
THE HONG KONG HOUSING AUTHORITY

Memorandum for the Housing Authority

Secretary's Report – Committee Work (July 1999 – September 1999)

Purpose

This paper summarises the work of the Housing Authority's Committees for the period from 1 July 1999 to 30 September 1999.

(1) BUILDING COMMITTEE

Housing Authority Contracts Approved

2. During the period, 37 contracts were approved. The sum of the contracts approved totalled \$4,914,572,000.

Client Briefs, Control Plans, Project Estimates, Scheme Designs and Project Budgets

(Papers Nos. BC 129/99, BC 130/99, BC 136/99, BC 140/99, BC 141/99, BC 155/99, and 156/99)

3. The Committee considered and approved the proposed/revised client briefs, control plans, project estimates, scheme designs and/or project budgets for -

- (a) Development of North Part of West Kowloon Reclamation, Site 10 - Phases 1, 2 and 3;
- (b) Construction of Homantin South Phase 4;

- (c) Tin Shui Wai Area 101 Phase 2;
- (d) Development of the Neighbourhood Community Centre Site at Tsz On Estate;
- (e) Redevelopment of Shek Pai Wan Estate Phases 1 and 2; and
- (f) Redevelopment of Kwai Chung Estate Phases 3 and 4.

Others

Research on the Proposed Relaxation of Window Requirements for Bathroom and Kitchen in Standard Domestic Blocks

(Paper No. BC 125/99)

4. Members approved the relaxation of window requirements for bathroom and kitchen in standard domestic blocks.

Enhancement of Identity in Public Housing Estates

(Paper No. BC 126/99)

5. Members approved the recommended enhancement of identity in public housing estates and the use of possible design variations in standard domestic blocks.

New Listing System for Building Materials/Components and Building Services Materials

(Paper No. BC 127/99)

6. Members endorsed the implementation of the new listing system for the building materials/components and building services materials used in Housing Authority projects.

Research on Cost-efficiency of Structural Designs of Standard Domestic Blocks

(Paper No. BC 128/99)

7. Members endorsed the following -
- (a) reduction of structural walls to optimum thicknesses for H1 blocks;
 - (b) adoption of a single grade of concrete for H1 blocks; and
 - (c) maximizing the use of prefabrication and mechanization.

Site Safety Measures

(Paper No. BC 138/99)

8. Members approved the proposed implementation of Automatic Suspension from Tendering upon unsatisfactory site safety performance, and the Pay for Safety Scheme.

Updated Development Cost Estimate and Funding Arrangement for the Tiu Keng Leng Development

(Paper No. BC 139/99)

9. Members approved the updated scope of work for Tiu Keng Leng Development.

Audit System for New Development Projects

(Paper No. BC 151/99)

10. Members noted the audit system for new development projects.

(2) COMPLAINTS COMMITTEE

Cases Heard

Complaint on Disclosure of Personal Data

(Paper No. CC 15/99)

Complaint on Allocation of Public Rental Flat

(Paper No. CC 16/99)

Complaint on Management and Maintenance of a Home Ownership Court

(Paper No. CC 20/99)

11. Panel meetings of the Complaints Committee were held on 16 July and 10 August 1999 to discuss the complaints. The panels found that the Department had followed the established procedures in handling these cases and the complaints were not substantiated.

(3) COMMERCIAL PROPERTIES COMMITTEE

Promotion Programmes for Shopping Centres in 1998/1999 and 1999/2000

(Paper No. CPC 29/99)

12. Members noted the promotion activities for Housing Authority shopping centres conducted in 1998/99 and those planned for 1999/2000.

Progress Report on the Work of the Letting Panel (January-December 1998)

(Paper No. CPC 30/99)

13. Members noted the lettings by negotiation overseen by the Letting Panel in 1998.

Year-end Performance Review for Commercial Business 1998/1999

(Paper No. CPC 31/99)

14. Members noted the year-end review for Commercial Business in 1998/99.

Financial Performance of Shopping Centres Completed in 1997/1998
(Paper No. CPC 32/99)

15. Members noted the financial performance of new shopping centres completed in 1997/98.

Statistics on the Letting of Commercial Premises in Public Housing Estates
(Paper No. CPC 33/99)

16. Members noted the latest statistics on the letting of commercial premises in public housing estates.

Carpark Charges for 2000
(Paper No. CPC 45/99)

17. Members approved leaving carpark charges unchanged for the year commencing 1 January 2000. **Progress on Letting of Residential Care Homes for the Elderly in Public Housing Estates** (Paper No. CPC 46/99) 18. Members approved the way forward for the letting of residential care homes for the elderly in public housing estates.

