

THE HONG KONG HOUSING AUTHORITY

Memorandum for the Housing Authority

Long Term Housing Strategy Review

PURPOSE

This paper outlines the main proposals of the Long Term Housing Strategy (LTHS) Review which are related to the Housing Authority (HA), and inform Members of the plan for deliberation of the Review proposals by the HA.

BACKGROUND

2. In the 1995 Policy Address, the Governor announced the Government's intention to review the LTHS and to consult the public on its conclusions and recommendations before reaching final decisions on the way forward. The Review aims to identify any changes in policies or priorities necessary to achieve the established housing goals, having regard to the changing needs and expectations of the community and the forecast demand for housing over the period up to March 2006. The Review has just been completed and its proposals are set out in the Consultative Document issued to Members by the Housing Branch.

THE LTHS REVIEW PROPOSALS

3. The LTHS Review re-affirms that the key goals of the Government's housing policy are to help all households to have access to adequate and affordable housing and to encourage home ownership. To be better able to achieve these goals, the Review has concluded that future priorities should be -

- (a) to increase the supply of flats to meet forecast demand for housing, in particular by providing a steady and sufficient supply of serviced land;
- (b) to maximise the contribution of the private sector towards meeting the demand for public and private housing;
- (c) to encourage wider home ownership, especially among public housing tenants; and
- (d) to ensure that public rental housing is provided to those in genuine need.

4. The Review has proposed a number of possible initiatives to support the above priorities. As far as the HA is concerned, Members may wish to take note of the following proposals -

Increasing flat supply

- To provide a steady and sufficient supply of land and supporting infrastructure to meet forecast demand for public and private housing.
- To streamline and speed up procedures for the approval of housing projects and related land transactions.
- To redevelop suitable old flatted factory estates of the HA.
- To utilize fully the permitted development density in redeveloped HA estates.

Maximising the contribution of the private sector

- To provide more subsidized home ownership flats by way of mixed developments.

Encouraging wider home ownership

- To maintain and, where possible, expand the existing subsidized home ownership schemes.
- To help and encourage public rental housing (PRH) tenants to become home owners by
 - allowing PRH tenants access to Sandwich Class Housing (SCH);
 - widening HA 廉租屋 existing scheme to transfer new rental blocks to Home Ownership Scheme (HOS) for sale;
 - providing a monthly mortgage subsidy for Comprehensive Redevelopment Programme (CRP) households to buy flats in nearby reception estates; and
 - launching a new Sale of Flats to Sitting Tenants Scheme (SFSTS).

Providing public rental housing for those in genuine need

- To ensure PRH allocation is based on genuine need by
 - introduction of comprehensive means test upon entry covering both income and net assets; and
 - restriction on 租屋“take-over” of PRH tenancies.
- To increase supply of PRH flats available for allocation to families on the Waiting List in genuine need by
 - confining further redevelopment of HA estates upon completion of CRP;
 - making no further change to the current space allocation standards for PRH; and
 - uniform application of Waiting List Income Limits (WLILs).
- To increase PRH rents gradually to realistic but affordable levels, and to review and revise the existing Rent Assistance Scheme (RAS) as necessary.

- To increase supply of small public rental flats for allocation to eligible single persons.
- To explore the feasibility of clearing all Cottage Areas and squatter areas on mixed lots in urban areas, subject to availability of rehousing resources.
- To improve the quality of interim housing.

PLAN FOR DELIBERATION

5. The public consultation exercise will run up to 31 May 1997. Thereafter, the Housing Branch will review the current proposals in the light of public views expressed.

6. To start off Members' deliberation of the proposals, a brainstorming session for HA and Committee Members will be held on 1 February 1997 to obtain a general steer from Members. The proposals will be discussed in detail by the relevant Committees during the consultation period (see **Annex**). The Committees' views will then be consolidated for Members' deliberation in May 1997 so that the HA can come to a response to the LTHS Review proposals before the end of the consultation period.

INFORMATION

7. This paper is issued for Members' information.

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c.c. All Committee Members

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