

For discussion
on 20 January 2009

LEGISLATIVE COUNCIL PANEL ON DEVELOPMENT

Review of the Urban Renewal Strategy

PURPOSE

This paper reports the progress of the review of the Urban Renewal Strategy (URS Review) and invites Members' views on the key issues relating to urban regeneration that should be examined during the Review.

BACKGROUND OF THE REVIEW

2. In 2001, the Government set up the Urban Renewal Authority (URA) to take over urban regeneration work from the Land Development Corporation. In the same year, the Government, after extensive public consultation, published the URS to provide broad policy guidelines to the work of URA.

3. Over the years, community aspirations over urban regeneration and public views on its implementation have changed considerably. In order to reflect the changing circumstances and public aspirations, the Government considers it timely to launch a major review of the URS. After consulting Members on the proposed modus operandi and public engagement process of the Review vide Development Panel paper no. CB(1)1951/07-08(03) in June 2008, we launched the Review in July 2008.

APPROACH AND PROCESS OF THE REVIEW

4. As we briefed Members in June 2008, the approach of the Review is intended to be a root-and-branch one, with no pre-determined agenda. Different aspects of urban regeneration, not limited to the current work of URA, will be examined to see whether there is public consensus on how the current URS should be updated and revised. Amendments to the URA Ordinance may also be considered, where necessary.

5. A Steering Committee on Review of the URS has been set up to guide and monitor the whole review process. The Committee is chaired by the Secretary for Development with ten unofficial members experienced in urban renewal, city planning, heritage conservation and community work.

6. A key component of the review is a robust and extensive public engagement process of about two years, supported by studies on urban renewal experience in a number of comparable cities. A policy study consultant, a research team of the University of Hong Kong, and a public engagement consultant, A-World Consulting Limited, have been commissioned to assist in the review.

7. The review process is structured into three stages, namely “Stage 1 – Envisioning” (July 2008 – January 2009), “Stage 2 – Public Engagement” (February 2009 – December 2009) and “Stage 3 – Consensus Building” (January 2010 – April 2010). We are now at the end of the Envisioning Stage, whose objective is to set the agenda for the review process and decide the range of topics and issues to be included for discussion in the subsequent stages.

PROGRESS IN POLICY STUDY

8. During the Envisioning Stage, the policy study consultant has researched into the urban renewal policies and practices in six comparable Asian cities, namely Seoul, Tokyo, Singapore, Taipei, Shanghai and Guangzhou. The information obtained will provide a solid and objective basis for informed discussions by the community during the Public Engagement Stage of the Review.

9. The study involves both literature reviews and field visits. It covers various aspects of urban regeneration including institutional arrangements, financial models, land and taxation policies, roles of different stakeholders, approaches of urban renewal, acquisition and resumption policies, compensation and re-housing policies, community engagement and evidence of cost effectiveness and efficiency. The study also examines the underlying social values and political structure in these cities and the power relationship among various stakeholders to assess the extent to which these overseas examples can serve as references for urban regeneration in Hong Kong.

10. A detailed account of the progress of the policy study is given in a progress report prepared by the policy study consultant at **Annex A**.

PROGRESS IN PUBLIC ENGAGEMENT

11. It is important to gauge the views of the Hong Kong people on the future direction of urban regeneration. Upon the launch of the Review, we have published a pamphlet together with a questionnaire and set up a dedicated website for the Review to provide background information about urban renewal work in Hong Kong and engage the public in the Review. The website, with an eForum, provides a platform for the Government to disseminate information about progress of the Review and for the public to express their views in an interactive manner. A series of focus group sessions and meetings were conducted to identify the key concerns of relevant stakeholders, the general public as well as professional groups and statutory bodies. We have also launched an API to further enhance the public awareness of the Review.

12. URA organized a one-day seminar on Asian experience on urban renewal on 15 December 2008 to enable overseas experts and practitioners to share their experience with stakeholders in Hong Kong. The seminar was well-attended by over 300 people.

13. Meanwhile, we are preparing for larger scale public engagement activities in the second stage of the Review. We are setting up an “Idea Shop” (a specialized community centre set up for the review) in Wan Chai where educational and interactive activities related to the Review will be organized.

14. Through the public engagement consultant, we are now inviting district councils, professional bodies, educational and community organizations to join a Partnering Organization Programme, which aims to encourage the wider community to take an active part in the Review and to stimulate more creative ideas to help shape the future direction of urban regeneration in Hong Kong. Interested organizations are invited to submit proposals for organizing activities related to the Review. These activities may take the form of exhibitions, competitions, workshops, discussion forums, and so on. Besides, we will actively employ other means to engage the public, including road shows, public forums and topical discussions.

15. A detailed account of the progress of public engagement is given in the paper prepared by the public engagement consultant at **Annex B**.

