would acquire their properties and they all hoped to receive compensation. The members of District Councils would also become dishonest as they wanted to woo the votes from those who received compensation. The announcement of a URA project would lead to bias, not speculation.

He suggested changing the consultation direction to district-wide planning. The URA should study areas of urban decay, land with low utilisation rates and dilapidated buildings in the district, and review whether the project should come under the URA or be carried out by the private sector. If the URA was only seen as a last resort for redevelopment, bias would be eliminated. Impartiality, high transparency, and clear declarations of interest would help to balance different social interests. In this way we would build a fair society.

A majority of the property owners could decide whether or not to demolish their dilapidated buildings. Individual households should have the right to choose to stay in their less dilapidated buildings. Impartiality and an honest goal would make a better urban renewal project. The process of urban renewal would not be delayed. Compensation offered by the URA was the equivalent of 'bribing' the market and it would only fuel dishonesty and bias in the discussion.

The 'Urban Renewal Authority Ordinance' implied that the URA would make an acquisition offer if the property owners waited until their building(s) fell into a state that was beyond repair. Hence, many people were not willing to maintain their properties. Those who allowed their properties to fall into a poor and dilapidated condition should also be penalised. A list of dilapidated buildings in Hong Kong should be published as a deterrent. Those who were not able to afford the maintenance fee could be given welfare assistance.

Presentation 9

Topic: Owner participation

Speaker: Ms. Yip Mee-yung and Mr. Ng Kam-chiu, H15 Concern Group

The speaker invited the participants, representatives from the URA and A-World Consulting Limited to attend the public forum organised by the Association of Property Owners in Old District Redevelopment on 12 September noon at Yue Man Square Garden. The forum would discuss the topic 'public and private sector participation in redevelopment'.

The speaker said public engagement was of utmost importance in redevelopment. Urban renewal in Hong Kong had however regressed to the conditions of the 16th and 17th centuries where the rich seized lands from the poor, leading to an increased inequality of wealth. The speaker hoped that the URA would improve itself rather than work behind closed doors, otherwise, public consultations, consultancy studies or reviews would only be fruitless. Eventually, residents would move away from Hong Kong.

The speaker believed that the wishes of the local residents should be respected in the urban renewal process. They should have the right to participate in the process. An open and transparent bottom-up approach should be adopted in planning. They supported 'flat-for-flat' exchange in the same land lot and pointed out that it would not lead to speculation.

Presentation 10

Topic: A demonstration of full public engagement – 'Overall Community Building' in Taiwan

Speaker: Mr Desmond Sham, Community Cultural Concern

The speaker said that the level of public engagement would increase when executive and decision-making power was devolved. There were five levels of public engagement: the lowest was information provision; the next three levels were public consultation, joint decision making, and joint action; the highest level was an independent community solution, with public-initiated planning and support from the government for joint implementation. Currently, Hong Kong could not even provide information, let alone any devolution of authority. Yet, the rest of the world was now implementing full public engagement.

The speaker pointed out that 'Community Building' in Taiwan represented a full and high level public engagement. As early as in the 1960s, community development had already begun with the provision of public facilities. In the 1980s, a sense of belonging and citizenship among residents was created as a result of different social movements in Taiwan, and cultural workshops were set up in many districts. In response to the public aspirations for democracy and localisation, the Taiwanese Government introduced the 'Community Building' concept and implemented relevant policies, such as providing funds to support local organisations to build the community. Since 2000, the Taiwanese Government had reinforced four aspects, namely community consciousness, voluntary participation, the bottom-up approach, and overall care. They had also set up a scheme for community planners for the professionals to offer assistance.

The speaker suggested that the Hong Kong Government should put more resources to encourage voluntary community cohesion. Social development would then better answer the community's needs and the society would be more democratic. Hong Kong should consider setting up social platforms for architects and planners so that local residents could enlist their professional assistance more easily. The Government should also allocate resources to support NGOs or professional bodies to run courses on community planning to promote community participation in urban renewal.

Presentation 11

Topic: 'Flat-for-flat' and 'shop-for-shop' exchange is most practical and people-centred

Speaker: Ms. Wong Yat-man, Alliance of Owners' Corporations in Kwun Tong Town Centre Redevelopment Project

The speaker queried the reasonableness and fairness of the URA's acquisitions and whether the URA could achieve a 'people-centred' goal. She believed the URA's claim that "it should not abuse public funds" was just an excuse. The URA did not fully disclose its financial position, and in this aspect the performance of URA was not comparable to that of the Land Development Corporation.

She noted that the Kwun Tong project had adopted a bottom-up public engagement approach. However, after the URA had made an acquisition offer, it became difficult for residents to participate in the process or contact the URA. The consultation platform did not offer much help. For example, there was no longer any owner's representative in the Kwun Tong District Advisory Committee. She considered that the public aspired to genuine owner participation. The current assessment and valuation of compensation was too low and the Home Purchase Allowance was deducted. These were all very unreasonable. She demanded fair treatment to all affected parties.

Gist of Group Discussion Report

1. The form of public engagement

It was said that many property owners and residents were not prepared for the redevelopment as the URA always announced its acquisition plan abruptly, causing a lot of conflicts and problems. Certain discussion groups believed that a bottom-up approach should be adopted to consult the residents in the surrounding area on issues like planning, design and building density. Channels should be established to allow the residents to voice their views so that they would have the right to participate in formulating redevelopment proposals. Some discussion groups believed that redevelopment could only commence when the URA obtained 90% consent from the property owners.

