

Shing Tak Street / Ma Tau Chung Road

Development Project (CBS-1:KC)



Stage 2 Social Impact Assessment

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1. INTRODUCTION

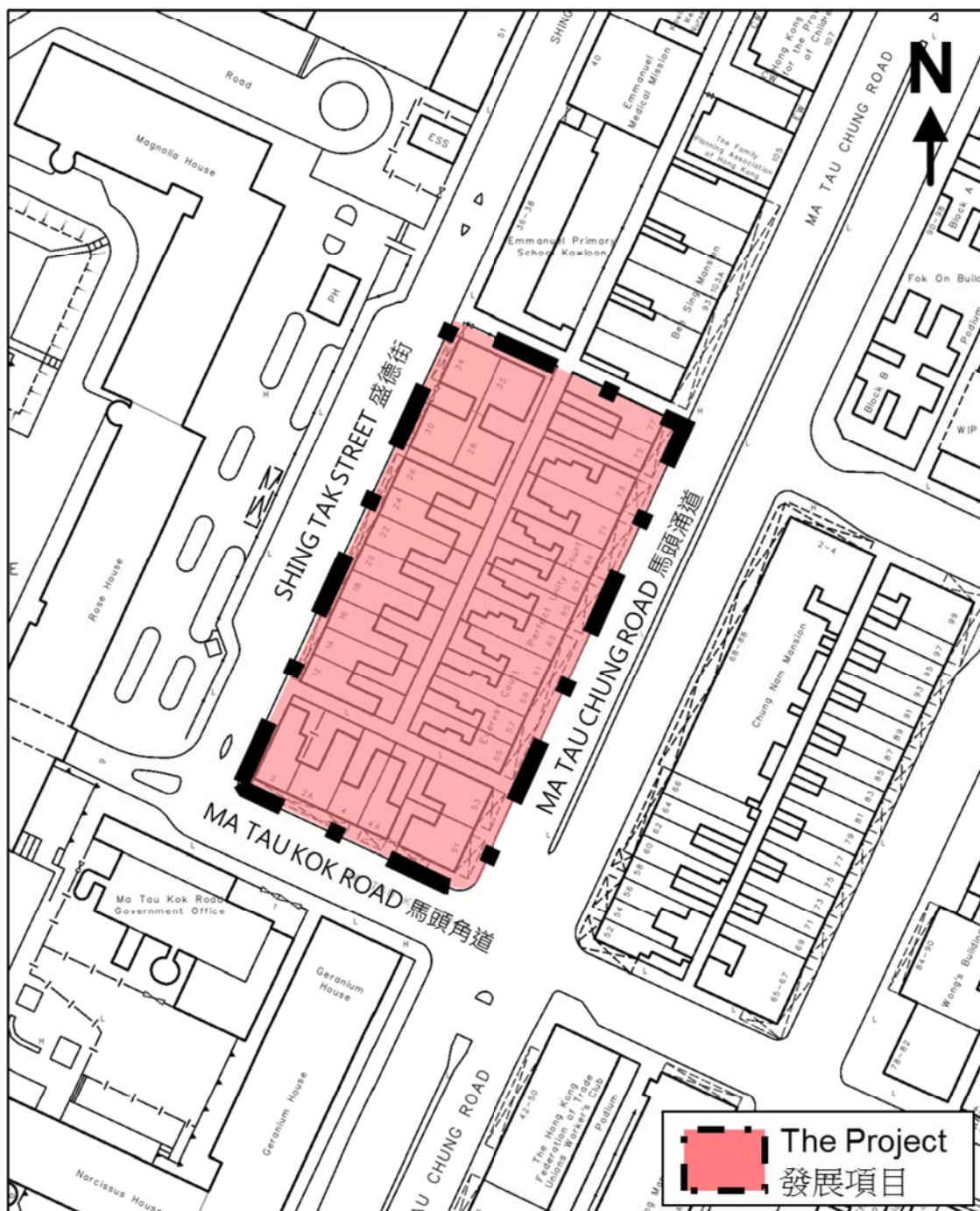
- 1.1 In response to the Policy Address 2018 and 2019 (PAs) by the Chief Executive, the Urban Renewal Authority (URA) was invited to identify one or two clusters of Civil Servants' Co-operative Building Society (CBS) Scheme sites suitable for high-density development as pilot sites (pilot CBS redevelopment project), and explore the redevelopment mode in accordance with the usual project implementation approach adopted by the URA. The Shing Tak Street / Ma Tau Chung Road Development Project (the Project) aims to fulfill the objectives of the PAs, to increase housing supply by full utilisation of the development potential of the cluster of CBS sites.
- 1.2 The new Urban Renewal Strategy (URS) issued by the Government in February 2011 states that the Urban Renewal Authority (URA) will carry out Social Impact Assessment (SIA) studies in the form of *"a Stage 1 social impact assessment before the publication of any proposed redevelopment project in the Government Gazette"*, and *"a Stage 2 social impact assessment after the proposed project has been published in the Government Gazette"*.
- 1.3 The URS also states *"Early social impact assessments will be initiated and conducted by the DURF (District Urban Renewal Forum) before redevelopment is recommended as the preferred option. The URA will update these assessments by DURF before implementing any specific redevelopment project."* As the early SIA conducted by Kowloon City DURF ("KC DURF") does not cover the Project area, there is no early SIA conducted by DURF which the URA could update for this Development Project.
- 1.4 The URA published in the Government Gazette the commencement of the Shing Tak Street /Ma Tau Chung Road Development Project CBS-1:KC (the Project) by way of development project under section 26 of the Urban Renewal Authority Ordinance on 22 May 2020. On the same day the Stage 1 SIA was made available for public inspection. This Stage 2 SIA report is based on the factual data and opinions collected as part of the freezing survey for this Project conducted from 22 May 2020 to 24 May 2020, and from the follow-up survey visits by appointments conducted up to 12 June 2020. The report only covers the information up to 12 June 2020.
- 1.5 This report covers the elements listed in paragraph 37 of the URS for the affected residents, families and businesses within the Project, including:
- (a) the population characteristics of the residents affected by the proposed project;
 - (b) the socio-economic characteristics of the affected residents;
 - (c) the rehousing needs of the affected tenants;
 - (d) the relocation needs of the affected shop operators;

- (e) the housing preferences of the affected owners and tenants;
- (f) the employment status of the affected owners and tenants;
- (g) the place of work of the affected owners and tenants;
- (h) the social networks of the affected owners and tenants;
- (i) the educational needs of children of the affected families;
- (j) the special needs of the elderly;
- (k) the special needs of the disabled;
- (l) the special needs of single-parent families, particularly those with small children;
- (m) a detailed assessment of the potential social impact of the proposed project;
and
- (n) a detailed assessment of the mitigation measures required.

- 1.6 The Lutheran Church - Hong Kong Synod has been commissioned by the Urban Renewal Fund (URF) to act as the Social Service Team (SST) for this Project. They are tasked to provide assistance and advice to residents and business operators affected by the Project. Cases requesting assistance and those identified in the course of the SIA analysis as requiring assistance will be referred to the SST within two months for their follow-up actions.

2. BACKGROUND

- 2.1 The Shing Tak Street / Ma Tau Chung Road Development Project (the Project) is located in Kowloon City District, which is bounded by Ma Tau Chung Road on the southeastern boundary, Ma Tau Kok Road on the southwestern boundary, Shing Tak Street on the northwestern boundary, and Emmanuel Primary School Kowloon and Bee Sing Mansion on the northeastern boundary (**Figure 2.1**). It covers a gross site area of about 5,164 sq.m, involving a cluster of 9 CBS sites developed under 9 CBSs: Nos. 51-77 Ma Tau Chung Road (odd nos.), No. 12-34 Shing Tak Street (even nos.) and No. 2-4A Ma Tau Kok Road (even nos.), government lanes, and portion of the surrounding public pavement. Subject to detailed design, the net site area used to calculate the development potential of the Project is about 4,299 sq.m.
- 2.2 With the aim to increase the housing supply by piloting CBS redevelopment as set out in paragraphs 53 and 54 of the PA in 2018, the Project has been selected according to the prescribed multiple factors duly considered including but not limited to the following: cluster of CBS sites in high-density development areas (i.e. R(A) zone under the Outline Zoning Plan (OZP)) in the urban districts, number of CBS involved, proximity to existing public rental housing and other ancillary facilities, building age and its existing development density.

Figure 2.1 Location Plan

Distribution of Units and Households

- 2.3 The Freezing Survey (FS) successfully surveyed 135 domestic households (up to 12 June 2020). The detailed breakdowns of the surveyed and unsurveyed units will be illustrated in Section 3. **Table 2.1** shows the results of FS and SIA surveys within the Project¹. For those who refused to do the SIA questionnaires and those who refused to answer particular questions in the SIA questionnaire and those who have not submitted the SIA questionnaires, have been categorized as “Nil Response” in the report.

Table 2.1 Results of FS and SIA surveys within the Project (as of 12 June 2020)

| | No. of Households |
|---|-------------------|
| Total No. of surveyed households | 135 |
| Successfully responded to both FS and SIA questionnaire. | 123 |
| Only responded to FS but not completed SIA questionnaire. | 12 |

Business Operators and Non-domestic Premises

- 2.4 Regarding non-domestic uses, the FS successfully surveyed 1 business operator (up to 12 June 2020), occupying 1 domestic premises for non-domestic use. The details will be illustrated in Section 11.

