

Kau Pui Lung Road / Chi Kiang Street *Development Scheme (CBS-2:KC)*



Stage 2 Social Impact Assessment

CONTENTS

	<i>Page</i>
1. INTRODUCTION.....	1
2. BACKGROUND.....	3
3. POPULATION & HOUSEHOLD CHARACTERISTICS	6
4. SOCIO-ECONOMIC CHARACTERISTICS.....	9
5. HOUSING	12
6. EMPLOYMENT STATUS AND PLACE OF WORK	16
7. EMPLOYMENT AND ECONOMIC IMPACTS	18
8. SOCIAL NETWORK.....	20
9. EDUCATION NEEDS OF CHILDREN	22
10. GROUPS WITH SPECIAL NEEDS.....	24
11. BUSINESS IMPACT	27
12. MITIGATION MEASURES REQUIRED	28

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 Kau Pui Lung Road / Chi Kiang Street Development Scheme (the Scheme) 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. According to the directive under the PAs, some of the land within the Scheme is to be earmarked for public housing development upon approval.
- 1.2 The new Urban Renewal Strategy (URS) issued by the Government in February 2011 states that the 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 area of the Scheme, there is no early SIA conducted by DURF which the URA could update for this Development Scheme.
- 1.4 The URA published in the Government Gazette the commencement of the Scheme by way of a development scheme under section 25 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 Scheme conducted from 22 May 2020 to 24 May 2020, and from the follow-up survey visits by appointment 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 Scheme, 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 Scheme. They are tasked to provide assistance and advice to residents and business operators affected by the Scheme. 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 Scheme is located in Kowloon City District, which is bounded by a row of buildings at Ma Tau Wai Road to the east, Ming Fat Building and Chi Kiang Street to the south, Morning Joy Building, City 151 and Kau Pui Lung Road to the west and 80 Maidstone Road and Lok Shan Road to the north (**Figure 2.1**). It covers a gross site area of about 16,473 sq.m, subject to site survey, involving a cluster of 30 CBS sites developed under 28 CBSs (i.e. 3 of the CBS sites are developed under 1 CBS): Nos. 59-77, 99-117, 123-133 Maidstone Road (odd nos.), Nos. 82-128 Maidstone Road (even nos.), Nos. 153-175, 181-189 Kau Pui Lung Road (odd nos.), Nos. 1-3, 7-9 Kiang Su Street (odd nos.), Nos. 4-14 Kiang Su Street (even nos.), Nos. 52-58, 52A-58A Chi Kiang Street (even nos.), a portion of Maidstone Road and Kiang Su Street, government lanes, and portion of the surrounding public pavement, forming a comparatively completed land parcel for high density residential development. Subject to detailed design, the net site area used to calculate the development potential of the Scheme is about 15,475 sq.m (subject to site survey).
- 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 Scheme has been selected according to the prescribed multiple factors 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) in the urban districts, numbers of CBS involved, proximity to existing public rental housing and other ancillary facilities, building age and its existing development density.

