

Doc Type	HA
Paper No	76/96
Title	Secretary's Report - Committee Work (June 1996 - August 1996)
CONTENTS	<p>HA 76/96</p> <p>THE HONG KONG HOUSING AUTHORITY</p> <p>Memorandum for the Housing Authority</p> <p>Secretary's Report - Committee Work (June 1996 - August 1996)</p> <p>PURPOSE</p> <p>This paper summarises the work of the Housing Authority's Committees for the period from 1 June 1996 to 31 August 1996.</p> <p>(1) BUILDING COMMITTEE</p> <p>Housing Authority Contracts Approved</p> <p>2. During the period, 62 contracts were approved. Contracts awarded during this period totalled \$4,607.4M.</p> <p>Client Briefs, Control Plans, Project Estimates, Scheme Designs and Project Budgets (Papers No. BC 93/96, BC 94/96, BC 95/96, BC 114/96, BC 115/96, BC 116/96, BC 134/96, BC 135/96)</p> <p>3. During the period, the Committee considered and approved the proposed/revised client briefs, control plans, project estimates, scheme designs and project budgets for -</p> <p>(a) Development of Tin Shui Wai Area 102</p> <p>(b) Redevelopment of Tsz Oi Estate Phase 4</p> <p>(c) Sau Mau Ping Redevelopment Phase 7</p> <p>(d) Development of Tin Shui Wai Area 31 - Phase 4</p> <p>(e) Development of Tung Chung Areas 30 and 31</p> <p>(f) Yuen Tung Home Ownership Scheme (HOS) Development</p> <p>(g) Redevelopment of Wong Tai Sin Estate Phase 4</p>

(h) Redevelopment of Tsz Ching Estate Phase 2

Monthly Progress Report - June 1996 to August 1996
(Papers No. BC 102/96, BC 119/96, BC 137/96)

4. As at the end of July 1996, a total of 81,982 rental and HOS flats were under construction; and a total of 2,981 rental and HOS flats were completed between April and July 1996.

Others

Proposed Appointment of Architectural Consultants for New Development Projects
(Paper No. BC 96/96)

5. Members approved various consultancy appointments for new development projects.

Management and maintenance System of the Approved Lists of Materials and Suppliers of Building Components
(Paper No. BC 97/96)

6. Members noted the management and maintenance system of the Approved Lists of Materials and Suppliers of Selected Building Components for use in standard domestic blocks. Improvement Works to Harmony Blocks
(Paper No. BC 98/96)

7. Members approved various improvement works for implementation in Harmony Block contracts with effect from 1 March 1997.

Liquidated Damages for Delay in Construction of Home Ownership Scheme (HOS) Courts
(Paper No. BC 99/96)

8. Members agreed that a new second liquidated damages provision be introduced into future building contracts for HOS courts to include recovery of any possible compensation that might be payable by the Authority to purchasers due to delay in building completion.

Resources for the Housing Authority Piling Contract
(Paper No. BC 101/96)

9. Members noted the results of a review of the anticipated resources for the Housing Authority piling contracts due to be awarded in the two-year period from 1996/97 to 1997/98.

Improvements on Performance Assessment Scoring System (PASS) and Score Analysis
(Paper No. BC 118/96)

10. Members noted the following issues relating to the PASS -

- (a) system changes and enhancements up to 1995;
- (b) analysis of scores;
- (c) initiatives taken in 1996 and the current trend; and
- (d) further initiatives for system enhancement. Extension of Existing Consultancies for the Estate Office Improvement Programme (Paper No. BC 136/96)

11. Members agreed that the scope of the existing consultancies under package I, II and III of the estate offices improvement programme be extended to cover 36 additional estate offices.

(2) MANAGEMENT AND OPERATIONS COMMITTEE

Domestic Rents for New Estates
(Paper No. MOC 42/96)

12. Members approved the rents for 8,997 flats in ten new estates (including an HOS block where Housing for Senior Citizens will be provided) which are expected to be completed from November 1996 to April 1997 as follows -

District Estate	Approved Inclusive Rent	\$/sq. m.
Urban Tsz lok		
Pak Tin Ph. 2		
Ping Tin		
Kai Tin		57.5
Un Chau Street		
Tung Lam Court		
Kwai Chung Kwai Shing Ph. 3		55.5
East Ph. 4		
Shek Lei (1)		
Ma On Shan Chung On Ph. 3		50.3
Tin Shui Wai Tin Tsz Ph.1		33.0