Views on redevelopment

- 2.5 Among 123 households responded to both FS and SIA questionnaire, 89 households indicated that they either strongly supported or supported the proposed Project while 3 households indicated that they either strongly against or against the proposed Project. The remaining 31 households had no comment or nil response to the question. These views collected from FS indicate the initial view of those respondents towards the proposed redevelopment and did not constitute any indication of owner to sell/ not to sell their properties.

Opinions on physical condition and living environment

- 2.6 More than 50% of the surveyed households indicated that the problems of noise nuisance, no drinking water supply, no flushing water supply and outdoor air pollution/poor air quality happened or occasionally happened to their accommodation. Meanwhile, the surveyed households generally indicated no problem in terms of the living environment.

¹ The actual status of the information from the surveys has not been verified. All responses are based on the questionnaire surveys only.

3. POPULATION & HOUSEHOLD CHARACTERISTICS

- 3.1 Except stated otherwise, the territorial average numbers used for comparison in this report are based on the 2016 Population By-census, and the assessments will be based on the latest available information for comparison where appropriate.
- 3.2 The total number of domestic units according to the approved GBP is 154. The population and household characteristics as surveyed in the Project is listed in **Table 3.1** below and the status of surveyed domestic units is shown in **Table 3.2** below.

Table 3.1 Population and Household Characteristics as surveyed in the Project (as of 12 June 2020)

| | |
|--|--|
| Actual Successfully Surveyed Units | 136 units (refer to Table 3.2 below) |
| Total Number of Surveyed Households | 135 households |
| Total Population | 429 persons |
| Average Household Size | About 3.2 persons per household; higher than the territorial average of 2.8 persons per household. |
| Degree of Sharing | 1.0 (135 households/135 surveyed domestic units); similar to the territorial average of 1.0 for private permanent housing. |

Table 3.2 Status of the Surveyed Domestic Units (as of 12 June 2020)

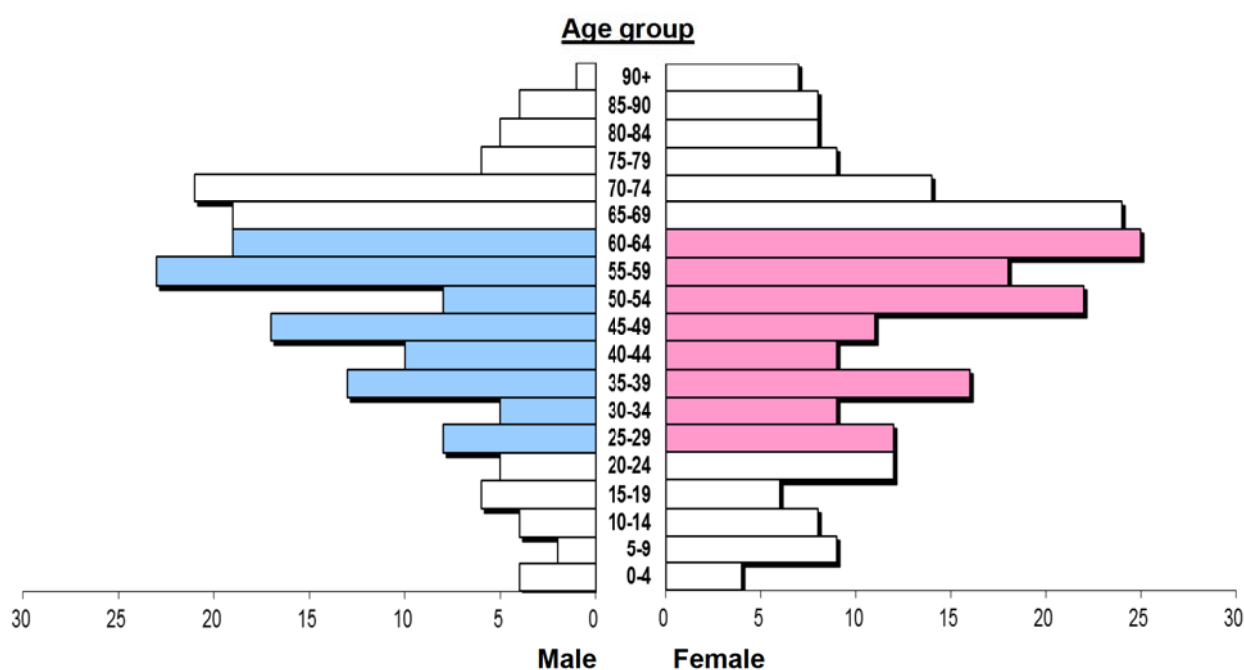
| | Domestic use according to the original approved GBP | Number of Households |
|---|--|-----------------------------|
| Surveyed units for domestic use | 135 | 135 |
| Surveyed unit for non-domestic use | 1 | N/A |
| Unsurveyed units | 18 | N/A |

- 3.3 A total of 429 residents were recorded in the Freezing Survey, 184 were male, 244 were female, and 1 resident did not provide any information. The distribution gives a ratio of about 75 male residents to every 100 female residents. **Figure 3.1** and **Table 3.3** shows the age structure of the surveyed population. The percentage of elderly is much higher than the territory wide level and the details of their special needs will be illustrated in Section 10.

Table 3.3 Age Structure of the Population (as of 12 June 2020)

| Age Group | Surveyed in the Project | Territory wide level (para. 3.1 refers) | Comparison |
|---------------------------------------|-------------------------|---|------------|
| 0-14 (Children) | 7% | 11% | Lower |
| 15-24 (Youth) | 6% | 11% | Lower |
| 25-64 (economically active age group) | 52% | 62% | Lower |
| 65+ (Elderlies) | 29% | 16% | Higher |
| No age information was provided | 6% | / | / |
| Total | 100% | 100% | / |

Figure 3.1 Age Structure



- 3.4 The distribution of surveyed household sizes is shown in **Table 3.4** below. The percentage of 6 persons or above household is about 8%, which higher than the territory wide level (3%). Besides, there are about 20 households (15%) with family of 3 generations in one domestic unit. The special housing needs of these households will be discussed in Section 5 and 12.

Table 3.4 Distribution of household size (as of 12 June 2020)

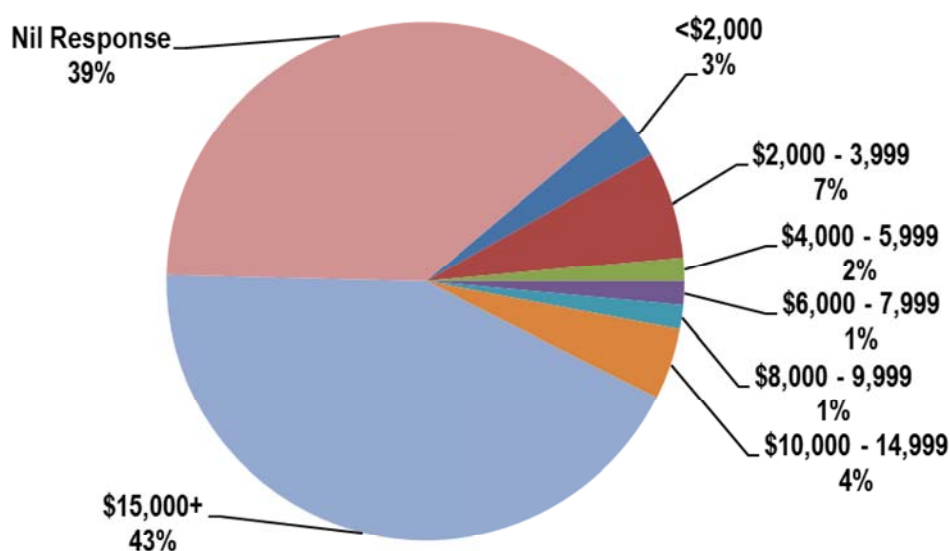
| Household Size | Surveyed in the Project | | Territory Wide Level (para. 3.1 refers) | Comparison |
|--------------------|-------------------------|----|---|------------|
| 0 person (vacant) | 2% | | N/A | N/A |
| 1 person | 17% | | 18% | Lower |
| 2 persons | 18% | | 27% | Lower |
| 3 persons | 25% | | 24% | Higher |
| 4 persons | 22% | | 20% | Higher |
| 5 persons | 8% | | 8% | Similar |
| 6 persons | 4% | 8% | 3% | Higher |
| 7 persons | 1% | | | |
| 8 persons or above | 3% | | | |
| Total | 100% | | 100% | / |

4. SOCIO-ECONOMIC CHARACTERISTICS

Income Level

- 4.1 This section will be based on the 135 surveyed households and 429 residents surveyed as of 12 June 2020. The distribution of household income is shown in **Figure 4.1** below.

