

LCQ9: Redevelopment projects of the Urban Renewal Authority

Following is a question by the Hon Lau Kwok-fan and a written reply by the Secretary for Development, Ms Bernadette Linn, in the Legislative Council today (November 1):

Question:

Under the Urban Renewal Authority Ordinance (Cap. 563), if the redevelopment project concerned requires an amendment to the land use zoning in the relevant Outline Zoning Plan (OZP), the Urban Renewal Authority (URA) will implement redevelopment by way of a "development scheme"; if the development involved in the redevelopment project concerned accords with the land use zoning in the relevant OZP, the URA will implement redevelopment by way of a "development project". Each year, the URA has to prepare a draft corporate plan setting out the projects proposed to be implemented in the next five years as well as a draft annual business plan for submission to the Financial Secretary (FS) for approval. In this connection, will the Government inform this Council:

(1) of the respective numbers of development schemes and development projects whose commencement has been gazetted by the URA since Cap. 563 took effect;

(2) whether the FS has rejected or amended the projects proposed to be implemented in the draft corporate plans submitted by the URA since Cap. 563 took effect; if so, of the number of projects involved and the reasons for that;

(3) given that under Cap. 563, authorisation from the Secretary for Development (SDEV) must be sought for implementing redevelopment by way of a development project, whether the SDEV (and the former Secretary for Housing, Planning and Lands (SHPL) as well as the former Secretary for Planning and Lands (SPL)) have declined to authorise the implementation of or made amendments to development projects since Cap. 563 took effect; if so, of the number of projects involved and the reasons for that;

(4) given that under Cap. 563, projects proposed to be implemented by the URA already require the prior approval of FS, why authorisation from the SDEV (or the former SHPL as well as the former SPL) must be sought in accordance with Cap. 563 again when implementing development projects, and of the legislative intent of the relevant authorisation procedure;

(5) whether it has examined the average time currently required from the gazettal of development projects or development schemes by the URA to the completion of land resumption through invoking the Lands Resumption Ordinance (Cap. 124) by the Government; whether the authorities have considered reviewing Cap. 563 to streamline the URA's workflow of implementing

redevelopment, thereby expediting the pace of urban renewal; if not, of the reasons for that; and

(6) of the following information on each development scheme and development project whose commencement has been gazetted by the URA since the publication of the new Urban Renewal Strategy on February 24, 2011: (i) the way of implementation (i.e. by way of a development scheme or development project), (ii) the ages and number of buildings involved, (iii) the number and percentage of buildings in poor conditions, (iv) the number and percentage of buildings in varied conditions, (v) the number and percentage of buildings in satisfactory conditions, (vi) the number and percentage of buildings in good conditions, and (vii) the number and percentage of "three-nil" buildings involved (set out in the table below by project number and project name)?

Project number	Project name	(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)

Reply:

President,

In consultation with the Urban Renewal Authority (URA), I would like to reply as follows:

(1) Since the Urban Renewal Authority Ordinance (Cap. 563) (Ordinance) came into force in 2001 and up to end-October 2023, the URA has commenced 23 development schemes under section 25 of the Ordinance and 32 development projects under section 26 of the Ordinance.

(2) In accordance to sections 21 and 22 of the Ordinance, the URA shall, no later than three months before the end of each financial year, submit to the Financial Secretary (FS) for approval a draft corporate plan for the next five years (including the next financial year) and a draft business plan for the next financial year. The FS is empowered to approve or refuse to approve the two draft plans in accordance with the Ordinance. The two draft plans should be endorsed by the Board of the URA before they are submitted to the FS.

Since the Ordinance came into force, after considering the redevelopment plans, building rehabilitation programmes and other works as proposed in the draft plans submitted each year, the FS was generally satisfied that the work of the URA has followed the missions of the Ordinance and the guidelines set out in the Urban Renewal Strategy (Note), and the URA was able to maintain a healthy and sustainable financial position. As such, while during the process the FS might provide comments to individual aspects and request the URA to make adjustments as necessary, all the draft plans submitted by the URA in the past have been generally approved by the Financial Secretary.