13. Members also approved the revision of best rent levels for all districts, as set out below -

District	Current Best Rent \$/sq.m.	Approved Best Rent \$/sq.m.
Urban	55.3	57.5

Shatin/Tsuen Wan/Kwai Chung	53.4	55.5
Tsing Yi/Tai Po/Tseung Kwan O/Man On Shan	48.4	50.3
Fanling/Sheung Shui	39.1	40.7
Yuen Long/Tuen Mun	34.5	35.9
Tin Shui Wai	31.7	33.0
Islands	31.7	33.0
Converted Blocks (Urban)	36.9	38.4
Converted Blocks (Tsuen Wan/Kwai Chung)	35.3	36.7

Rent Review for Post-1973 Estates
(Paper No. MOC 43/96)

14. Members approved the review of domestic rents for 236,750 flats in 84 post-1973 estates and endorsed the proposed increase of inclusive rent not exceeding the following -

District	\$ per sq.m.
Urban Areas	6.6
Shatin/Tsuen Wan/Kwai Chung	6.1
Tsing Yi/Tai Po/Tseung Kwan O/Ma On Shan	5.5
Fanling/Sheung Shui	5.0
Tuen Mun/Yuen Long	4.4
Tin Shui Wai	4.4
Islands	3.3
Converted Blocks (Urban Areas)	5.5

15. Members also agreed that rent increase for Harmony blocks should be detached from the group of post-1973 estates and be considered separately for biennial rent increase in two batches, one in every December.

Anticipatory Housing Scheme - Extension of Priority Period from Six to Twelve Months
(Paper No. MOC 54/96)

16. Members agreed to extend the priority period from six to twelve months for allocation of public housing under the Anticipatory Housing Scheme. The time extension should continue to apply across-the-board to all eligible households who are subject to involuntary rehousing, including squatter clearerees, temporary housing area clearerees, private redevelopment clearerees, fire and natural disaster victims.

Review of Relief of Overcrowding Arrangement
(Paper No. MOC 55/96)

17. Members noted the positive result of the revised arrangement for overcrowding relief introduced in July 1995 and the further administrative modifications to the arrangement to improve its efficiency and effectiveness.

(3) HOME OWNERSHIP COMMITTEE

Prices of Flats in Phase 18B of the Home Ownership Scheme
(Paper No. HOC 49/96)

18. Members endorsed the average prices for Phase 18B on the basis of a 45% discount to market values as follows -

	\$/m ²	\$/ft ²
	Project Saleable Area	Gross Floor Area
HOS		
Ka Keung Court Stage I Wang Tau Hom	29,200	2,205
Hung Fuk Court Tin Wan	25,300	1,890
Kwong Ming Court Stage I Tseung Kwan O	21,300	1,475

19. Members also noted that local Green Form applicants would be given top priority to purchase the flats of Ka Keung Court, which were built on an infill site. Flats not taken up by local Green Form applicants would be sold to Green Form and White Form applicants according to the prevailing allocation ratio of 80:20. Any remaining flats not taken up by Green Form applicants under the 80% allocation ratio would be sold to White Form applicants.

Review of Quota for Home Purchase Loan Scheme for Green Form Applicants
(Paper No. HOC 50/96)

20. Members endorsed the proposal to increase the quota for Green Form applicants by 3,000 in 1996/97 under the enhanced Home Purchase Loan Scheme (HPLS).

Review of Quota Allocation for Home Ownership Scheme and Expansion of Home Purchase Loan Scheme Quota for White Form Applicants
(Paper No. HOC 51/96)

21. Members agreed to -

(a) revise the HOS allocation ratio between Green Form and White Form applications to 80:20 for two years in 1996/97 and 1997/98 commencing from Phase 18B;

(b) review the quota allocation of 80:20 between Green Form and White Form applications for HOS after two years in 1998; and

(c) pass the following motion -

"That the Department's proposal to increase the HPLS quota for White Form applicants by 1,000 in 1996/97 be initially accepted; and that the Department be urged to consider expanding the HPLS quota for White Form applicants by 1,500 or above in 1996/97, taking into account HA's financial capability and the market conditions."

Allocation and Sales Arrangements for Public Housing in Tung Chung Area 10
(Paper Nos. HOC 45/96 and MOC 34/96)

22. Members agreed that in selling HOS flats in Tung Chung Area 10, airport employees who were at the same time PRH tenants should be accorded second priority Green Form status. Other airport employees should be accorded ordinary Green Form status subject to their fulfillment of the criteria on income and non-property ownership.