Figure 4.1 Distribution of Household Income (HK\$ per month) (135 surveyed households as of 12 June 2020)



| | Surveyed in the Project | Territory wide level (para. 3.1 refers) | Comparison |
|--|-------------------------|---|------------|
| Monthly income less than HK\$4,000 per month | 10% | 6% | higher |
| Comprehensive Social Security Assistance (CSSA) Recipients | 4% (5 households) | About 4% as at May 2020 ² | similar |

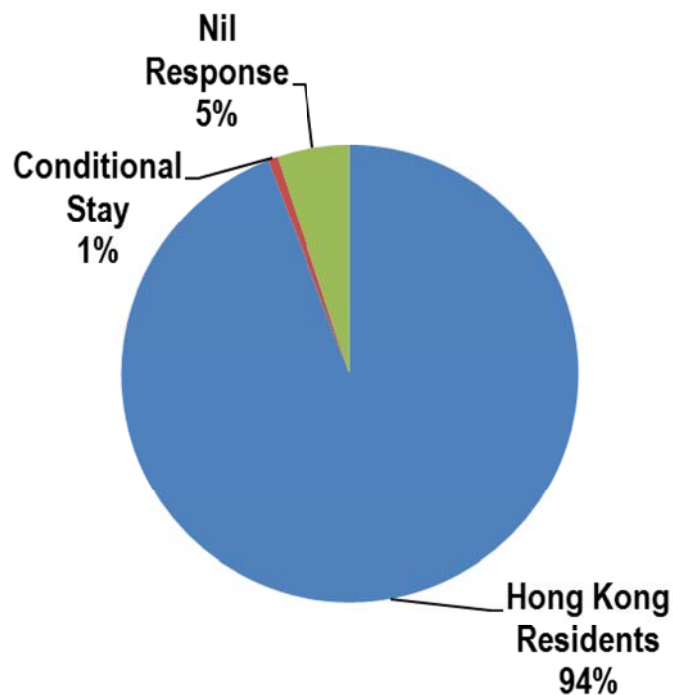
- 4.2 The URA and the SST will pay particular attention and offer assistance to those in need of help and refer them to relevant services and practical assistance from various Government Departments and services providers. Since project commencement, the URA and the relevant Government Departments have set up hotlines for the residents aiming to collect and offer direct assistance to those seeking help. For details, please refer to para.12.8.

² 'CSSA caseload for May 2020, 16 June 2020, Press Release The Government of the Hong Kong Special Administrative Region.

Residence

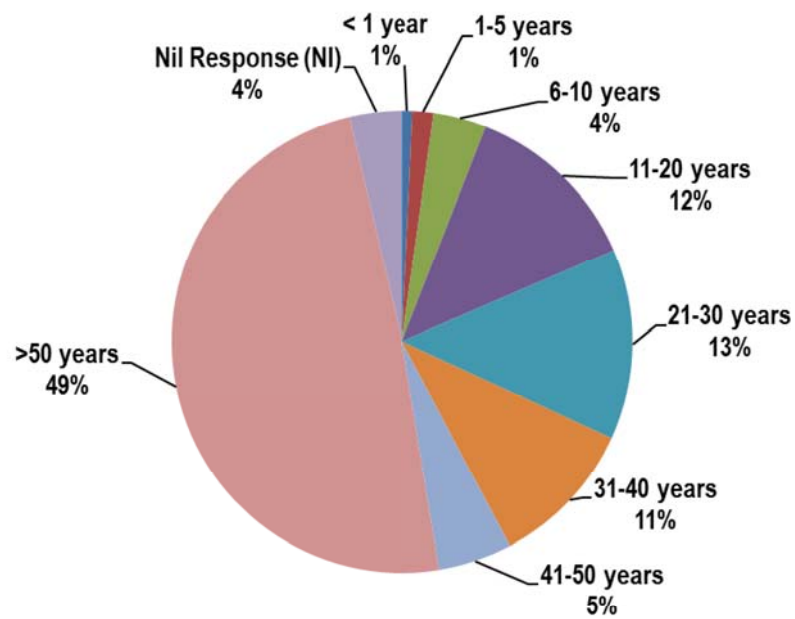
- 4.3 Three (3) residents (about 1%) were subject to conditions of stay in Hong Kong, as shown in **Figure 4.2**. All of them were found in owner/member-occupier households.

Figure 4.2 HKSAR Resident Status (Total 429 residents in 135 surveyed households as of 12 June 2020)



- 4.4 The number of years of residency is shown in **Figure 4.3**. A total of about 105 households (78%) have lived within the Project continuously for over 20 years. This group might find it more difficult to adjust to a new living environment. The assistance from the SST in providing orientation services and holding community gatherings will be important in helping these residents adapt to their new living environment. The long residence may have generated high dependency on the social network and existing educational, medical and community facilities in the district. Possible mitigation measures on these issues by offering rehousing options in the same district will be discussed in Sections 5 and 12.

Figure 4.3 Period of Residence at Current Premises (Total 135 surveyed households as of 12 June 2020)

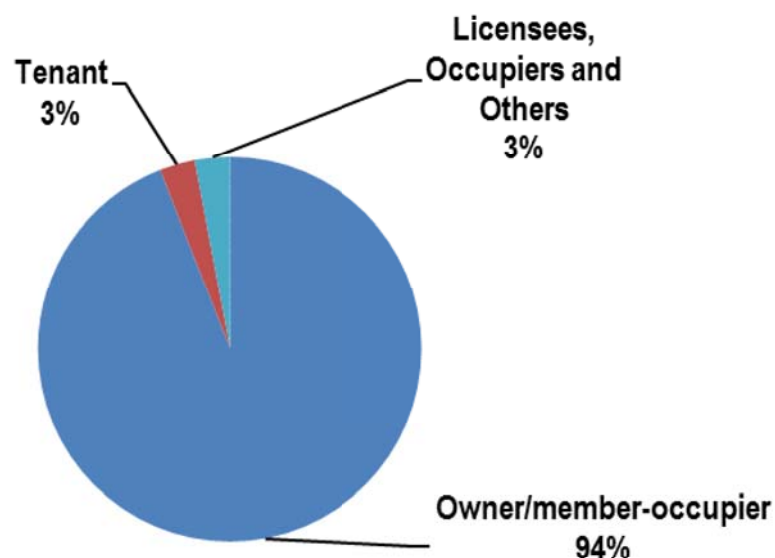


5. HOUSING

Re-housing Needs and Location Preference

- 5.1 **Figure 5.1** shows the occupancy status of households³. There are 127 owner/member-occupier households (94%) (115 households in units of dissolved CBS and 12 households in units of undissolved CBS classified as owner/member-occupier households for analysis purpose) and 8 others households⁴ (6%) (4 (3%) tenants and 4 (3%) licensees, occupiers, and others, they are classified as "others households" for analysis purpose).

Figure 5.1 Occupancy Status of Households (135 Surveyed Households as of 12 June 2020)



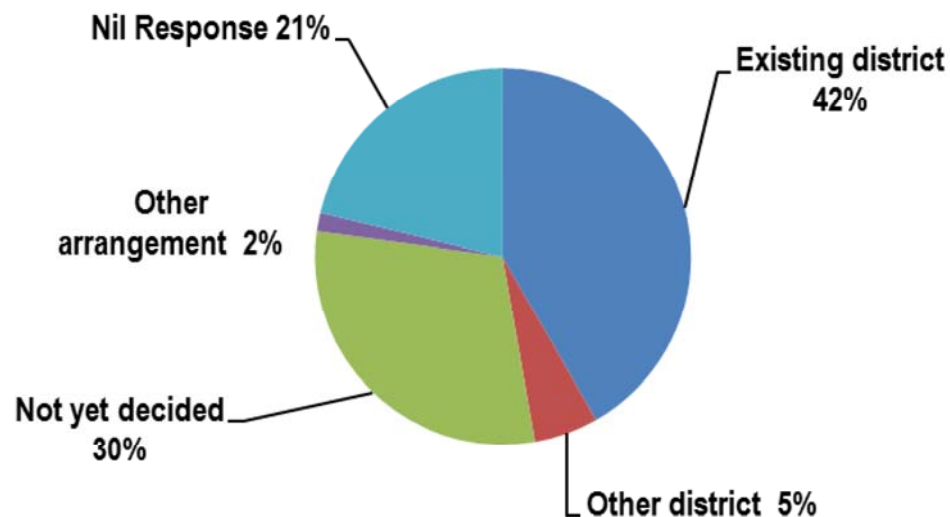
³ The actual occupancy status and CBS membership status of the households has not been verified. All responses related to the occupancy status of households are based on the questionnaire surveys only.

⁴ As listed in the FS and SIA questionnaire, other than owner-occupiers, the other 6 options including tenant, principal tenant, sub-tenant, licensee, occupier and others are classified as "others households" for analysis purpose.

