

THE HONG KONG HOUSING AUTHORITY

Memorandum for the Housing Authority

Restructuring Studies

PURPOSE

This paper informs Members about the new approach proposed by the Housing Department in handling redevelopment projects, and seeks Members' approval to allocate \$30 million from the Development Fund to implement four restructuring studies in support of the new approach.

BACKGROUND

2. Of the total 560 blocks to be cleared under the Comprehensive Redevelopment Programme (CRP), about 200 blocks still remain. Majority of the remaining blocks are located in prime but older parts of the urban areas, particularly Central and East Kowloon. The CRP will be completed by 2005.

3. With implementation of the CRP, two issues emerge which led to the conclusion that a different approach to the redevelopment of public housing estates should be considered. This will result in greater benefits to both Housing Authority (HA) and the community at large.

4. First, redevelopment is, by nature, narrowly defined and inward looking. Boundaries and blocks to be redeveloped are predetermined. The constraints are always tight. Design is more often than not dictated by the problems associated with a phased redevelopment programme. There is little scope for looking beyond the immediate boundaries of the estate to the rest of the community, nor are there any incentives to do so since these areas are by definition outside the HA's jurisdiction.

5. Second, even though redevelopment of obsolete public housing

blocks will facilitate the revitalisation and improvement of an area, past experience has also shown that many land use issues cannot be adequately resolved through ad-hoc redevelopment efforts. More importantly, vital opportunities for community improvement may be lost as a result of an incremental redevelopment process.

A NEW APPROACH

6. Redevelopment of HA's estates could serve as a catalyst for urban improvement/renewal of the district, but HA's initiatives alone are inadequate to generate the desired results. A broad-based comprehensive planning exercise will enable the Authority and the larger community to examine the physical, environmental, land use, landscape, infrastructural, socio-economic and institutional attributes and constraints in totality, as well as undertake planned programmes and actions to redress the identified problems and shortfalls.

7. Through a thorough and macro examination of current land use/allocations within the community, new opportunities may be identified which may lead to better planning and development within the district, including opportunities for housing and possible joint venture developments with the private sector. It is also opportune for HA to consider possible new directions for two main reasons. First, with the imminent completion of the current CRP, there will be less strain on HA's resources for local rehousing. Second, urban renewal/regeneration will take on more prominence in the future. A series of restructuring studies, therefore, have been identified by HA.

BENEFITS TO THE HOUSING AUTHORITY

8. Aside from benefiting the larger community, restructuring of a wider area also has many tangible benefits to HA. They include -

- (a) The rationalisation of land use and the opportunity for increasing housing production, particularly for HA's redevelopment sites where boundaries may be modified to optimise development intensity.
- (b) The ability to bring in other resources to facilitate redevelopment of existing public housing estates, including the private sector and other quasi-government agencies. This could enable some older estates to be redeveloped for higher and more productive uses that would otherwise remain for a long time due to a lack of suitable reception housing.
- (c) The improvement to the physical conditions of the area which would benefit existing public housing residents and at the same time enhance the attractiveness and desirability of HA developments.
- (d) The greater diversity of land use and type of developments will assist in improving the socio-economic mix in the area and provide public housing residents with more choices and housing opportunities.

USE OF DEVELOPMENT FUND TO FACILITATE THE RESTRUCTURING STUDIES

9. It is proposed to use the Development Fund to undertake restructuring studies on four districts in Kowloon – Cheung Sha Wan, Ho Man Tin, Ngau Tau Kok and Shek Kip Mei. This is in accordance with the ambit of the Development Fund which states “the main purpose of the fund is to facilitate and expedite the production of public housing in time to meet LTHS requirements and to facilitate the rehousing of those in need.”

10. A total of \$30 million is requested, and the budget allocations for the respective studies are as follows -

<i>Cheung Sha Wan Restructuring Study</i>	<i>\$8 million</i>
<i>Ho Man Tin Restructuring Study</i>	<i>\$8 million</i>
<i>Ngau Tau Kok Restructuring Study</i>	<i>\$8 million</i>
<i>Shek Kip Mei Restructuring Study</i>	<i>\$6 million</i>

11. The areas chosen for initial review were selected on the basis of their prime urban locations, predominance of public housing with designated redevelopment blocks in the CRP, good transportation linkages, and presence of large open spaces and other amenities. The proposed study area boundaries for the four districts are at **Annexes 1 to 4**.