Application Statistics and Flat Selection Arrangements for Home Ownership Scheme Phase 18A
(Paper No. HOC 52/96)

23. Members noted the report.

Mode of Operation for Sale of HOS/PSPS Flats in the Proposed Secondary Market
(Paper No. HOC 60/96)

24. Members expressed their views on the mode of operation for sale of HOS/PSPS flats in the proposed secondary market. The Department would examine Members' views further.

Unsuccessful Applications for Home Ownership Scheme
(Paper No. HOC 61/96)

25. Members agreed to give an additional registration number to White Form and ordinary Green Form applicants for each unsuccessful application made with a view to increasing their chances of success in the ballot. The new arrangement

would count from Phase 18b with extra registration numbers to be allocated to unsuccessful applicants from Phase 18C onwards.

Formation of Owners Corporation in HOS Estates
(Paper No. HOC 62/96)

26. Members noted the implementation details for the formation of Owners Corporations in HOS estates.

HOS Owners' Decoration Handbook
(Paper No. HOC 63/96)

27. Members noted the proposed content of the decoration guidelines to be issued to HOS purchasers.

(4) FINANCE COMMITTEE

Terms of Reference, Major Outstanding Financial Initiatives and Schedule of Business
(Paper No. FC 5/96)

28. Members noted the rationale of the establishment of the Finance Committee, the terms of reference, the major ongoing and outstanding financial initiatives and the likely schedule of business for the next twelve months.

Provisional Accounts 1995-96
(Paper No. FC 6/96)

29. Members were presented with the 1995-96 provisional accounts of the Authority.

Funds Management Policies and Quarterly Report for the Period 1 April to 30 June 1996

30. Members noted the Authority's overall cash and funds management position as at 30 June 1996 and the material changes in the Authority's portfolio during the quarter.

31. Members approved -

(a) the delegation to the Department for routine maintenance of the approved list of counterparties; (b) the "temporary fund parking" facility for fund managers;

(c) the credit rating recognition for Category 2 banks;

(d) the revision of the fund managers, total exposure limits;

(e) the revision of the Authority's list of approved counterparties and their limits;
and

(f) the Repurchase Arrangement for Exchange Fund Bills and Notes with the Hong Kong Monetary Authority.

Comprehensive Insurance Programme for the Housing Authority
(Paper No. FC 8/96)

32. Members approved the establishment of a Comprehensive Insurance Programme together with an Insurance Fund. Members also approved the revised Accounting Policy No. 12 Insurance.

(5) SPECIAL COMMITTEE ON CLEARANCE OF KOWLOON WALLED CITY

Disbandment of the Special Committee on Clearance of Kowloon Walled City
(Paper No. KWC 7/96)

33. Members agreed that two late appeal cases should be allowed. The disbandment of the Committee would be further reviewed after the two appeal cases had been completed.

(6) VISITS

34. During the period, the following visits were arranged for Housing Authority and Committee Members -

(a) a visit for the Housing Authority Members on 13 June 1996 to Wing Fai Centre, Wing Fok Centre and Wah Sum Estate to observe the standards achieved by the new Private Sector Participation Scheme development, the new UPVC windows and automated refuse collection system;

(b) a visit for the Housing Authority and Building Committee Members on 27 June 1996 to Lam Tin Estate Phase 2 to see the improvement works to Harmony block wall finishes, tiling and cooking bench;

(c) a visit for the Management and Operations Committee Members on 1 July 1996 to Kwai Shing East Estate to see the adequacy of the facilities of Shing Hing and Shing On Houses;

(d) a visit for the Complaints Committee Members on 13 July 1996 to Nam Shan Estate to see the implementation of the CARE programme; and

(e) a visit for the Building Committee Members on 18 July 1996 to Choi Wan Infill Site to see the achievement of six-day cycle construction speed per storey of domestic block.

(7) MEETINGS WITH CONCERN GROUPS

35. During the period, the Chairman of the Housing Authority had one meeting with an interest group. Members of the Management and Operations Committee

held 12 meetings with concern groups to discuss various housing issues.

(8) LIAISON WITH DISTRICT BOARDS

36. During the period under review, housing issues which received most attention from District Boards included the progress and arrangement of redevelopment/clearance/rehousing programmes and works of maintenance and repairs, and security installation. Other issues, including public housing management, dog-keeping in public housing estates, improvement of existing facilities, etc. were discussed by various District Boards and their Committees or Working Groups.

37. A list of the housing matters discussed by each District Board and its committees during this period is at the Annex.

INFORMATION

38. This paper is issued for Members' information.

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