

THE HONG KONG HOUSING AUTHORITY

Memorandum for the Housing Authority

Secretary's Report – Committee Work (September – November 1998)

Purpose

This paper summarises the work of the Housing Authority's Committees for the period from 1 September 1998 to 30 November 1998.

(1) BUILDING COMMITTEE

Housing Authority Contracts Approved

2. During the period, 28 contracts were approved. The sum of the contracts approved totalled \$11,462,695,000.

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

(Papers Nos. BC 128/98, BC 129/98, BC 137/98 and 138/98)

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

- (a) Home Ownership Scheme Development at Shatin Area 8, Fung Wo Lane
- (b) Small Household Development at Tai Hang Tung Phase 1
- (c) Publicity Fitting-out Works of the Hong Kong Housing Authority Customer Service Centre at Redevelopment of Wang Tau Hom Estate Phase 12

- (d) Public Rental Housing Development at Lei Yue Mun
Housing Site – Phase 1

Others

Implementation of Automated Refuse Collection System for Domestic Blocks in Public Housing Estates and Home Ownership Scheme Courts (Paper No. BC 126/98)

4. Members noted the paper.

Review of Standard Construction Time and the Alternative Tender B in Housing Authority Building Contracts (Paper No. BC 127/98)

5. Members endorsed the proposed construction time for domestic blocks and the 'Fast-track' Tender System.

Harmony Block – Modular Flats Review (Paper No. BC 134/98)

6. Members endorsed the proposed modifications to the kitchen and bathroom layouts in the Standard Harmony Block modular flats.

Proposed Consultancy for Research on Cost-efficiency of Structural Designs of Standard Domestic Blocks (Paper No. BC 135/98)

7. Members approved the commissioning of a consultant to carry out a research on the cost-efficiency of the structural designs of the Authority's standard domestic blocks currently in use.

Off-Site Production of Precast Concrete Structural Elements (Paper No. BC 136/98)

8. Members endorsed permitting the suppliers on the List of Approved Suppliers for Precast Concrete Facades (PCF) to expand their scope to include the production of semi-precast slabs and precast staircases outside Hong Kong. Also, Members endorsed renaming the List of

Approved Suppliers for PCF to the 'List of Approved Suppliers for Off-Site Production of Precast Concrete Components' when the suppliers were ready to produce those additional precast elements.

The Development and Performance of Water Supply System in Housing Authority Estates, and the Way Forward

(Paper No. BC 140/98)

9. Members noted the paper.

Report on Fatal Accident Happened on 18.10.98 at the Construction Site at Upper Wong Tai Sin Redevelopment Phase 1

(Paper No. BC 142/98)

10. Members noted the paper.

Setting Up List of Approved Suppliers for Prestressed Precast Concrete Piles

(Paper No. BC 147/98)

11. Members endorsed setting up the List of Approved Suppliers for Prestressed Precast Concrete Piles.

Review of the Selection System for Architectural and Associated Consultants for New Development Projects

(Paper No. BC 148/98)

12. Members approved the proposed revisions to the Two-Envelope Selection System for architectural and associated consultants for new development projects and its immediate implementation, including 70:30 technical : fee split for complex projects while maintaining 50:50 split for normal projects. They also approved the introduction of procedures to discourage rounds of bidding for sub-consultants while maintaining architect as the lead consultant.

Business Plan for 1999/2000 – Building

(Paper No. BC 150/98)

13. Members endorsed the Building Business Plan for 1999/2000.

Mid-Term Review of Business Performance in 1998/99 – Building

(Paper No. BC 151/98)

14. Members noted the paper.

Review of the Two-Envelope System for the Selection of Consultants

(Paper No. BC 152/98)

15. Members approved the broad principles as laid down in the paper for consultancy services to be outsourced under the Two-Envelope System.

(2) COMPLAINTS COMMITTEE

Complaints Handling Procedures

(Paper No. CC 23/98)

16. Members approved the definition of complaint and reviewed the Committee's complaints handling procedures.

Performance Standards and Targets for July and August 1998

17. Members noted the performance standards and targets for the months of July and August 1998.

(3) COMMERCIAL PROPERTIES COMMITTEE

Carpark Charges for 1999

(Paper No. CPC 53/98)

18. Members approved the revised carpark charges for 1999 which would be implemented in January 1999. There would be reduction in carpark charges for all regions.

Statistics on the Letting of Commercial Premises in Public Housing Estates

(Paper No. CPC 54/98)

19. Members noted the latest details of the letting of commercial premises in public housing estates.

Progress Report on Major Improvements to Shopping Centres

(Paper No. CPC 55/98)

20. Members noted the progress of improvements for the following shopping centres -

(a) Wah Fu I

There was some delay because of the unexpected need for structural strengthening of the restaurant block prior to installation of external wall cladding. Project completion was expected in November 1998.