Arrangements for Tenants Affected by Clearance of Shek Kip Mei Factory Estates

(Paper No. CPC 47/99)

19. Members approved the recommended ex gratia allowances and other arrangements for tenants affected by the redevelopment of Shek Kip Mei Factory Estate. **Ex Gratia Allowance on Clearance of Cooked Food Stalls in Shui Pin Wai Estate** (Paper No. CPC 48/99) 20. Members disapproved the recommended ex gratia allowance equivalent to eight months' rent to the five ex-tenants of cooked food stalls in Shui Pin Wai Estate because it was extra-contractual to provide an additional four months' rent.

Review of Licence Fees for Minor Storerooms (Paper No. CPC 49/99) 21. Members decided to freeze the increase of licence fees for minor storerooms for one year with effect from 1 December 1999.

Progress Report on Major Improvements to Shopping Centres

(Paper No. CPC 50/99)

22. Members noted the progress of improvement schemes in various shopping centres, the updated five-year rolling improvement programme, and the budget forecast.

Improvement of Wan Tau Tong Shopping Centre, Tai Po (Paper No. CPC 51/99) 23. Members noted the improvement proposals for Wan Tau Tong Shopping Centre.

Improvement of Tin Ping Shopping Centre, Sheung Shui

(Paper No. CPC 52/99)

24. Members noted the improvement proposals for Tin Ping Shopping Centre. **Statistics on the Letting of Commercial Premises in Public Housing Estates** (Paper No. CPC 53/99) 25. Members noted the latest statistics on the letting of commercial premises in public housing estates.

(4) FINANCE COMMITTEE

Audit Reports Discussed at the Housing Department Steering Committee on Management and Audit Studies Meeting held on 23 July 1999

(Paper No. FC 39/99)

26. Members noted the audit reports by the Internal Audit Section and the Technical Audit Section and the Steering Committee's

comments/follow-up actions on each report. Members also noted the summary of follow-up actions on audit reports discussed at previous Steering Committee and Finance Committee meetings.

Funds Management Report for the period 1 April 1999 to 30 June 1999

(Paper No. FC 40/99)

27. Members noted –
- (a) the results of the Authority's in-house managed investments for the period 1 April 1999 to 30 June 1999; and

- (b) the results of the Authority's investments managed by fund managers and in-house trading team for the period ending 30 June 1999.

28. Members also endorsed –

- (a) the continuation of Fannie Mae as an approved counterparty; and
- (b) the approach where banks change the deposit rate after confirmation.

Tackling the Year 2000 Challenge

(Paper No. FC 41/99)

29. Members were updated on the current progress and the way forward in addressing the Year 2000 Challenge in Housing Department.

Major Bases and Assumptions for Housing Authority's Proposed Budget 2000/01, Financial Forecasts 2001/02 to 2003/04 and Parameters for Longer-term Financial Planning

(Paper No. FC 42/99)

30. Members endorsed the major bases and assumptions to be adopted for the preparation of the Proposed Budget 2000/01, Financial Forecasts 2001/02 to 2003/04 and the parameters for longer-term financial planning.

Revised Outturn of Housing Authority's 1999/2000 Operating Account, Capital and Cash Budgets

(Paper No. FC 43/99)

31. Members noted the revised outturn of the Housing Authority's 1999/2000 Operating Account, Capital and Cash Budgets.

(5) HOME OWNERSHIP COMMITTEE

Prices of Flats and Quota Allocation for Phase 21A of the Home Ownership Scheme and Transfer of Kwun Hei Court and Tin Chung Court Stage III under the Mortgage Subsidy Scheme

(Paper No. HOC 63/99)

32. Members approved the following -
- (a) the sale of 796 flats in Kwun Hei Court, Ho Man Tin and 1,280 flats in Tin Chung Court Stage III, Tin Shui Wai under Mortgage Subsidy Scheme (MSS);
 - (b) the average prices for flats in Phase 21 A and for the flats in Kwun Hei Court and Tin Chung Court Stage III under MSS;
 - (c) the quota allocation and relative priority of flat selection between Green Form (GF) and White Form (WF) applicants at 60:40 and 5:1 respectively for projects in Phase 21A; and
 - (d) the quota allocation and priority of flat selection for the transfer MSS projects at Kwun Hei Court and Tin Chung Court Stage III.

