Steering Committee on Review of the Urban Renewal Strategy

Agenda for the Public Engagement Stage

Purpose

This paper reports on the key issues of the Review of the Urban Renewal Strategy (URS) that we have identified, which will form the agenda for our planned public engagement programme in the Public Engagement Stage of the review.

Background

2.   As the URS Review is a comprehensive review without pre-determined agenda, we have included a 7-month Envisioning Stage so that various stakeholders and the general public can identify and suggest the key issues that should be included in the agenda of this review for study and detailed discussions.   During the Envisioning Stage, we organized and attended 20 focus group sessions and special meetings with various stakeholders so that we can set the agenda of the review together with the community.

3.   The major issues identified by various stakeholders during the Envisioning Stage were outlined in our Steering Committee paper (SC Paper No. 3/09) presented to the Steering Committee at its meeting held on 22 January 2009.   Members were also invited to propose key issues that they thought should form the agenda for public engagement in the subsequent stages of the review.   Members' suggestions were summarised in a Steering Committee paper (SC Paper No. 6/09) and were discussed at a special meeting held on 9 March 2009.

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4.   The Steering Committee suggested that we should explore

further the feasibility of developing a district-based strategy for urban regeneration and has recommended a list of issues that we should discuss with the wider community during the Public Engagement Stage of the review. The issues are grouped under the nine topics below –

Topic 1: Vision and Scope of Urban Regeneration

- Revisit the guiding principles of urban regeneration – quality of life, sustainable development, people-centred approach and harmonious community.

- Revisit and expand the scope of urban regeneration to look at revitalisation from a district basis, instead of focusing on individual dilapidated buildings. Urban regeneration should not be restricted to rejuvenation of residential areas; industrial buildings and harbourfront areas may also be covered, where appropriate.

- Explore the feasibility of developing a district-based urban regeneration strategy for each district, including how to engage the local communities and relevant government agencies in developing such a district-based strategy, what will be the appropriate institutional set-up, and what will be a sustainable implementation model.

Topic 2: Redevelopment vs. Rehabilitation

- Is there an ideal balance of different approaches of urban regeneration for all districts, or the best mix of approaches in a particular district will have to depend on the local characteristics?

- What are the relevant factors that should be considered when we work out an urban regeneration strategy for individual districts? How to define dilapidated buildings? What should be the objective criteria (e.g. building conditions, impact on existing social network, preservation of historical buildings, existing development density) for designating an old urban area for redevelopment or rehabilitation?

- What should be the role of the URA in future, a project implementation agent or just a facilitator?

- How can we encourage private owners to maintain and repair their buildings more actively?

- Does the current Urban Renewal Authority Ordinance (URAO) provide adequate power for the URA to carry out building rehabilitation work for privately owned buildings?

Topic 3: Heritage Preservation and Revitalisation

- Is URA the right implementation agent for heritage preservation? What should be its role vis-à-vis other heritage conservation institutions e.g. the Antiquities Advisory Board, the Advisory Committee on the Revitalisation of Heritage Buildings, the Commissioner for Heritage's Office and the Antiquities and Monuments Officer?

- How to identify intangible heritage and assess their need for preservation?

- Should URA's preservation targets be limited to heritage buildings within its development project areas or should URA take up a more pro-active preservation role?

- How to ensure effective co-ordination between preservation efforts and other urban regeneration programmes?

- Is gentrification an inevitable result of preservation and revitalisation efforts?

- What should be the role of owners of heritage buildings in their preservation? How can private owners be encouraged to take up a more active role in preservation?

Topic 4: Private vs. Public Sector Participation in Redevelopment

- What is the right balance of public and private sector participation in urban regeneration? The Government is facilitating private redevelopment of dilapidated buildings in urban areas through the Land (Compulsory Sale for Redevelopment) Ordinance (LCSRO). Is URA competing with the private sector in redevelopment of dilapidated buildings?

- Should the URA play a facilitator's role in the assembly of ownership for existing owners so that they may put their old buildings to public auction for redevelopment purpose under the LCSRO?

- Should URA be allowed to acquire properties and pay compensation before announcement of development plans or completion of detailed project planning?

- How may we promote more organic urban regeneration through market forces, i.e. a gradual, evolutionary process rather than a big-bang approach (e.g. Soho in Mid-Levels)?