(b) Siu Sai Wan

Installation of central air-conditioning system for the market was completed in April 1998. Construction of a new annex block for Phase II was slow due to poor contractor performance and the need for the additional staircase to meet the Fire Safety (Commercial Premises) Ordinance.

(c) Tai Yuen

Piling work was in progress. Contract for installation of lift and escalators was awarded in June 1998. Tender for the main building contract was approved by the Building Committee in July 1998.

(d) Choi Yuen

Contract for works of Phase I was in progress. The work was behind schedule because the main contractor lacked the skills in management and project control. Completion was expected in August 1999.

(e) On Ting/Yau Oi

Piling works for Phase I was completed. Works for Phase I building contract were on schedule. Detailed design for Phase II was in progress.

Redevelopment of Cinema Site at Shun Lee Estate

(Paper No. CPC 56/98)

21. Members approved the redevelopment of the cinema site at Shun Lee Estate and the incorporation of a Care and Attention Home in the project.

Progress Report on Rent Relief Schemes to Commercial Tenants

22. Members noted the progress on freeze in rent increase and rent re-assessment of commercial tenancies.

Mid-term Review of Business Plan in 1998/99 for Commercial Properties

(Paper No. CPC 61/98)

23. Members noted the report on the mid-term review of the Business Plan in 1998/99 for commercial properties.

1999/2000 Business Plan for Commercial Properties

(Paper No. CPC 62/98)

24. Members approved the 1999/2000 Business Plan for Commercial

Properties.

Report on Freezing of Rent Increase and Rent Re-assessment of Commercial Tenancies and Extension of Rent Re-assessment Scheme
(Paper No. CPC 63/98)

25. Members noted the progress on freezing of rent increase and rent re-assessment of commercial tenancies. They also approved the extension of rent re-assessment scheme to tenants with tenancy renewals commencing from 1 February to 31 December 1998 upon tenants' application and payment of an administration fee.

Review on the Existing Letting Policy on Office Accommodation in Public Housing Estates to Members of the Legislative Council
(Paper No. CPC 64/98)

26. Members approved the relaxation of the restriction on the maximum area of office accommodation let to Legislative Councilors up to an aggregate total of 140m².

Charges for Radio Antennae and Base Stations
(Paper No. CPC 65/98)

27. Members approved the revised monthly charges with effect from 1 April 1999 for letting of spaces on rooftop of rental housing estates for installation of radio antennae and base stations.

Statistics on the Letting of Commercial Premises in Public Housing Estates
(Paper No. CPC 66/98)

28. Members noted the latest details of the letting of commercial premises in public housing estates.

(4) HOME OWNERSHIP COMMITTEE

Review of the Charging Method of Management Fees for 44 early Home Ownership Scheme Estates

(Paper No. HOC 57/98)

29. Members approved the change of the current charging method of management fees for 44 early Home Ownership Scheme estates from a uniform rate to differential rates based on undivided shares.

Priority for Families with Elderly Members in Joining the Home Ownership Scheme, Private Sector Participation Scheme and Home Purchase Loan Scheme

(Paper No. HOC 56/98)

30. Members approved various incentive measures for families applying for Home Ownership Scheme, Private Sector Participation Scheme and Home Purchase Loan Scheme with elderly members. They also noted the measures to guard against abuses in implementing the above incentive measures.

Introduction of Asset Test for Subsidized Home Ownership Schemes

(Paper No. HOC 67/98)

31. Members approved the following:

- (a) the introduction of an asset test for the White Form applicants under the Home Ownership Scheme, Private Sector Participation Scheme and Home Purchase Loan Scheme in addition to the income and domestic property ownership tests;
- (b) the methodology in setting the asset limit and the proposed net asset limit of \$700,000 for 1998/99;
- (c) the maximum sum (excluding the Home Purchase Loan Scheme loans) that Home Purchase Loan Scheme White Form applicants

can put into flat purchases as downpayment should not exceed the prevailing asset limits; and

- (d) the application of the asset test from Home Ownership Scheme Phase 20A onwards and all the new Home Purchase Loan Scheme White Form applicants.

Prices of Flats and Quota Allocation for Phase 20A of the Home Ownership Scheme and Hong Keung Court under the Mortgage Subsidy Scheme

(Paper No. HOC 68/98)

32. Members approved:

- (a) the average prices for flats in Phase 20A and Hong Keung Court under the Mortgage Subsidy Scheme recommended in the paper; and
- (b) the quota allocation and relative priority of flat selection between Green Form and White Form applicants at 60 : 40 and 5 : 1 respectively for Phase 20A.

