

Urban Renewal Strategy (URS) Review Consensus Building Stage Urban Renewal Multi-channel Gist (2)

Date: 13th February, 2010 (Saturday)
Time: 10:00 a.m. to 11:00 a.m.
Channel: Commercial Radio 1
Host: Mr. Michael Fung
Guests: Mrs. Carrie Lam, Secretary for Development and Mr. Andrew Chan, member of the Steering Committee on Review of the Urban Renewal Strategy (the ‘Steering Committee’)
Topic: Public Engagement in Urban Renewal

1. The radio show host clarified that as far as time permitted, he would read out all the opinions released by the netizens on the e-bulletin board of Commercial Radio and the the Secretary Mrs. Carrie Lam would also read each of the opinions. Commercial Radio would hand over all the messages on the e-bulletin board to the Development Bureau (DEVB) for follow-up¹.

2. The host read out the messages left on the e-bulletin:
 - A netizen agreed to the bottom-up approach to expedite urban renewal by lowering the threshold of the Land (Compulsory Sale for Redevelopment) Ordinance to 60% or lower.
 - Support was given to fair compensation by means of the “Flat for Flat” and “Shop for Shop” exchange methods to permit the small owners to take part in the investment and the redevelopment and which would help the URA to shed its image of transferring benefits to property developers.
 - For the purpose of compensation, in order to prevent “property speculation”, owners having only one property should be compensated by means of the “flat for flat” exchange method. An owner having more than one property could not participate in this arrangement.
 - Some netizens queried whether the Government conducted the consultation as a routine exercise ignoring the purpose of listening to the citizens’ opinions or without taking any action. They were worried whether the next Secretary for Development would continue the work.

¹ The opinions left on the e-bulletin board of Commercial Radio have been reproduced on the eForum in the webpage of Urban Renewal Strategy Review.

3. As emphasised by Mrs Lam, the DEVB had adopted a very open attitude for this review and expected to build up consensus with society in Stage 3 of the review. The citizens' opinions would also be considered when making the final proposals for the URS Review. After the consensus or the new direction was available, new URS would be launched to replace the one announced in 2001. In the process, the DEVB would not preclude the revision of relevant ordinances including the Urban Renewal Authority Ordinance.
4. Mrs. Lam explained the district-based urban renewal work: This January, the DEVB invited the seven district councils covering the nine target areas of the Urban Renewal Authority (URA) to take part in the forum to discuss the vision for urban renewal in their districts. The community had formed the following directions in principle, including (1) "district-based Approach" – taking the district characteristics, historical background and culture into consideration in order to decide on the ratio of the four major business strategies of urban renewal (4Rs); (2) "bottom-up Approach" – the 225 renewal projects as in 2001 were prepared under a top-down approach; whereas the "bottom-up approach" meant that the authority would listen to the residents' opinions of the districts concerned, take into consideration the district characteristics, add transparency to the project and so on. Just how a specific project should be carried out was however a major challenge, including the need to address issues such as abuse of procedure.
5. Mr. Andrew Chan added that the "bottom-up approach" was very complicated. First, the Government personnel had to change their way of thinking. Second, it concerned the issue of confidentiality. If the project was disclosed to the public too early, it might cause many problems that it was unlikely to be carried out. Third, who was actually going to manage the project? Fourth, it was necessary to coordinate the different appeals and demands of various districts. The important point of public engagement was to let the citizens express their own thoughts, employing the platform constructed by the district council or the Government. Moreover, relevant information and guidelines were provided for the purpose of achieving the feasible scheme.
6. Mrs. Lam pointed out that the population freezing survey was the basis for the resettlement and compensation arrangement of the urban renewal projects. Even if the affected residents moved out earlier than scheduled, the URA would try its best to make arrangements as well.
7. A caller was of the opinion that since the URA had often lacked the specific date for carrying out its renewal projects, many affected residents had to wait for a long time for

the compensation before they could move out. Consequently, they were forced to put up with a dangerous or poor living environment. Mrs. Lam indicated that in fact, most of the affected residents hoped that the URA would expedite the renewal process, including the arrangements for compensation and resettlement but some projects were opposed by many people in society. In response to the audience inquiring about the Shun Ning Road Project, Mrs. Lam said that she authorised the URA to proceed with the acquisition and compensation procedure of the project on 12th February. Mrs. Lam emphasised that the compensation method of the URA renewal projects was passed by the Legislative Council. The compensation for the owners was calculated on the basis of a 7-year-old building and the tenants could be resettled or compensated for moving out.