SUMMARY OF PUBLIC VIEWS RECEIVED SO FAR

16. So far, the following major issues were raised by various stakeholders during the Envisioning Stage –

(a) Vision & Considerations

- Many suggested that the vision of urban renewal depended on the long-term positioning of Hong Kong and should be part of the town planning and economic development strategies.
- Some expressed more specific concerns about development density, urban design (e.g. building height, local characteristics and public spaces), environmental protection and public transport considerations during the urban regeneration process. Some suggested to conduct more studies on and improve co-ordination among related areas and policies (e.g. local culture, poverty, heritage preservation and the Landlord and Tenant Ordinance).
- There have been a lot of discussions on the meaning of “people-centred approach”, the relation between development and quality of life, and the importance of preserving and revitalising social network, local culture and heritage as well as local economy. Some suggested that improvement of the living conditions of owners and tenants in dilapidated buildings was a welfare issue that should be achieved through social welfare programmes rather than urban redevelopment.
- There were also suggestions to extend urban renewal to cover industrial areas and areas outside the target areas included in the current URS.

(b) Balance & Coordination among 4Rs¹

- Some called for more emphasis on rehabilitation, preservation and revitalization to better preserve local character and social network, whilst some supported early redevelopment for buildings with poor

¹ 4Rs refer to Redevelopment, Rehabilitation, Revitalisation and pReservation.

safety and environmental hygiene conditions due to poor building management and maintenance.

- Many recommended better co-ordination among the 4Rs (e.g. guidelines on how to decide between redevelopment and rehabilitation).

(c) Role of Stakeholders

- Many emphasized that different stakeholders should play their roles in urban renewal. Some suggested that URA should take forward projects independently without cooperating with developers whilst some said that URA was not adequately equipped to implement the other 3Rs besides redevelopment.
- Some suggested a strengthened role of the Hong Kong Housing Society (HKHS) in rehabilitation of buildings, better co-ordination and re-alignment of the urban renewal efforts of URA, HKHS and Buildings Department, and improved collaboration with Hong Kong Housing Authority in rehousing.
- There were also requests for facilitating the role of the private sector in urban redevelopment (e.g. simplifying the requirements for compulsory sale, speeding up the relevant approval procedures, providing concessions in taxation or land premium, or transfer of development rights).
- There were suggestions to encourage residents to undertake redevelopment by themselves, with assistance from non-government organizations, developers and URA in the form of financial and technical support. Also, there were calls to strengthen the role of owners, such as through owners' participation in redevelopment projects; compulsory maintenance, management and insurance; and compulsory preservation with Government assistance.
- The Government was also urged to increase investment in public infrastructure (e.g. escalators in Mid-Levels) to encourage organic urban regeneration by the private sector.

(d) Compensation, Rehousing and Resumption

- There were suggestions to offer owners and tenants more options of compensation and rehousing, like “shop for shop” and “flat for flat”,

rehousing in the same district and relaxing the criteria for rehousing into public housing. Some suggested providing compensation and re-housing before approval of the statutory plans or development projects.

- As regards the prevailing compensation policy, there were conflicting views on whether the compensation was too generous or insufficient. Some also queried the justification for allowing URA to apply for resumption of land required for urban renewal.

(e) Public Engagement

- There were requests for engaging the affected owners and tenants and the general public in identifying target areas for the implementation of the 4Rs under a district based approach.
- Whilst there were calls for public engagement throughout the policy-making, planning, design and implementation processes, community education on urban renewal, and the establishment of community alliance to monitor urban renewal projects, there were also concerns that the public engagement process might slow down the pace of urban renewal.

(f) Social Impact

- Some suggested expanding the scope of social impact assessments to look at both social benefits and social costs; cover areas outside the project boundaries; integrate the assessments with the public engagement process; and conduct assessments both before and after the redevelopment.
- There were concerns about the current arrangement whereby URA commissioned non-government organizations to set up social service teams for individual projects, as the teams would be accountable to the affected owners and tenants, as well as to the URA. Some suggested establishing an independent mechanism to appoint social service teams.

(g) Financial Arrangement

- There have been mixed views on the current self-financing model of the URA. Some considered that this would mean that URA has to raise the development density of its redevelopment projects and will

be reluctant to improve its compensation and re-housing arrangements. Some considered that URA should be listed in the stock exchange to raise fund and that other organizations should be invited to share the burden of implementing those non-profitable urban regeneration initiatives.

- There were different views on URA's role: some suggested the Government to invest more on urban renewal (e.g. link redevelopment sites with new sites, increase resource allocated to URA); others suggested to reduce URA's role in redevelopment and strengthen the role of the private sector.

(h) Urban Renewal Programme

- There were calls to speed up the pace of urban renewal in view of the deteriorating conditions of old urban areas and the limitation of building rehabilitation. They requested early publication of planned urban renewal programmes so that affected residents might plan early (e.g. whether to rehabilitate their buildings).

(i) Others

- There was a suggestion to turn the URS into a statutory regulation.
- Some suggested URA's urban renewal projects should pursue excellence in architectural design.

17. The views already received, together with further feedback to be received during the remaining period of the Envisioning Stage, will be distilled into a list of issues which will be presented to the wider public for thorough discussions at subsequent stages of the review.

CONTINUOUS ENGAGEMENT WITH THE LEGISLATIVE COUNCIL

18. Members' views are welcomed. We shall continue to engage Members throughout the review process and shall report progress to and receive feedback from Members from time to time. We aim to report to the Panel on the progress of the Review again in a few months' time.

**Development Bureau
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