Business Plan for 1999/2000 - Home Ownership

(Paper No. HOC 69/98)

33. Members endorsed the 1999/2000 Business Plan for Home Ownership Business.

Provision of Corridor End Window Enclosures at the Harmony Blocks in Tung Hei Court

(Paper No. HOC 64/98)

34. Members agreed that given the far-reaching implications and the possible accusation of financing flat owners for after-sale building improvement, the request of the Owners Corporation of Tung Hei Court to install, at the Authority's cost, corridor end window enclosures in their buildings be rejected.

(5) HUMAN RESOURCES COMMITTEE

Mid-year Performance Review for Corporate Services in 1998/99

(Paper No. HRC 54/98)

35. Members noted the progress in implementing the key initiatives outlined in the 1998/1999 Service Plan for the Corporate Services Branch.

1999/2000 Service Plan for the Corporate Services Branch

(Paper No. HRC 55/98)

36. Members endorsed the service objectives, key initiatives and key performance indicators set out in the service plan of the Corporate Services Branch for 1999/2000.

**Progress Report on Human Resources Management Plan
Implementation**

(Paper No. HRC 56/98)

37. Members noted the progress of implementation of the programmes and initiatives included in the Housing Authority's Human Resource Management Plan Update (1998/1999 to 1999/2000).

**A Competency Framework for Human Resources Management in
Housing Authority - An Update**

(Paper No. HRC 57/98)

38. Members noted the progress of competency development and applications in Housing Authority.

(6) RENTAL HOUSING COMMITTEE

Introduction of Asset Test for Prospective Public Rental Housing Tenants

(Paper No. RHC 71/98)

39. Members approved -
- (a) the introduction of an asset test as an additional eligibility criterion for public rental housing, in addition to the current income and domestic property ownership tests;
 - (b) the methodology in setting the asset limits which should make reference to the ability of households to finance rental payment in the private sector for six years but not exceeding the asset limit for White Form applicants of Home Ownership Scheme;
 - (c) the scope of asset declaration as proposed in the paper;
 - (d) the application of asset test for all new applicants and existing applicants who would be notified of attending the vetting interviews; and
 - (e) the reinstatement period for over-income and/or over-asset cases to be shortened to 12 months.

Review of Rehousing Eligibility Criteria for Temporary Housing Area Residents and Clearees Displaced by Government Operations

(Paper No. RHC 72/98)

40. Members approved the following:
- (a) Temporary Housing Area residents who moved in after 23 September 1995 would be subject to the income-cum-asset test for public rental housing applicants;

- (b) squatters and roof-top occupants who were affected by clearance operations announced after 11 September 1998 would be subject to the income-cum-asset test for public rental housing applicants;
- (c) the four groups of prospective tenants outlined in the paper would be exempted; and
- (d) the implementation mechanism.

Review on Management of the Waiting List

(Paper No. RHC 73/98)

41. Members approved the following -

- (a) to apply detailed vetting at registration stage and to bar ineligible applicants from re-applying for one year with immediate effect;
- (b) to re-group the existing eight districts to four districts which would be Urban, Extended Urban, New Territories, and Islands as from 1 November 1998. There would be no sub-districts. Applicants could choose one district for rehousing and the Department would make housing offers according to their chosen districts;
- (c) to cancel the application if the applicant rejected three housing offers without acceptable reasons and to debar him/her from re-applying for one year as from 1 April 1999; and
- (d) to cease accepting new applications from sitting tenants with immediate effect.

Rent Review for Harmony Blocks of New Housing Authority Estates

(Paper No. RHC 70/98)

42. Members approved the following rent increases:

District	\$ per sq. m.
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Urban Area	11.0
Tsing Yi/Tai Po/Tseung Kwan O/Ma On Shan	9.1
Fanling/Sheung Shui/Tung Chung	8.3

However, to demonstrate the Authority's determination to help its tenants tide over the economic recession, Members approved that the affected tenants would have the additional rent payable waived for one year effective from 1 December 1998. Upon expiry of the waiver and as from 1 December 1999, they would be required to pay the increased rent in full.