Affected owner/member-occupier households (127 surveyed households as of 12 June 2020)

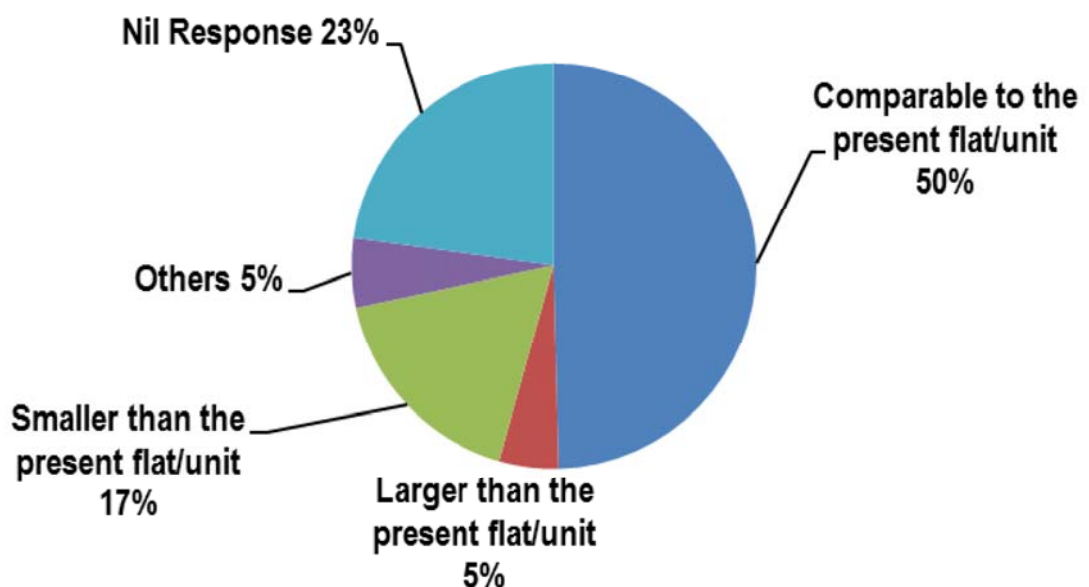
- 5.2 **Figure 5.2** shows the 127 surveyed owner/member-occupier households' preference of finding alternative accommodations in the existing district (i.e. Kowloon City) or in other districts.

Figure 5.2 Preference of Alternative Accommodation Location (127 surveyed households as of 12 June 2020)



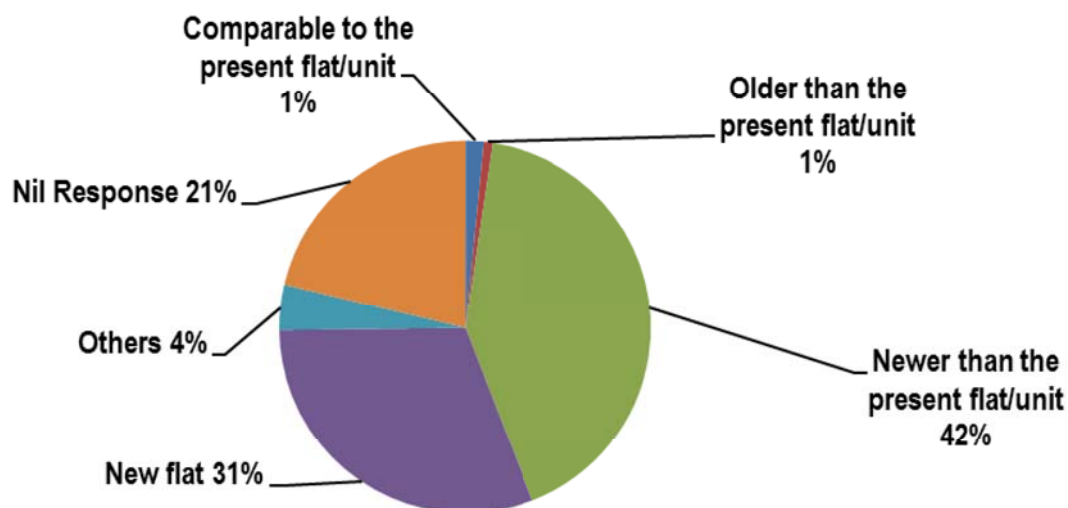
- 5.3 **Figure 5.3** shows the owner/member-occupier households' preference on flat size for the new accommodation.

Figure 5.3 Preference of Flat Size (127 surveyed households as of 12 June 2020)



- 5.4 **Figure 5.4** shows the owner/member-occupier households' preference on building age for the new accommodation. A relatively high percentage (about 31%), comparing to the URA's past experience, of households preferred a new flat.

Figure 5.4 Preference of Building Age (127 surveyed households as of 12 June 2020)



- 5.5 Subject to the authorization by the Secretary for Development to implement the Project, the URA will offer an owner-occupier of domestic property the market value, plus an ex-gratia allowance (namely home purchase allowance). For the CBS member/ex-member not yet settled the outstanding land premium to the Government, they have to settle the premium to release the alienation restriction before they can assign legal titles of their flats to the URA. The Government has reviewed its basis for land premium assessment and "Existing Use Land Value" will be adopted as the basis for assessment as this is not a CBS member/ex-member' self-initiated redevelopment. For details, please refer to para. 12.14.
- 5.6 As an additional option to cash offer, 'Flat-for-Flat' (FFF) option will be offered by the URA for eligible owner-occupiers according to para.12.17. Besides, the dedicated rehousing estate near Muk Chun Street in Kai Tak Development Area (Kowloon City District) developed and managed by the Hong Kong Housing Society (HKHS) is another option offered at a discount market price similar to subsidized housing by the Government as mentioned in PA in 2018. However, an owner-occupier who chooses this option by the HKHS cannot join the FFF arrangement by the URA. For details, please refer to para. 12.13 and 12.17. The two options can provide an opportunity for those households preferred buying a new flat in the district.

Affected others households (8 surveyed households as of 12 June 2020)

- 5.7 Only 5 of the 8 others households have responded on the preference on new accommodation, in which 1 preferred private housing, 3 preferred public housing and 1 preferred URA rehousing.
- 5.8 According to the agreement made between the URA and the Hong Kong Housing Authority (HKHA) and the HKHS, the HKHA and HKHS will provide flats within their estates for rehousing eligible tenants. The URA will liaise with HKHA and HKHS to reserve flats in available estates to cater for the potential demand. Subject to the availability of rehousing flats, the URA will endeavour to arrange allocation of rehousing flats for the eligible tenants in East Kowloon as far as practicable.

6. EMPLOYMENT STATUS AND PLACE OF WORK

6.1 The employment status of 429 surveyed residents (including 402 in owner/member-occupier households and 27 residents in others households) analyzed in para. 6.2 to 6.5 below.

6.2 **Figure 6.1** and **6.2** shows details of employment status of the affected residents of owner/member-occupier households and others households respectively. The findings of the survey show that the proportion of retired residents of owner/member-occupier households (about 30%) is relatively high. Particular attention shall be paid to those retired residents if there is financial difficulty. The URA with the support of SST will offer timely assistance to relieve their anxiety. If the Project is to be implemented, the eligible households will receive cash offer under the URA's prevailing acquisition policy.

Figure 6.1 Employment Status of Affected Residents of Owner/member-occupier households (Total 402 surveyed residents in 135 households as of 12 June 2020)

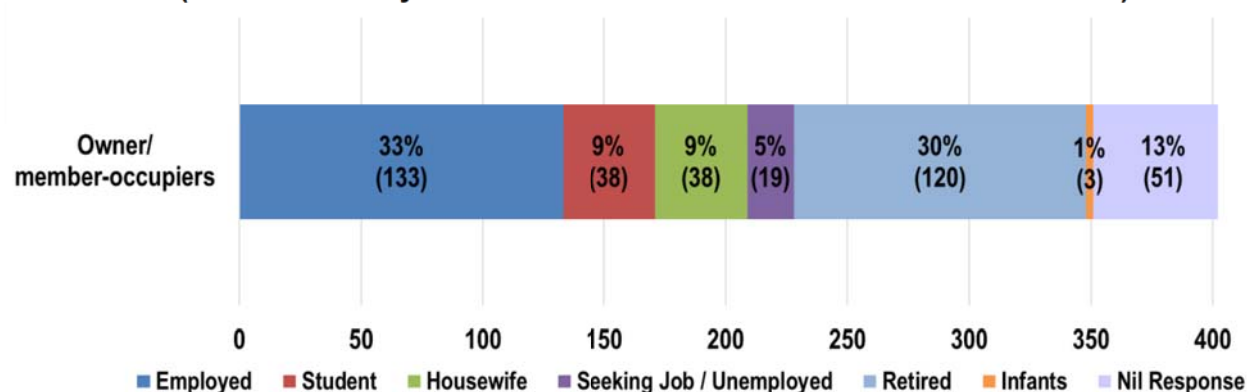
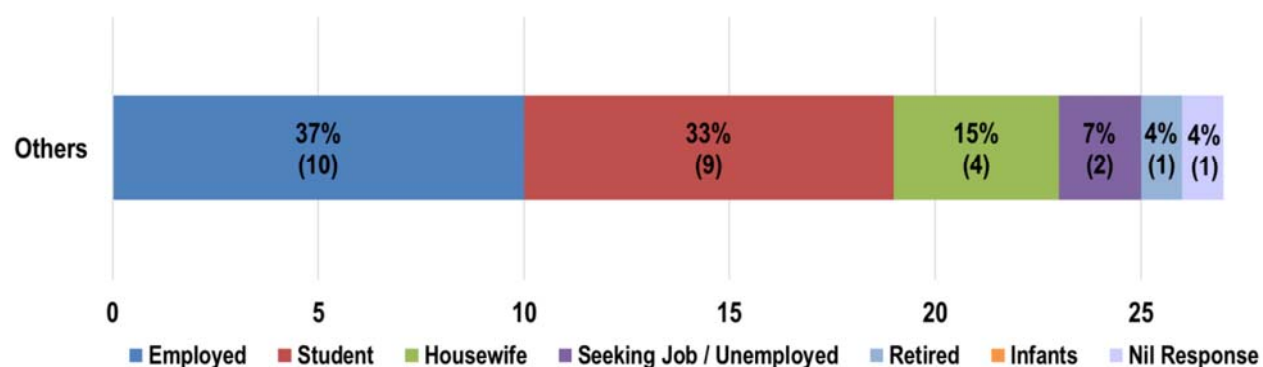


Figure 6.2 Employment Status of Affected Residents of Others households (Total 27 surveyed residents in 8 households as of 12 June 2020)



6.3 The unemployment rate of the residents of owner/member-occupier households and others households are about 5% and 7% respectively. The findings of the survey shows that the unemployment rate of the residents of others households is higher than the territory-wide unemployment rate of 5.9% (seasonally adjusted, for the

period from March 2020 to May 2020⁵). There may be financial difficulty for this group of unemployed residents in the Project. If the Project is to be implemented, the eligible households will be subject to the URA's prevailing acquisition and tenant's ex-gratia allowance policies.