STUDY OBJECTIVES

12. Within the context of the broad planning intention of the districts concerned, the primary objectives of the restructuring studies are as follows-

- To examine the programmed redevelopment of HA's estates within the context of the immediate community, with particular concerns for a more rational and efficient use of the overall land resource in the area.
- To review land use issues which have community-wide implications, including all of HA's projects as well as other developments within the general area.
- To identify new housing sites (both public and private) in support of the LTHS requirements and broad housing production targets.
- To consider opportunities for encouraging private sector participation in the redevelopment of both HA's and other potential sites in the area.
- To assess alternative reception housing which could better serve the affected tenants, particularly the elderly.
- To propose actions and recommendations which will bring about infrastructural, community facilities, traffic and other improvements, as well as expediting the housing production.

ENDORSEMENT BY THE WORKS LIAISON GROUP

13. At its meeting on 5 November 1998, the Works Liaison Group endorsed the use of the Development Fund to undertake the Ngau Tau Kok and Shek Kip Mei restructuring studies. The Committee also endorsed allocation of the Development Fund to implement the Cheung Sha Wan and Ho Man Tin restructuring studies at the meeting on 8 July 1999.

ADMINISTRATIVE ARRANGEMENTS

14. Given the complexities of issues to be addressed and diversity of interests that may be affected, the success of the new approach will require the co-operation from various departments, as well as a high level policy steer and co-ordination from government. A meeting was held on 20 March 1999 with the Planning, Environment and Lands Bureau, Housing Bureau, Planning Department, Lands Department and Territory Development Department to discuss the new redevelopment approach. General support for the new concept and restructuring studies was received.

15. It was agreed that the restructuring studies should be conducted in two stages. Stage 1 of the study will focus on the development of concept plans and carrying out of broad technical studies to confirm viability of the restructuring schemes proposed. A preliminary Outline Master Development Plan will be produced at the end of Stage 1. It should constitute the basis for submission to the Town Planning Board. Completion of Stage 1 is targeted for around six to nine months.

16. An inter-departmental study working group will be formed to provide direction for the studies, and will be chaired by the Deputy Director of Planning/District with the Deputy Director of Housing/Works as vice-chairman. Membership in the working group will comprise all relevant bureaux and government departments. The Housing Department will be responsible for monitoring the study consultants.

17. At the conclusion of Stage 1 and during the course of the study, if warranted, the respective restructuring proposals will be submitted to CPLD, HOUSCOM and HA's SPC for steer and direction.

18. Stage 2 is the “Detailed Design and Implementation Stage”. It will be concerned with more detailed assessments of the restructuring proposals, if required, and implementation of the restructuring schemes on the basis of the Stage 1 recommendations as agreed by CPLD. An institutional framework for implementation of the restructuring strategies would be endorsed in Stage 1 for execution in Stage 2. This is important in ensuring that an agreed approach by all parties concerned with appropriate authority will be in place for the purpose of carrying out the approved restructuring schemes.

19. Administrative arrangement for Stage 2, including the framework for implementation, will require further discussion and agreement with bureaux and departments concerned. To guide the implementation exercise, it is proposed to set up a separate working group to be chaired by the Director of Housing with the Director of Territory Development as the Vice-chairman. Membership in the working group in Stage 2 may vary depending on the specific issues to be addressed. CPLD’s advice will be sought on major issues that are unable to be resolved by the working group.

20. The HOUSCOM was informed of the Housing Department’s proposed restructuring studies on 26 April 1999. General support for the studies was received from the Chairman and members.

THE PROGRAMME

21. All areas proposed for restructuring study comprise Control List sites and redevelopment projects with critical timelines. Hence, Stage 1 of the studies will need to start immediately in order not to delay the development programme. The Ngau Tau Kok and Shek Kip Mei restructuring studies are scheduled to commence in early August 1999 upon completion of the consultant selection and appointment procedures. As for Cheung Sha Wan and Ho Man Tin, their commencement date is targeted for mid September this year. Completion of Stage 1 for all four studies would be around mid 2000.

RECOMMENDATION

22. It is recommended that Members approve the following, subject to availability of funds -

(α) **\$30 million** to be allocated from the Development

Fund to implement the Cheung Sha Wan, Ho Man Tin, Ngau Tau Kok and Shek Kip Mei restructuring studies.

- (b) Further approval from the Housing Authority to be sought should the total cost exceeds the approved budget by 10%.

PRESUMPTION

23. It is not thought that Members will object to the recommendation in paragraph 22 above. If no objection or request for discussion is received by the Committees' Secretary by noon on **25 August 1999**, Members' approval will be presumed.

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