Mid-year Review of the Rental Housing Business in 1998/99

(Paper No. RHC 88/98)

43. Members noted the paper.

Business Plan 1999/2000 - Rental Housing Business

(Paper No. RHC 87/98)

44. Members endorsed the 1999/2000 Business Plan together with its budget estimates for the Rental Housing Business.

Domestic Rents for New Estates

(Paper No. RHC 90/98)

45. Members approved that:

- (a) the rents of the new flats in Ma Hang Phase 2, Hing Wah (I) Phase 1, Pak Tin Phase 5, Tsz Ching (Redevelopment of Tsz Oi Phase 3), Tsz Lok (Redevelopment of Tsz On Phase 2), Hung Hom Phase 1, Mongkok West Phase 2 and Tsui Lok (Tsui Wan Phase 4) be fixed at \$63.4/sq. m.;
- (b) the rents for Kwai Shing East Phase 2 be fixed at \$61.2/sq. m.;
- (c) the rents for Shui Pin Wai (Shui Pin Wai Infill Site) be fixed at \$39.6/sq. m.; and
- (d) the best rent levels of all districts to be frozen at the July 1997 level up to June 1999.

(7) STRATEGIC PLANNING COMMITTEE

Master Programme for June 1998

(Paper No. SPC 38/98)

46. Members noted the Master Programme for June 1998.

Housing Development at Tseung Kwan O Area 74 South

(Paper No. SPC 39/98)

47. Members approved the inclusion of the site into the Public Housing Development Programme (PHDP) and the entrustment of the piling works of the footbridge within our site boundary to the Mass Transit Railway Corporation.

New Sites for Inclusion into the Public Housing Development Programme

(Paper No. SPC 40/98)

48. Members approved the inclusion of three projects, namely, Tung Tau Cottage Area; North Part of West Kowloon Reclamation Site 10 and Tsueng Kwan O Area 59 Phase 9 Neighbourhood Community Centre Site into the PHDP. For the Kwai Chung Phases 2-8 Site, the Department would look into it again.

Clearance of Cottage Areas

(Paper No. SPC 42/98)

49. Members approved the arrangements relating to the clearance of the remaining five cottage areas by 2001.

Progress Report on Strategic Planning and Transport Studies

(Paper No. SPC 43/98)

50. Members noted the progress report.

Key Performance Indicators for the Housing Authority

(Paper No. SPC 48/98)

51. Members agreed to introduce a set of key performance indicators for the Housing Authority.

Adjustment of the Production Mix

(Paper No. SPC 49/98)

52. Members agreed to transfer six Harmony Home Ownership Scheme projects to public rental housing.

New Sites for Inclusion into the Public Housing Development Programme

(Paper No. SPC 50/98)

53. Members agreed to include three projects, namely, Shek Lei NCC Site, Pak Tin Phase 6 Redevelopment and Fanling Area 36 into the PHDP.

Tsing On and Kwai Lok Temporary Housing Area Sites

(Paper No. SPC 51/98)

54. Members agreed to include two new Private Sector Participation Scheme sites, namely, Tsing On and Kwai Lok Temporary Housing Area Sites, into the PHDP under the Government's Land Sale Programme.

Housing Development at Tsing Yi Area 10, Phases 3 to 5

(Paper No. SPC 52/98)

55. Members agreed to include the development of Tsing Yi Area 10, Phases 4 and 5 into the PHDP and to proceed with the development proposal for Phases 3 to 5.

Financial Viability Assessment – Clarification of Terminology and Methodology for the Build-up of Development Cost

(Paper No. SPC 53/98)

56. Members approved the proposed terminologies, cost apportionment and development cost methodologies and the implementation programme as detailed in the paper.

Actions and Initiatives on Environmental Conservation

(Paper No. SPC 54/98)

57. Members noted the Housing Department's current position on environmental conservation and endorsed the development of a strategic framework for an Environmental Management System.

Review of Flat Mix for Use in Harmony Block Designs and the Future Review of Home Ownership Scheme

(Paper No. SPC 56/98)

58. Members endorsed the adjustments of flat mixes and flat sizes for new Harmony block designs and to use them as a reference point for the future review of Home Ownership Scheme.

(8) VISIT

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

- (a) a visit for the Housing Authority and Committee Members on 17 September 1998 to Sha Kok Mei Interim Housing in Sai Kung to familiarize Members with the prefabricated building system;
- (b) a visit for Building Committee Members on 19 November 1998 to Hung Hom Estate Phase 1 to see a demonstration of Performance Assessment Scoring System assessment; and

- (c) a visit for Rental Housing Committee Members on 25 November 1998 to Wah Sum Estate to see the automated refuse collection system.

(9) MEETING WITH CONCERN GROUPS

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

(10) LIAISON WITH DISTRICT BOARDS

61. 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 security provision, hawkers control and improvement of existing facilities.

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

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Date : 8 January 1999