- When a high-rise building has come to the end of its physical or economic life, is it the responsibility of the private owners or the public sector to redevelop it? What would happen if there is no unrealised development potential in the lot?

Topic 5: Compensation and Rehousing Policies

- Is the current compensation formula of a "notional 7-year old replacement flat" sustainable, especially in the light of the public aspirations for lower building heights and lower development density in redevelopment projects? If it is not sustainable in the long term, what is the alternative?

- Should URA introduce more compensation options, such as "flat for

flat" and "shop for shop" after completion of the regeneration projects to help conserve the existing social network? Should there be rental subsidies and disturbance allowances for owners during the construction period and who should be responsible for them?

- But exchanging an old flat with a new flat (plus rental subsidies in the interim years, if any) would mean a new and higher compensation standard. Should we extend the same standard to those who opt for cash compensation? Are the public prepared to shoulder the implied higher urban regeneration cost, if it is to be financed by public resources?

- Should there be different rates of compensation for owner-occupied properties, tenanted properties and vacant properties?

- Should households who move into an already commenced urban redevelopment project area be entitled to rehousing allowances or public housing units?

- Should URA adopt an "in-situ" resettlement policy? Does it mean resettlement within the same district or within the same project area?

Topic 6: Owners Participation in redevelopment

- Should we adopt a policy advocating more owner participation in urban redevelopment? Would there be problems if there is not much room for further increases in development density within the project area, or if community facilities have to be provided as part of the redevelopment?

- Redevelopment in Hong Kong typically involves multi-storey buildings under multiple owners. Would that present special difficulties for owner participation in redevelopment?

- Should the owners be required to share the financial risks of redevelopment? Can all existing owners understand the risks involved and whether they can handle them, particularly when

redevelopment projects usually take five to six years to complete?

- In view of the long time span for each project, should there be any exit arrangement for participating owners before completion of the redevelopment projects?

- In view of the long time span for redevelopment project, when and how should the participating owners be paid?

- At present, government is supporting URA's projects by granting government land in a project area and charging only nominal premium on any gains in development potential. Should such benefits be retained by URA for pursuing other urban regeneration initiatives, instead of being shared with participating private owners?

Topic 7: Public Engagement

- Should the public and local communities be engaged throughout the urban regeneration process, from site identification, planning to implementation?

- To avoid market speculation and ensure proper use of public resources, projects under the URAO are kept confidential before formal commencement. How can we resolve the potential conflicts between prevention of speculation and public engagement?

- Shall we require consent of the majority of existing owners before a redevelopment project is allowed to proceed? How should we deal with the minority owners who object to the redevelopment project?

- Should URA only go to areas where the existing residents agree with the needs for urban regeneration and the proposed regeneration plans?

- If we are going to develop a district-based urban regeneration strategy for each district, how should the public engagement process

be designed to ensure that it is representative of the aspirations of various stakeholders in the district? What would be the appropriate mechanism to balance the differences in views and resolve the potential conflicts among stakeholders?

- How to strike a balance between community engagement and the pace of implementation.

Topic 8: Social Impact Assessment and Social Services Team

- Should social impact assessments be integrated with the public engagement process to strengthen its role in the decision making process, in addition to its role as a tool to identify implementation problems and recommend mitigation measures?

- Should social impact assessment be district-based instead of project-led to enable a more macro approach to allow better planning for the entire neighbourhood?

- Should tracking studies be conducted to assess the longer term effects of urban regeneration on the affected owners and residents?

- What should the role of social services teams be under a district-based planning approach?

- Is there a potential role conflict if the social service teams continue to be appointed using URA's resources?

Topic 9: Financing Urban Renewal

- Should we continue to set a target of self-financing in the long run for the urban regeneration programme?

- How can we ensure the sustainability of our urban regeneration programme, noting that rehabilitation, preservation and revitalisation

normally do not generate any useful revenue to sustain the programme?

- How should we look at the question of financial sustainability, e.g. whether we should count just the financial return to a project, or we should look at the economic returns of a project to the larger area, e.g. the escalators in Mid-levels.

- Should transfer of development rights be an alternative method to facilitate redevelopment?

Public Engagement Programme

5. Members are invited to note the key issues we have identified for public discussion at the Public Engagement Stage, which will form the agenda of the various public engagement activities (including exhibitions, public forums and topical discussions) that are going to take place from May to December 2009.

Secretariat, Steering Committee on Review of the Urban Renewal Strategy

April 2009