- 6.4 **Table 6.1** shows the percentage share of different places of work of the employed persons within owner/member-occupier and others households.

Table 6.1 Percentage share of different places of work of the employed persons within owner/member-occupier and others households (as of 12 June 2020)

| | Employed persons in surveyed Owner/member- occupier Households (133 Residents) | Employed persons in surveyed Others Households (10 Residents) |
|---|---|---|
| Kowloon City | 11% | 0% |
| Wong Tai Sin & Kwun Tong | 10% | 30% |
| Yau Tsim Mong | 10% | 30% |
| Sham Shui Po | 5% | 0% |
| Kwai Tsing & Tsuen Wan | 5% | 0% |
| Hong Kong Island | 28% | 20% |
| New Territories & Outlying Islands | 16% | 0% |
| Outside Hong Kong (including Mainland China) | 2% | 0% |
| No Fixed District | 12% | 20% |
| Nil Response | 1% | 0% |

⁵ Information from website of Census and Statistic Department as at 16 June 2020

7. EMPLOYMENT AND ECONOMIC IMPACTS

7.1 **Table 7.1** summarizes the impacts of the proposed redevelopment on employment and economic condition as anticipated by the 127 surveyed domestic owner/member-occupier households and 8 others households.

7.2 For impact on employment, majority (57% and 38% respectively) said there would be no impact. For those expressing negative impacts, they were mainly concerned about the increase in transport expenditure and longer travelling time to workplace.

Table 7.1: Anticipated Impacts on Employment and Economic Conditions (as of 12 June 2020)

| ANTICIPATED IMPACTS | | Affected Owner/member-occupiers (127 surveyed households) | Affected Others (8 surveyed households) |
|----------------------|-----------------|--|--|
| Employment Condition | Positive Impact | 1% | 12% |
| | No Impact | 57% | 38% |
| | Negative Impact | 8% | 0% |
| | No Response | 34% | 50% |
| Economic Condition | Positive Impact | 18% | 12% |
| | No Impact | 25% | 0% |
| | Negative Impact | 22% | 38% |
| | No Response | 35% | 50% |

7.3 For those expressing negative impacts on economic condition (22% and 38% respectively), their key concerns were about the less savings and additional expenditure resulting from the proposed Project. This is understandable as there are about 120 retired residents. The URA with the support of SST shall offer timely assistance to those residents if there is financial difficulty according to para 6.2. Besides, if the Project to be implemented, the URA and the Government will synchronise the offer on the amount of outstanding premium to be settled to the Government with the URA's acquisition offer, such that owner-occupiers accepting the offer shall not require to use their own savings to settle the outstanding premium. This aims to relieve their key concerns mentioned above.

8. SOCIAL NETWORK

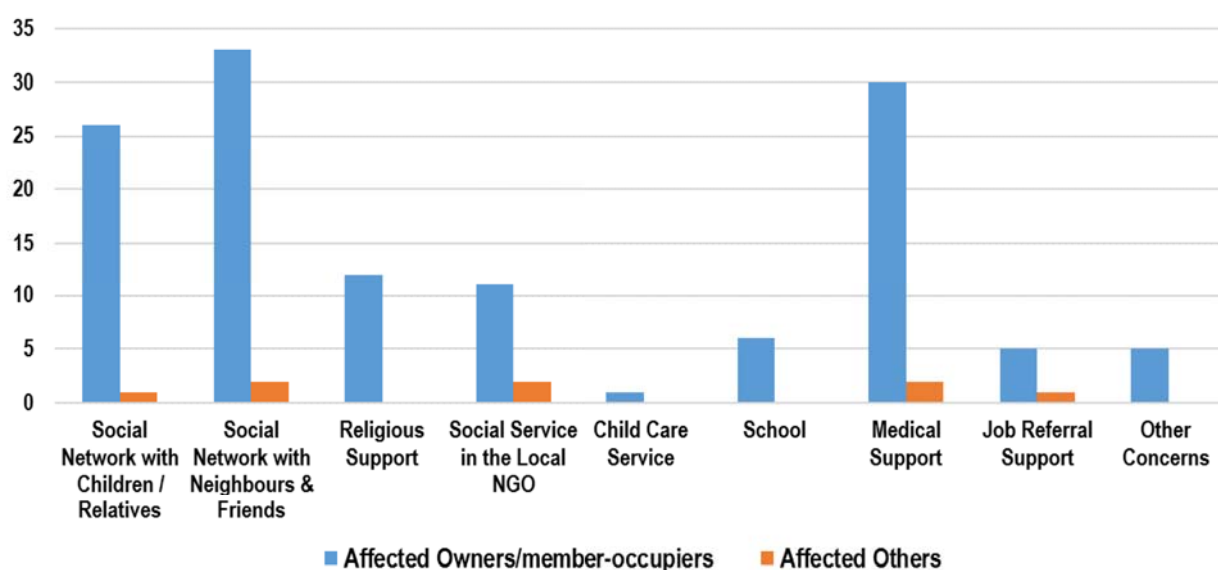
- 8.1 The likely impacts of the proposed redevelopment on owner/member-occupiers' and others' social network is shown in **Table 8.1**.

Table 8.1 Effects of Redevelopment on Social Network (as of 12 June 2020)

| | Affected Owners/member-occupiers (127 surveyed households) | Affected Others (8 surveyed households) |
|-------------|---|--|
| No Impact | 41% | 37% |
| Affected | 37% | 25% |
| No Response | 22% | 38% |

- 8.2 The possible effects of the Project on the affected households' social network (each household can choose more than one concern) is shown in **Figure 8.1**.

Figure 8.1 Nature of Effects on Social Network to Affected Households (as of 12 June 2020)



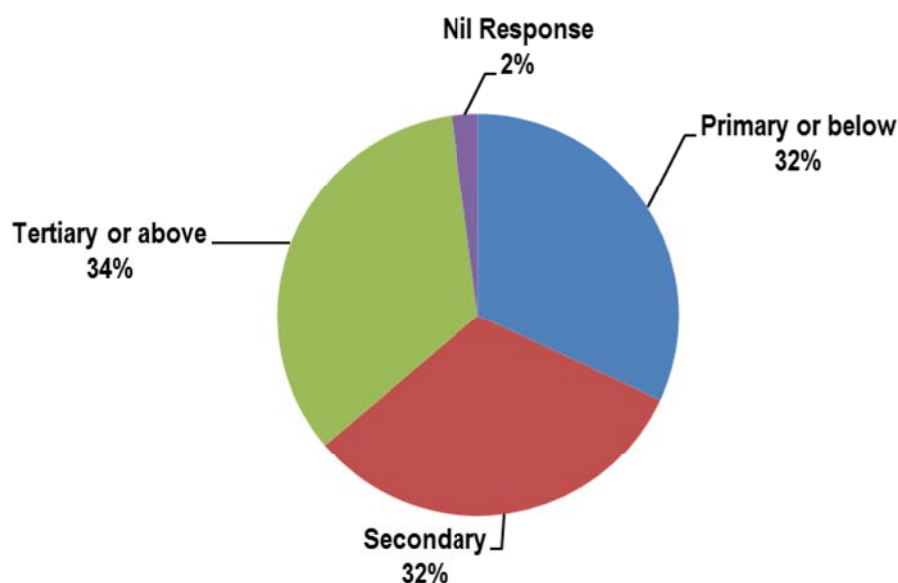
- 8.3 The SST will provide orientation sessions before and after rehousing to help the affected residents adapt to their new homes and introduce various community resources available in the area, including medical support, NGO services and community facilities. It will help them to identify suitable medical/ social service providers and religious institutions in the new residence setting. However, the social support with children/ relatives and neighbours/friends may take longer to establish/ re-establish in a new environment. If those tenanted households prefer to live close to their relatives to retain social support, the URA will endeavour to arrange rehousing, subject to the availability of public rental flats, and their eligibility for rehousing based on their locational preference as far as practicable. The URA will also offer FFF

option (in-situ or in the same district) for those eligible domestic owner -occupier households to minimize the effect on their intrinsic social networks and medical support.

9. EDUCATION NEEDS OF CHILDREN

- 9.1 The survey identified 47 students residing in 32 households within the Project. Of this, 38 students (81%) were from owner/member-occupier households and 9 students (19%) were from others households. **Figure 9.1** shows the type of schools attended by the students residing in the Project.