Review of the Home Purchase Loan Scheme

(Paper No. HOC 62/99)

33. Members approved the implementation of the following with effect from 1 August 1999 -
- (a) setting the Home Purchase Loan Scheme quota for 1999/2000 (from 1 August 1999 to 31 March 2000) at 4,500 with 3,000 for GF and 1,500 for WF applicants;
 - (b) maintaining the amount of loan and monthly subsidy at the existing level;
 - (c) relaxing the ceiling of building age from 25 to 30 years for domestic property to be purchased by applicants; and

- (d) charging an administration fee of \$200 per case on extension of Approval-in-Principle validity period.

Formation of Owners' Corporations in Pre-Phase 18A Home Ownership Scheme Estates

(Paper No. HOC 64/99)

34. Members approved the following -
- (a) the incentives and disincentives pertaining to Owner's Corporation (OC) formation in the pre-Phase 18A Home Ownership Scheme (HOS) estates;
 - (b) the Director of Housing be given the discretionary power to extend the 12-month time limit for forming an OC before a commercial charge is levied on owners for engaging the Department's supervisory services;
 - (c) the implementation schedule for the 93 HOS estates in five batches; and
 - (d) the enlistment of Property Management Agent staff to assist in the Owner's Corporation (OC) formation duties.

Appointment of Solicitors to Represent the Authority in the Completion of Sales under Home Ownership Scheme

(Paper No. HOC 65/99)

35. Members approved the extension of the new arrangement for appointment of conveyancing solicitors approved for Tenants Purchase Scheme (TPS) Phase 2 to HOS, and to apply the relevant fee to the buyback and resale of HOS flats.

Review on Buy or Rent Option

(Paper No. HOC 72/99)

36. Members approved the following -
- (a) the continuation of the use of mortgage subsidy arrangement for Buy or Rent Option (BRO); and

- (b) the merging of BRO/MSS sale exercises with HOS sale phases.

Disposal of Vacant Flats in Estates under the Tenants Purchase Scheme

(Paper No. HOC 73/99)

37. Members endorsed the following -
- (a) the reversion of vacant flats in TPS estates for use as rental units, if they remain unsold in two HOS phases; and
 - (b) the sale of vacant flats at HOC without 'credit' with effect from HOS Phase 21B.

Sale Analysis of Tenants Purchase Scheme Phase 1

(Paper No. HOC 74/99)

38. Members noted the findings on the sale analysis of Tenants Purchase Scheme Phase 1.

Special Arrangements for Purchase of Flats in Tin Chung Court, Phase 1

(Paper No. HOC 84/99)

39. Members approved the following -
- (a) allowing purchasers to rescind the Agreement for Sale Purchase (ASP) with full refund of deposit plus interest;
 - (b) granting top priority to purchasers, upon their rescission to purchase another flat on sale under HOS Phase 21B;
 - (c) availing flats in Tin Fu Court to the purchasers at the then prevailing price of Tin Fu Court or the original price of Tin Chung Court whichever is the lower;
 - (d) paying interest to purchasers opting to wait for building completion in accordance with the terms as stipulated in the ASP;

- (e) refunding the price difference to the existing purchasers in case the resale price of Tin Chung Court Phase 1 falls below the original price of \$15,100/m² saleable area (SA);
- (f) The Authority assuming responsibility for maintenance of Blocks F, G, H, J, K and L affected by ground settlement for 10 years; and

Members also noted the following -

- (g) reinstating all applications for public rental housing cancelled for reason of securing accommodation through HOS and making allocation as appropriate to those who have rescinded the flats; and
- (h) allowing public rental housing (PRH) tenants and Temporary Housing Area/Interim Housing/Cottage Area licensees to retain their units which have not been surrendered and offering other rehousing arrangements in the normal manner.