8. Another caller lived in a building which had taken part in “Operation Building Bright”, however the progress of maintenance was delayed due to the presence of unauthorised rooftop structures. Mrs. Lam pointed out that the URA provided the owners of dilapidated buildings with a maintenance subsidy through “Operation Building Bright”. She encouraged the owners to handle the unauthorised structures as well in the course of maintenance.
9. As for the handling and control of the unauthorised structures, the Government, after extensive consultation around ten years ago, launched the policy against the 800 thousand odd unauthorised structures all over Hong Kong, setting out the criteria for priority handling and demolition. From 2007 to 2008, the Government amended the ordinance including the adoption of the three-class minor works control and set up a system to verify and facilitate the handling of some of the existing unauthorised structures. Over these ten years, around 400 thousand unauthorised structures were demolished which required priority handling, posed an immediate danger, were large in size or were newly constructed,. As the society had recently been greatly concerned with the building safety problems, the DEVB would review the relevant policies and procedures again.
10. Mrs. Lam explained that “Operation Building Bright”, with a budget of \$2 billion (\$1.7 billion to be borne by the Government, with the remaining \$0.3 billion shared by the Hong Kong Housing Society and the URA on equal basis) was implemented last year, which aimed at some dilapidated buildings in need of maintenance but which were without any owners’ corporation or were unable to obtain all owners’ consent to contribute to the fund. So far, the plan has subsidised around 600 buildings under this category. The Buildings Department (BD) would issue the maintenance order. If the owners of the relevant buildings were unable to perform, the BD would arrange the

contractor to proceed with the maintenance. After deducting the subsidies for the elderly and non-elderly owners, the owners would share the maintenance costs in proportion to the percentage of the undivided share they owned.

11. A caller living in the vicinity of the collapsed building in Ma Tau Wai Road said that his building had undergone maintenance for more than ten times in more than two decades and was of the opinion that repairing and maintaining such dilapidated tenement building was wasting resources. It was very difficult to gather all owners to contribute funds jointly or to organise the owners' corporation to proceed with the maintenance of the building. He urged the URA to complete the renewal plan of that district as soon as possible because to his knowledge, the majority of the residents in the vicinity agreed to the renewal.
12. Mrs. Lam responded that it was a must for the 4Rs to achieve an adequate balance but the long-persisting problem of building dilapidation in the old districts in Hong Kong must resort to the redevelopment in order to be solved completely. She pointed out that one of the initial directions of the URS Review was that the URA could take up the role of a "facilitator" or "intermediary". If a considerable proportion of the owners of a land lot hoped for redevelopment, they could take the initiative to propose it to the URA. The URA could assist in the matching of the appropriate developer and handle the relevant procedure, with the process monitored by the Government. This "bottom-up approach", in contrast to the unilateral purchase for redevelopment by the URA, helped to construct a harmonious society. Furthermore, the Legislative Council was discussing the amendment for the Land (Compulsory Sale for Redevelopment) Ordinance and studying the lowering of the threshold to 80% in order to expedite the implementation of the renewal projects.
13. Mr. Andrew Chan added that the direction of the urban renewal was the so-called "bottom-up approach". That is, the opinions raised and the problems faced by the residents in the neighborhood or the affected residents and their expectations of the district regarding the 4Rs were discussed at the district level in the first instance, followed by the implementation of the district planning procedure and so on. Apart from having the URA as the facilitator, the Steering Committee was also considering other feasible schemes, such as for the owners to invite the URA to an urban renewal project.
14. A caller pointed out that in the district of Kowloon City, there were many renewal projects covering only one dilapidated building with a small site area which then became

the “toothpick building” upon completion. He proposed to the authority to reinforce the planning for the entire district. Mrs. Lam was of the opinion that this reflected the advantage and importance of the district-based approach in order to avoid the example of the creation of the “screen building” when the site was too big in size, the Government in cooperation with the Sustainable Development Committee had just completed a public engagement process, namely “Building Design to Foster a Quality and Sustainable Built Environment” to study how to promote better building design, improve air ventilation and so on.

15. Mr. Andrew Chan said that these situations were confined by the current ordinances including the Building Ordinance, the Land (Compulsory Sale for Redevelopment) Ordinance and so on. Through the URS Review, the Steering Committee was considering the feasibility of allowing owners’ participation in redevelopment which must comply with the overall planning of the district concerned to avoid the building to become a “toothpick building” or a “screen building” after redevelopment.
16. Another caller alleged to have purchased a property over twenty years ago for the purpose of rental income during all the years and was definitely not a ‘nail’ household. He complained that the URA’s compensation was very low for owners who rented out their flats and often delayed the progress of the redevelopment until the tenants had moved out, which meant the owner was unable to receive rent. Mrs. Lam told the caller to leave information on his personal contact and the project to facilitate follow-up, and emphasised that the work of the URA should be people-centred and must carry out the renewal project having embarked on the arrangements for compensation and resettlement as soon as possible.
17. She made a brief introduction to the different compensation methods for owner-occupiers and investment-owners of residential flats. This was one of the topics which the URS Review being studied and discussed.

A-World Consulting
April 2010

-End-