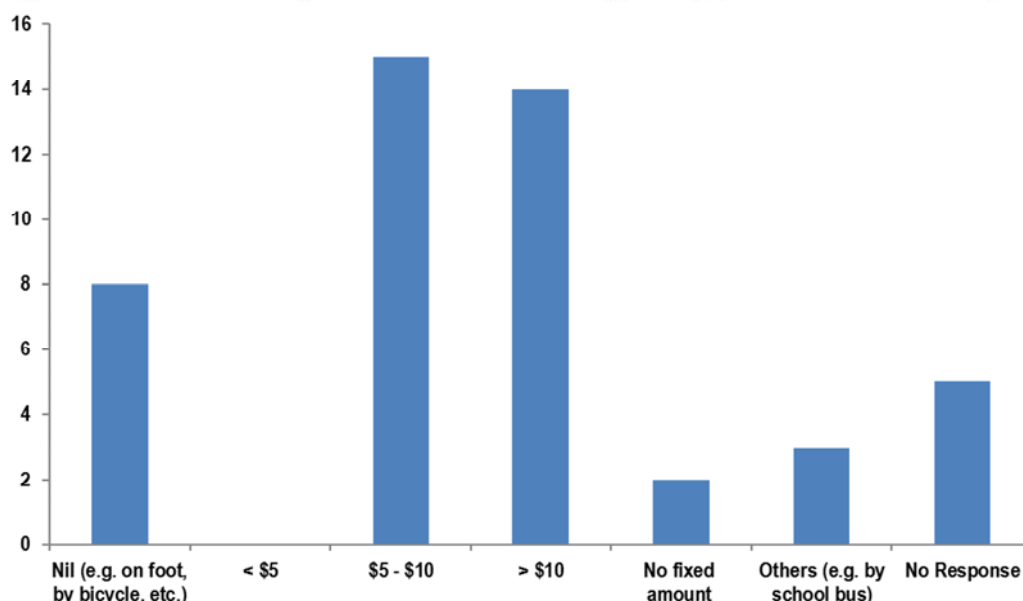
Figure 9.1 Educational Level of Students (47 Students surveyed as of 12 June 2020)



- 9.2 The majority of the students (17 students or about 36%) are studying in schools in Kowloon City and the neighbouring Wong Tai Sin District.

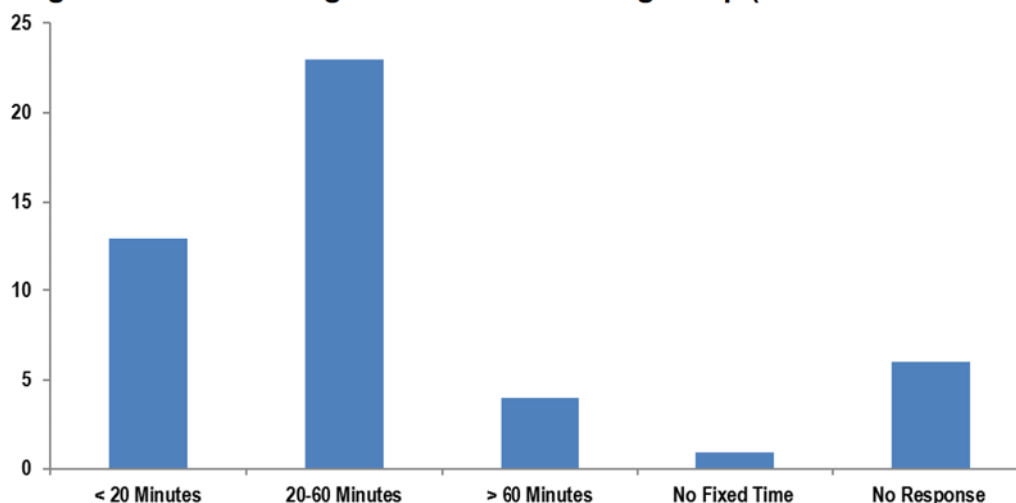
- 9.3 **Figure 9.2** shows the transport costs of the students in the interviewed households.

Figure 9.2 Travelling Cost to School – Single Trip (as of 12 June 2020)



9.4 **Figure 9.3** shows the students' travelling time to school.

Figure 9.3 Travelling Time to School – Single Trip (as of 12 June 2020)



9.5 Of the 47 students, 15 (32%) are studying in primary school or kindergarten. Impact of the Project on this group of students may be greater as these students may need to change to another school if their families chose to move to other areas. It is understandable that parents generally wish their children to continue in their present schools. Relocation away from this area may cause inconvenience especially for primary and kindergarten students.

9.6 If the proposed Project is implemented, the URA will offer FFF option (in-situ or in the same district) or the HKHS will offer an additional option of the Dedicated Rehousing Estate (DRE) at Kai Tak Development Area for those eligible domestic owner-occupiers that may contribute to minimize the impacts due to relocation to different district. Among these options, opportunities to retain in the same secondary school or primary school will be given due to the same primary and/or secondary school net. The URA with the assistance of the SST, will assist the affected families during the acquisition and rehousing stages to meet the educational needs of their children as much as possible. If necessary, appropriate assistance, resources and services from relevant Government Departments will be sought.

10. GROUPS WITH SPECIAL NEEDS

- 10.1 An assessment has been made on the special needs of the elderly, persons with disability, single-parent families and ethnic minorities identified in the FS and SIA questionnaires.

Elderly Persons (Age 65 and above)

- 10.2 **Table 10.1** shows the distribution of elderly persons from the surveyed 135 households.

Table 10.1 Distribution of Elderly Persons in the Project (as of 12 June 2020)

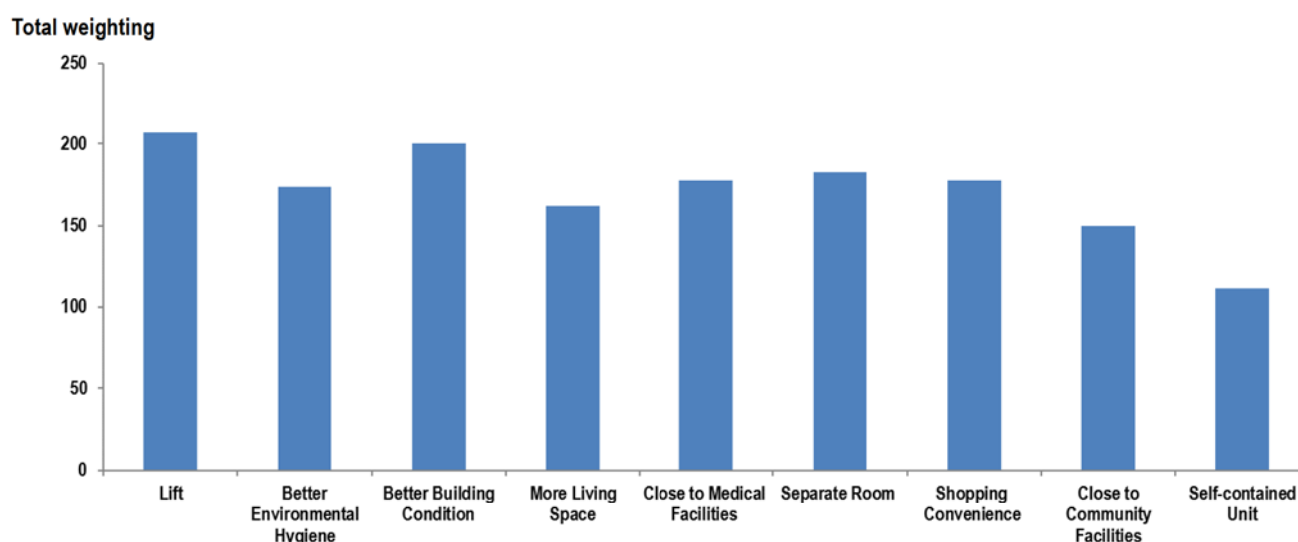
| Total No. of Elderly and Households | |
|--|--------------------------------------|
| Total No. of Households with Elderlies | 85 Households out of 135 households |
| Total No. of Elderly Residents | 124 Elderly residents |
| Household Sizes | |
| Singleton Households | 9 Households (9 Elderly Residents) |
| Doubleton Households | 10 Households (20 Elderly Residents) |
| Others | 66 Households (95 Elderly Residents) |
| Type of Tenure | |
| Owner/member-occupiers | 84 Households (99%) |
| Others | 1 Household (1%) |

- 10.3 Out of the 429 surveyed residents, 29% are elderly which is much higher than the territory wide level of 16%. The high proportion of elderly population within the Project has significant implications on the types of re-housing and other age-related concerns such as barrier-free access, health and medical facilities. The URA will assist displaced elderly residents to find replacement flats with lift as far as practicable to improve their living environment and to address their key concerns as per **Figure 10.1**. On the other hand, the URA will also offer FFF option (in-situ, in the same district) or the Government will offer an additional option of the DRE at Kai Tak Development Area for those eligible domestic owner-occupiers to minimize the impacts due to relocation to different districts. Among these options, all are within the same district of hospital cluster (i.e. Kowloon Central Cluster), with the same health and medical facilities under the cluster.
- 10.4 It is generally understood that elderly persons, particularly singletons, may have more difficulty adapting to their new environment once rehoused. The URA and the SST will make an effort to alleviate their anxiety by providing information on the arrangement of rehousing and the new environment surrounding the estate. After their relocation to a new accommodation, the SST will follow up and provide assistance to the elderly. The SST will conduct programs on getting to know the local community facilities, visits to the social service providers, and provide assistance on

referral to medical centers in the new neighbourhood. The URA “Project Engagement” team and the SST will pay special attention to the singleton and doubleton elderly households and adopt a proactive approach to deliver prompt assistance to the elderly through home visits.