(3) and (4) In deciding whether to approve the corporate plan and business plan, the FS will mainly deliberate at the macro-policy level and financial

aspects. That said, as the implementation of individual redevelopment projects will affect relevant owners, tenants, business operators and the community, the Ordinance therefore provides a mechanism for affected parties to raise objections to the development schemes / development projects. For "development schemes", affected parties can make representations within two months after the relevant plans were published in Gazette notices according to the Town Planning Ordinance (Cap. 131) (TPO), and the Town Planning Board (TPB) will handle the representations in accordance with the TPO. For "development projects", affected parties can raise objection to the URA within two months from the publication of the projects in Gazette notice in accordance with the Ordinance. Afterwards, the URA is required to submit the social impact assessment reports of the relevant redevelopment projects, together with the written objections and its deliberation on the written objections, to the Secretary for Development (SDEV). In determining whether to authorise, or otherwise, the URA to undertake the relevant projects, the SDEV should also examine the written objections concerned. This mechanism enables the SDEV to consider the actual circumstances of individual development projects, deliberate thoroughly on public views and take account of public interest as well as the interests of affected persons before deciding whether to authorise the URA to proceed with the projects, or otherwise, to make amendment to the projects.

Since the Ordinance became effective and up to end-October 2023, the SDEV once declined to authorise a development project under the Ordinance in 2013, namely the industrial building redevelopment at No. 12P Smithfield, Kennedy Town (IB-1: CW). The owners of the industrial building concerned raised objections to the implementation of the development project by the URA for the reason that they had the intention and resources to redevelop on their own. After prudent consideration of those owners' written objections and the deliberations submitted by the URA, the SDEV decided to decline to authorise URA to proceed with that development project.

(5) Among the 55 redevelopment schemes / redevelopment projects mentioned in part (1) above, the Government has completed resumption of private land under the Lands Resumption Ordinance (Cap. 124) (LRO) for 43 projects for redevelopment by the URA. For these 43 schemes / projects, counting from the date of publishing the Gazette notice under the Ordinance and conducting the freezing survey immediately, and up to the date the Government invoked the LRO to resume the relevant private land (in between, the URA has to seek approval from the TPB to amend the land use zoning indicated in the relevant Outline Zoning Plan (in case of development schemes) or authorisation from the SDEV (in case of development projects), as well as to undertake acquisition and relocation, etc.), the average time required is about 34 months.

The URA has to go through a series of statutory procedures after the publication of Gazette notice to commence individual redevelopment schemes / redevelopment projects. As mentioned in parts (3) and (4) above, affected persons can raise objections to the redevelopment schemes / redevelopment projects within the stipulated deadline, and the URA has to submit the written objections received, its deliberation on the written objections as

well as the social impact assessment reports of the redevelopment schemes / redevelopment projects to the SDEV (if involving redevelopment projects) or the TPB (if involving redevelopment schemes) for consideration. Afterwards, the URA has to conduct extensive consultations with the owners, tenants and business operators in regard to compensation, relocation and rehousing issues, etc. The principle is to acquire the properties through negotiation as far as possible. If eventually acquisition through negotiation cannot be made for all the properties concerned, the Government will then invoke LRO to resume the relevant private land.

Although it takes time to complete the complicated processes such as property acquisition involved in the redevelopment programme, the URA has endeavoured to compress the time required in order to ensure that the affected parties will receive appropriate compensation and support, whereas the projects can be implemented the soonest possible so that capital can be returned earlier for better cash flow management. Moreover, redevelopment projects of the URA can also benefit from the streamlined development-related statutory procedures introduced by the relevant legislation effective from September 2023, which include shortening of the town planning procedures and allowing certain statutory processes to be conducted, such as publication of Gazette notices respectively for road works and land resumption, at a similar time. These adjustments help accelerate the redevelopment work of the URA. We therefore consider that there is no need to amend the Ordinance at this stage.

(6) Since the promulgation of the new Urban Renewal Strategy on February 24, 2011 and up to end-October 2023, the URA has commenced a total of 37 development schemes or projects as announced in the Gazette notices published under the Ordinance. Details are set out in the Annex.

Note: Formulated by the SDEV in accordance with section 20 of the Ordinance.