A participant said public engagement must be 'people-centred'. The authority should study how to attain the goal and ensure that the community would get sufficient resources and professional support to conduct public consultations, including capital financing and assistance in planning.

Some other discussion groups suggested setting up opinion collection centres or district offices to provide district planning models and regional information. The general public and local residents would then be able to understand the future planning and participate in discussion. An online discussion platform could be set up to increase transparency.

In addition, it was suggested setting up a building review group to monitor the condition of the buildings in different districts to find out whether certain buildings should be preserved, rehabilitated, or rebuilt. The group should aim at seeking benefits for all and building an exquisite living environment. Members should be independent and credible and consist of residents, professionals, representatives from relevant government departments, or even responsible owners' corporations. Group Members could be elected.

It was said that there was no regulatory mechanism to supervise the URA at the moment. It was suggested that residents be appointed to the URA Board to enhance representation. Others suggested setting up a non-governmental consultation institution to conduct effective consultations. It was also suggested that members of the District Advisory Committee should be elected or dismissed by property owners.

Some participants disagreed with the proposition that public engagement would delay the urban renewal process.

2. A 'people centred' planning

Some participants suggested that public engagement should be in two levels: district-wide planning and the public engagement of URA projects. If the former was handled properly, it would be easier for the URA to carry out its projects.

Each district had its unique environment and only the local residents would understand their needs, hence their views should be respected. It was suggested that the people in the community should find out the undesirable land use in their district, for example, dilapidated buildings, run-down industrial buildings, buildings that lacked public space, and unsightly waterfronts. Others suggested publishing a dilapidated building list with

explanations about the reasons for the deterioration. Some participants also suggested conducting home visits in order to understand the needs and appeals of the local residents and property owners, and to implement measures accordingly.

3. The role of URA in redevelopment

Some participants queried the role of the URA. They believed that the URA assisted in urban renewal in name only. It actually invested in lands with a high return and was allegedly the biggest speculator.

A few participants pointed out that urban renewal should be beneficial to the society but the URA colluded with property developers to seize lands. In addition, the issuance of bonds meant the URA was seeking profits, which was contrary to its role. The URA should not adopt a 'bulldozing' redevelopment approach. It should also assist the owners to maintain, repair, and preserve the buildings.

A participant suggested the Government should use different methods, e.g. outline zoning plans, railway infrastructure, mortgage policy and government rent, etc., to stimulate the market in order to solve various problems in different districts. The URA should be a facilitator and should step in only when the private sector, the community or property owners were not able to redevelop the areas. All the profits should go to the property owners.

4. The balance between public engagement and speculation

A participant said it was difficult to avoid speculators in each redevelopment area. The URA could check the title deeds of the properties. If there was no property transaction in the past seven years before the freezing survey, the property owners concerned would not be subject to checking. This was cost effective. The project could then be announced as early as possible for the public to participate in the process.

Some participants said if the process was transparent and everyone received the same amount of information and enjoyed the same rights, speculation would not cause a problem. The public understood that speculation involved high risk.

A participant said many redevelopment or community building projects in Mainland China were conducted in a 'share holding system'. Hong Kong could learn from their experience. The property owners could get equities or issue bonds so that the owners, residents and the public could participate in the project. By then, more people would be concerned about redevelopment. Public participation would help the URA resolve problems and relieve some of its pressure in building community facilities and compensation.

5. Compensation and re-housing

A participant said the URA's redevelopment projects involved property investment. Since the acquisition price was always lower than the market price, the URA could not claim that they were using public funds to acquire properties and subsidise the property owners. The properties were the owners' rightful assets after years of hard work and the owners should receive reasonable compensation or a 'flat-for-flat' or 'shop-for-shop' exchange. Some participants said the compensation was not sufficient for the affected parties to buy a flat of the same size. Nor was there any re-housing option in the same locality.

It was suggested that there should be channels for the self-employed to relay their difficulties with the redevelopment. The URA should not reduce the compensation simply because the property was vacant. The URA was also urged not to take measures to affect the assessment and valuation made by the professionals. Some participants remarked that the surveyors who were responsible for assessing the property value and setting the compensation were hired by the URA and that constituted a conflict of interest. A participant noted that the Land Development Corporation used to re-house tenants affected by the redevelopment. Given its financial strength, the URA should take up the responsibility to re-house the tenants; otherwise, they might become homeless.

6. Others

- The URA provided resources for the social service teams. The teams thus could not build a genuine communication channel with the affected owners and residents.

- The issues discussed in the URS Review should be impartial and there should not be any pre-determined stance⁵ .
- A participant asked the consultant to disclose all the names of the members of the Legislative Council, District Councils and the URA Board who had participated in the activities when the URS Review public engagement programme was completed.
- During the consultation, there were always no responses to the questions asked. The lack of communication and exchange might affect the public participation in the public engagement programme.

A-World Consulting Limited

September 2009

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⁵ Mrs Sandra S.C. Mak, the host, clarified that the agenda in the URS Review was summarised from the Topical Discussions in the first stage - 'Envisioning Stage'