- 10.5 **Figure 10.1** shows the weighed priority of the aspirations of the elderly when questioned about the improvements they would like to see in their new home. The major concerns of elderly on living environment are the presence of lift and better building condition, which can be improved by moving to the rehousing units with better modern day facilities for better safety and health standard.

Figure 10.1 Elderly Concerns on Living Environment (based on the first three priorities chosen, can choose more than one answer; weighting of 3- most important, 2- important, and 1-less important)



Persons with Disability

- 10.6 Five (5) residents with disabilities (about 1% of total number of 429 residents) were recorded in the survey. Their disabilities mainly relate to wheelchair access, mental health, hearing impairment, or have some kinds of disease. Most residents with disabilities considered medical support, disability access/facilities, and special schools as their primary concerns.

Single-parent Families

- 10.7 Among the 135 surveyed households, 1 single-parent family with 3 children were identified in the survey. They mainly concerned about school, more living space and better living environment.

Ethnic Minority Groups

- 10.8 Among the 135 surveyed households, 5 households were recorded with members to be ethnic minority groups, including 2 households from Malaysia, 1 household from Thailand, and 2 households from other places.
- 10.9 All the 5 households with ethnic minority were owner/member-occupier households. Among them, 4 of the affected ethnic minority households responded there would not be impact on their families in terms of employment while 2 households considered no impact on their economic condition.

11. BUSINESS IMPACT

- 11.1 According to the FS, there is 1 business operator using 1 unit (for domestic use according to GBP) for non-domestic use. The business operator has responded to both FS and SIA forms. According to the survey record regarding the occupancy status, the business operator was owner operator⁶.
- 11.2 The nature of existing business of the interviewed operator belongs to engineering services. The interviewed business operator indicated that the shop has no chain store or other branches, while the years of business operation was less than 5 years. The size of premises is about 501-1,000 sq.ft. (The exact size of the premises can only be confirmed subject to detailed survey after the authorization by the Secretary for Development to implement the Project).
- 11.3 Regarding the view on the proposed redevelopment, the interviewed business operator supported the proposed redevelopment. The business operator was satisfied about the business performance and business network and very satisfied about the interpersonal relation established from the existing business.
- 11.4 If the proposed Project is implemented, the major concerns of the interviewed business operator on relocation is the loss of good neighbours. Upon request from the business operator, the URA will assist to identify suitable premises with compatible use nearby to the Project to enable the operator to relocate and continue operation in the same district as far as practicable.

⁶ The actual occupancy status of the business operator has not been verified. All responses related to the occupancy status of business operator are based on the questionnaire surveys only.

12. MITIGATION MEASURES REQUIRED

Social Service Team

- 12.1 In accordance with the new URS, the URF has been set up to, inter alia, fund the SST which provides assistance to residents and operators affected by the URA-implemented redevelopment projects. The SST reports directly to the Board of the URF. The SST is expected to play a co-ordinating role in assisting the residents to access the services they need from relevant Government Departments and/ or other service providers. For instance, the help of the HKHA and the HKHS will be sought in the rehousing process, the Education Bureau in providing school places for children affected by home removal, the Social Welfare Department and various social organisations for counseling services, the Hospital Authority and Department of Health in medical assistance, the minor ethnics groups' request for translation services, etc. As at 30 June 2020, the SST has successfully contacted different client groups. A breakdown of the contacts is listed in **Table 12.1**.

Table 12.1 Breakdown of SST Contacts by Client Groups

| Client Group | No. of Contacts |
|---------------------------------|-----------------|
| Domestic Tenants/Others | 1 |
| Domestic Owner/member-occupiers | 33 |
| Business Operators | 0 |
| Undisclosed Occupiers | 72 |

- 12.2 The nature of the problems identified is summarized as follows:

Table 12.2 Nature of Problems Identified Among the Contacts

| Problem or Enquiry Nature | No. of Enquires from Households* |
|---|----------------------------------|
| <i>Domestic Tenants/Others</i> | |
| a) Unclear on ex-gratia allowance and rehousing policies | 1 |
| b) Evicted by owners / outrageous rent rise | 0 |
| c) Worry about eviction, termination of tenancy or outrageous rent rise in future | 1 |
| <i>Domestic Owner/member-occupiers and Undisclosed Occupiers</i> | |
| a) Unclear on acquisition policies | 105 |
| b) Worry about the amount receivable not enough to purchase another flat in the same district | 80 |

* Each household / shop operator may lodge more than 1 enquiry

- 12.3 The SST is expected to adopt a proactive approach to identify individuals at risk early through home and shop visits and to deliver prompt assistance to the residents and operators in need. For residents with no imminent needs, such a proactive approach

can also enable the SST to establish a rapport with the clients and facilitate cooperation or engagement in future.

Public Briefing

- 12.4 After commencement of the FS, project briefing videos instead of the public briefing in past practice provided to the affected persons by the URA to avoid gatherings under COVID-19 pandemic. The videos explain the Project and include information on planning procedures, the URA's acquisition and rehousing policies (if the Project is approved), and assistance in the dissolution of CBS. The videos can be accessed by scanning the QR code or through the web link printed on the notices or letters issued by the URA.
- 12.5 As the situation of pandemic and the Government prohibition on group gathering for prevention and control of disease has gradually relieved in June and July, a public briefing was organized by URA with Government representatives from Civil Service Bureau, Development Bureau, and Lands Department on 6 July 2020 to inform all the affected persons, the details of the Project and to obtain public views on the Project. Questions on FS, planning, acquisition, tenant's ex-gratia allowance and rehousing, and CBS dissolution and outstanding land premium issues were addressed at the meeting.

Project Engagement Programme

- 12.6 From a URA's project/scheme commencement to commencing acquisition and rehousing arrangement after DEVB's authorization or CE in C's approval of Scheme will usually take a long time. With the understanding that the affected residents and operators are likely to experience doubts and worries during the long waiting period, the URA has implemented a "Project Engagement" Programme since October 2016 to provide direct contact services.
- 12.7 A special team of about 15 URA staff members has taken the initiative to visit every household and business operator affected by the URA projects to explain to them the policies in details, helping them understand the latest progress, acquisition, tenant's ex-gratia allowance and rehousing arrangements, and timeline of the projects. The team also made follow-up visits to the households with special needs, and referred them to SST or the relevant departments for assistance as needed. Simple and easy-to-understand leaflets, in Chinese, English and other languages, if necessary and practicable, for the affected ethnic minorities, may be produced to explain the tenant's ex-gratia allowance and rehousing arrangements as well as help them understand their interests.

Enquiries and Hotline Services

- 12.8 Since the Project commencement, 4 Government Departments' hotlines regarding civil service housing benefits matter, land premium assessment for removal of alienation restriction, lease modification and resumption have been provided to residents within the redevelopment area. The URA also answers enquiries and provides 3 hotline services to the residents. About 139 enquiries had been received via the URA's hotlines between 22 May 2020 and 30 June 2020. The subject matters of the enquiries are summarised in **Table 12.3**.

Table 12.3 Nature of Enquiries

| Subject Matters of Enquiries | Percentage |
|---|-------------|
| Project information, progress, timetable and planning procedures of urban renewal | 10% |
| Acquisition, tenant's ex-gratia allowance and rehousing policies | 35% |
| CBS dissolution/land premium | 2% |
| Household Survey (e.g. registration arrangement, briefing arrangement) | 44% |
| Others | 9% |
| Total enquiries: 139 | 100% |

- 12.9 Based on past experience with implementation of redevelopment projects, the URA is confident that the prevailing acquisition, tenant's ex-gratia allowance and rehousing policies and arrangements, with the services offered by the SST and the URA will be sufficient to reasonably mitigate the impact on the majority of the residents/ business operators arising from the proposed redevelopment. In summary, the principal mitigation measures being pursued include:-

- (i) outreach activities by the SST to ensure that all affected persons potentially in need are identified on top of those who were already identified in the SIA survey;
- (ii) assistance in finding public rental rehousing for eligible persons in need;
- (iii) conducting initial assessment of the elderly with low incomes or retired or disability and other vulnerable groups for eligibility for compassionate housing;
- (iv) providing orientation assistance for those in need after moving home such as familiarisation with new neighbourhood, accommodation and local facilities; and
- (v) providing assistance to identify suitable replacement premises for affected businesses.

- 12.10 The URA will assist displaced owner/member-occupiers, especially elderly, to find replacement flats within Kowloon as far as practicable. Redevelopment will inevitably affect the existing social network of some residents in the Project. The SST will follow

up their cases for 6 months in average after their relocation to a new accommodation. In helping “the affected residents in maintaining and rebuilding social support network”, the team will also conduct below activities:-

- (i) After resettlement, the displaced residents will be contacted at least once after their old acquaintance in Kowloon City, e.g. through organizing a re-union gathering for displaced residents;
- (ii) the displaced residents will be established connections in their new neighbourhood, e.g. programs on getting to know the local facilities in new community and visitation to the social service providers in the new neighbourhood.

12.11 The URA together with the SST will ensure that the requisite services and practical assistance by relevant Government Departments and/ or service providers are made available to the community in need, and that social and livelihood problems relating to the Project are resolved in a timely manner.