(6) HUMAN RESOURCES COMMITTEE

Proposed Manpower Planning Parameters

(Paper No. HRC 29/99)

40. Members noted the indicative manpower requirements for 2001/02 to 2003/04 and endorsed the following -

- (a) the revised manpower requirements for 1999/00 of a reduction 356 posts;
- (b) the manpower requirements for 2000/01 of a reduction of 594 posts; and
- (c) recruitment freeze until the recommendations/findings of the Task Force on Private Sector Involvement and streamlining consultancy were known.

Human Resources Issues Arising from Greater Private Sector Involvement in Estate Management and Maintenance Services

(Paper No. HRC 30/99)

41. Members noted the paper.

(7) RENTAL HOUSING COMMITTEE

Eligibility Criteria of Non-Elderly Single Persons for Public Rental Housing and Subsidized Home Ownership Schemes

(Paper No. RHC 74/99)

42. Members endorsed the proposal to allow singleton clearnees affected by Government clearance operations who fulfill the clearance rehousing eligibility criteria same access to self-contained/converted small PRH flats irrespective of their age.

Review of the Operation of the Mobile Operations Unit (MOU)

(Paper No. RHC 75/99)

43. Members noted the review of the operation of the MOU in

particular on areas relating to confidentiality of hawker control operations, clocking arrangements for MOU squads and frequency of the core-team checking on guards employed by the security service contractors.

Progress Report on the Enhancement Action against Unauthorised Installation of Air-conditioners in Public Rental Housing Estates

(Paper No. RHC 68/99)

44. Members noted the progress of the enforcement action against unauthorised installation of air-conditioners in PRH estates and its extension to Stage III, i.e. the final stage.

Progress of Work arising from the Observations of the Public Accounts Committee (PAC) Report No.32

(Paper No. RHC 76/99)

45. Members noted the progress of actions taken in response to the above Report.

(8) STRATEGIC PLANNING COMMITTEE

Master Programme for June 1999

(Paper No. SPC 29/99)

46. Members noted the Master Programme for June 1999.

Public Rental Housing Development at Shatin Area 2B

(Paper No. SPC 30/99)

47. Members approved the inclusion of Shatin Area 2B into the Public Housing Development Programme and endorsed the project development cost ceilings.

Redevelopment of Kwai Chung Estate Phases 3, 4 and 5

(Paper No. SPC 31/99)

48. Members approved the development parameters of Kwai Chung Estate Redevelopment Phases 3, 4 and 5, and the respective project development cost ceilings.

Redevelopment of Tai Wo Hau Estate Phase 6

(Paper No. SPC 32/99)

49. Members approved the transfer of the proposed redevelopment of Tai Wo Hau Estate Phase 6 to Home Ownership Scheme, and the respective project development cost ceilings.

Proposed Redevelopment of Pak Tin Estate Phase 6 – Revised Development Parameters, Conceptual Layout and Project Development Cost Ceiling

(Paper No. SPC 33/99)

50. Members approved the revised development parameters, conceptual layout and project development cost ceilings for the redevelopment of Pak Tin Estate Phase 6.

Progress Report on Government Studies

(Paper No. SPC 34/99)

51. Members noted the progress report, in particular those studies with implications for public housing developments.

Environmental Management System

(Paper No. SPC 35/99)

52. Members approved the Environmental Management System framework and its implementation strategy.

Housing for Single Persons on the Waiting List

(Paper No. SPC 37/99)

53. Members approved converting 1,600 3-bedroom flats to be completed before 2003/04 into self-contained small units and reviewing production and flat mixes for new housing projects to be completed after 2003/04.

(9) MEETING WITH CONCERN GROUPS

54. Members of the Rental Housing Committee held four meetings with concern groups to discuss housing issues.

(10) LIAISON WITH DISTRICT BOARDS

55. During the period, housing issues which received most attention from District Boards included the progress and arrangements of redevelopment, clearance, rehousing, maintenance and housing management. Other issues of great concern included policy on security provision, hawkers control and improvement of existing facilities.

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

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