Facilitating the Dissolution of CBS

12.12 To facilitate the dissolution of the CBS, the Urban Redevelopment Facilitating Services Co. Ltd. (URFS), a subsidiary of the URA, will provide free service to the CBS members to facilitate the dissolution of the CBS in the Project. The URA will pay for the services provided by the solicitor appointed by URFS regarding dissolution, liquidation and transfer of titles to CBS members, to assist in the complicated procedures of the dissolution of the CBS and alleviate the financial expenditure of the CBS member. The use of this free service is unconditional and will not constitute any indication of the owners to sell or not to sell their properties.

Government Support

12.13 According to paragraph 54 of the PA in 2018, the dedicated rehousing approach can help address the accommodation issue arising from the redevelopment of CBS sites. Hence, for the affected eligible owner-occupiers of ex-CBS member in the Project, the Government has made special arrangements to offer an additional option for them to purchase subsidised sale flats of the Dedicated Rehousing Estate (DRE) at Kai Tak of the same Kowloon City District to be developed and managed by the HKHS. Details of this additional option will be provided by the Government and HKHS in due course. Those eligible owner-occupiers who have chosen this option cannot join the FFF arrangement as mentioned in para.12.17 below.

12.14 The Government will also explore ways to facilitate dissolution of CBS and redevelopment of CBS, including:

- (i) synchronising the offer on the amount of outstanding premium to be settled with

- the URA's acquisition offer;
- (ii) adopting the "Existing Use Land Value" (as opposed to "Redevelopment Value") as the basis for assessing the land premium payable as this is not a self-initiated redevelopment by CBS member/ex-member not yet settled land premium;
- (iii) waiving the administration fee for processing the settlement of outstanding land premium where applicable; and
- (iv) streamlining the CBS dissolution procedures where possible.

Detail arrangement shall refer to the Government prevailing policy related to CBS.

Prevailing Acquisition, Tenant's Ex-gratia Allowance and Rehousing Policy

- 12.15 At the public briefing held on 6 July 2020 and in the project briefing videos provided to the affected persons after commencement, acquisition, tenant's ex-gratia allowance and rehousing policies based on the URA's prevailing policy for the affected persons were fully explained.

Domestic Properties

- 12.16 The URA will offer an owner-occupier of domestic property the market value (valued on vacant possession basis) of his/ her property plus an ex-gratia allowance, namely Home Purchase Allowance (HPA), for purchase of the property. The CBS members have to settle the outstanding land premium to the Government to release the alienation restriction before they can assign legal titles of their flats to the URA. The assessment of HPA is based on the unit rate of a notional replacement flat, which is defined as a hypothetical seven-year-old flat in a building of comparable quality, situated in a similar locality in terms of characteristics and accessibility, and located at the middle floor with average orientation. The HPA is the difference between the value of the notional replacement flat and the market value of the property being acquired. The URA will offer an owner of tenanted or vacant domestic property the market value (valued on vacant possession basis) of his/ her property plus a Supplementary Allowance (SA), where applicable, up to 50% of the HPA above mentioned. In addition to HPA or SA, the URA will offer an incidental cost allowance to owners of domestic properties to assist payment of removal expenses and expenditure relating to the purchase of a replacement property.
- 12.17 According to the new URS, and as far as relevant legislation allows, the URA will offer "flat-for-flat" (FFF) arrangement to eligible owner-occupiers of domestic properties. Under such arrangement, new flats will be made available in a URA new development in-situ or URA development(s) in the same district or at available site(s) (subject to changes in the relevant legislation and regulations) (as the URA may select for the purpose provided that necessary approval/ authorization has been obtained at the time of FFF offer), as an additional option to cash offer to such owner-

occupiers. According to para. 5.3 & 5.4, subject to the actual demand of the affected owner occupiers of large household size to move to a new flat with a similar size of the present units, the URA will further explore possible ways at FFF option addressing this need as far as practicable. The FFF option offered in the same district can minimize the impacts on social network, educational and medical needs of owner/member-occupier households as identified in the survey and mentioned in the previous sections due to relocation to different district. Details of the FFF Scheme can be obtained from:

<https://www.ura.org.hk/en/redevelopment/owners-corner/flat-for-flat-scheme>

- 12.18 Affected eligible domestic tenants will be re-housed in units provided by the HKHA or the HKHS or the URA. Tenants who are re-housed will be offered an ex-gratia removal allowance. The allowance is in line with the HKHA's rates. The amount receivable will be according to the size of the household and the rates prevailing at the time.
- 12.19 Tenants who are not allocated re-housing due to various reasons or who decline re-housing, may receive ex-gratia allowances. Details of the ex-gratia allowances for domestic tenants can be obtained from <https://www.ura.org.hk/en/redevelopment/tenants-corner/rehousing-and-ex-gratia-allowance-policies>.
- 12.20 According to the new URS, the URA will adopt a compassionate approach in assessing the eligibility of owners of tenanted domestic units for ex-gratia allowance in exceptional circumstances such as elderly owners who rely on the rental income from their properties for a living.
- 12.21 In case where tenants were notified that their tenancies would not be renewed, the URA will explain to their owners that they would not get more allowance by evicting the tenants. The URA has also introduced the "Domestic Tenants Compassionate Assistance Programme" ("DTCAP") to take care of those domestic tenants whose tenancies commenced before the Freezing Survey of this Project and moved out from the properties because they have been required to move out from their properties by their landlords upon expiry or termination of their tenancies and before the URA purchases the properties. In general, eligible domestic tenants who meet the criteria under this programme will be offered, after acquisition or the Government resumption of the properties concerned, special ex-gratia allowance based on the rateable value of the properties concerned, the ex-gratia allowance is calculated according to the method as listed in **Table 12.4** below subject to a minimum amount of HK\$180,000 (for an one-person household) and HK\$200,000 (for a two-person or larger household) ("Minimum EGA"). The Minimum EGA for an one-person household and a two-person or larger household were increased from HK\$70,000 and HK\$80,000 to HK\$160,000 and HK\$180,000 in 2017 respectively, and adjusted to HK\$180,000 and HK\$200,000 in 2020 respectively. The Minimum EGA will be reviewed annually

in accordance with the Annual Rental Index for Class A Domestic Properties publicized by the Rating and Valuation Department (“RVD”) in April each year. Domestic tenants, who undergo the same situation as mentioned above and are not eligible for DTCAP, can apply for the URA’s Relocation Assistance.

Table 12.4 Calculation of Special Ex-gratia Allowance for “Domestic Tenants Compassionate Assistance Programme”

| Rateable Value (RV) | Special Ex-gratia Allowance |
|--------------------------------------|-----------------------------|
| 1 st HK\$10,000 | 9 times RV |
| 2 nd HK\$10,000 | 8 times RV |
| 3 rd HK\$10,000 | 7 times RV |
| 4 th HK\$10,000 | 6 times RV |
| 5 th HK\$10,000 | 5 times RV |
| 6 th HK\$10,000 | 4 times RV |
| 7 th HK\$10,000 | 3 times RV |
| 8 th HK\$10,000 | 2 times RV |
| 9 th HK\$10,000 and above | 1 time RV |

Non-domestic Operators

- 12.22 For owner-occupied non-domestic premises, the market value of the affected property (valued on vacant possession basis) plus an ex-gratia allowance of 4 times the rateable value or 35% of the market value of the affected property, whichever is the higher, will be offered. Owner-occupiers may lodge a claim for business loss in lieu of both the ex-gratia allowance mentioned above and Ex-gratia Business Allowance (EGBA) mentioned in para. 12.23 below. For owners of tenanted or vacant non-domestic properties, the market value (valued on vacant possession basis) of the affected property plus an ex-gratia allowance of 1 time the rateable value or 10% of the market value of the affected property, whichever is the higher, will be offered.
- 12.23 An additional payment of EGBA is also payable to tenants and owner-occupiers who commenced occupying the premises for business before the date of FS. In calculating the number of years of continuous operation, the expiry date of continuous operation is 2 years from the date which the URA issues initial acquisition offer to property owners. The amount is calculated at a rate of 0.1 times the rateable value for each year that the affected premises has been in operation up to a maximum of 30 years. For an incomplete year, the amount of EGBA is calculated on a pro-rata basis to the nearest month. The amount of EGBA is subject to a maximum amount of HK\$700,000 (adjusted from HK\$500,000 in 2017) and a minimum amount as described in **Table 12.5** below.

Table 12.5 Calculation of EGBA

| Years of Continuous Operation | Minimum EGBA |
|---|---|
| 10 years or less | HK\$110,000 (adjusted from HK\$70,000 in 2017, and will be reviewed annually in accordance with the Annual Rental Index for Retail Properties publicized by the RVD in April each year) |
| More than 10 years (maximum of 30 years) | Additional HK\$10,000 for each completed year |

12.24 According to the new URS, if requested, the URA will help identify suitable premises in the district of the redevelopment project to enable the affected shop operators to relocate and continue operation in the same district as far as practicable.

12.25 The acquisition, tenant's ex-gratia allowance and rehousing policies are subject to prevailing policies at the time of issuing acquisition policies. The policies are published on the URA's website and will be communicated to affected persons when acquisition of property interests for this Project commences. Prevailing policies relating to property acquisition, rehousing and ex-gratia allowances will be reviewed by the URA from time to time.

URBAN RENEWAL AUTHORITY

July 2020