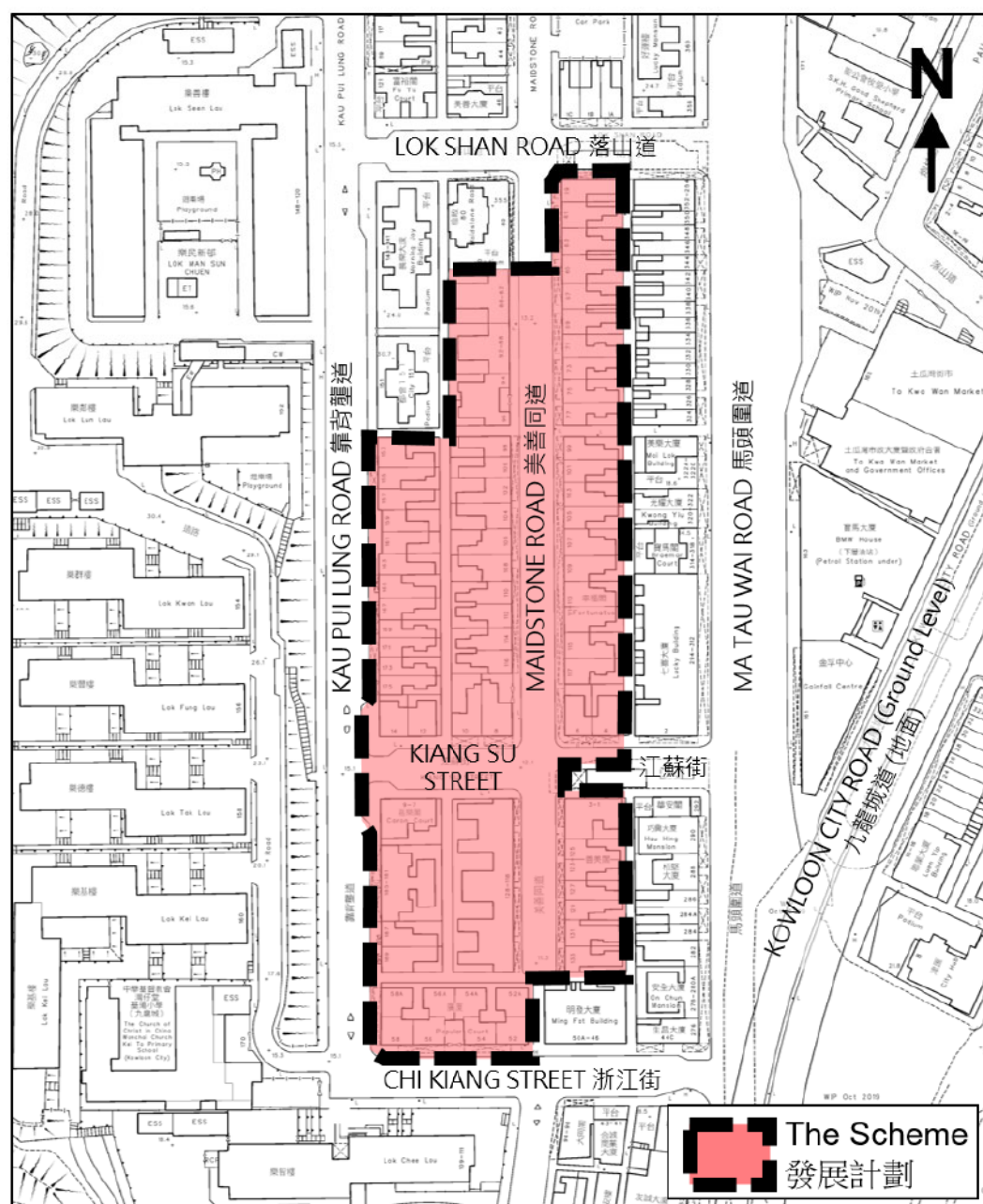


Figure 2.1 Location Plan

Distribution of Units and Households

- 2.3 The Freezing Survey (FS) successfully surveyed 428 domestic households (up to 12 June 2020). The detailed breakdowns of surveyed and the unsurveyed units will be illustrated in Section 3. **Table 2.1** shows the results of FS and SIA surveys within the Scheme¹. For those who refused to do the SIA questionnaires, 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.

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

Table 2.1 Results of FS and SIA Surveys within the Scheme (as of 12 June 2020)

	No. of Households
Total No. of surveyed households	428
Successfully responded to both FS and SIA questionnaire	376
Only responded to FS but not completed SIA questionnaire	52

Business Operators and Non-domestic Premises

- 2.4 Regarding non-domestic uses, the FS successfully surveyed 2 business operators (up to 12 June 2020), occupying 1 wall shop for non-domestic use and 1 upper domestic unit for mixed use. The details will be illustrated in Section 11.

Views on redevelopment

- 2.5 Among 376 households responded to both FS and SIA questionnaire, 207 households indicated that they either strongly supported or supported the proposed Scheme while 55 households indicated that they either strongly against or against the proposed Scheme. The remaining 114 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 About 30% of the surveyed households indicated that the problems of noise nuisance, outdoor air pollution / poor air quality and concrete spalling happened or occasionally happened to their accommodation. Meanwhile, the surveyed households generally indicated that no problem in terms of the living environment.

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 462. The population and household characteristics as surveyed in the Scheme is listed in **Table 3.1** and the status of surveyed units is shown in **Table 3.2** below.

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

Actual Successfully Surveyed Units	428 units (refer to Table 3.2 below)
Total Number of surveyed Households	428 households
Total Population	1,424 persons
Average Household Size	About 3.3 persons per household; higher than the territorial average of 2.8 persons per household.
Degree of Sharing	1.0 (428 households / 428 surveyed units); similar to the territorial average of 1.0 for private permanent housing.

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

	Domestic Use according to the original approved GBP	Number of Households
Surveyed units for domestic use	427	427
Surveyed unit for both Domestic and Non-Domestic Use (Mixed Use)	1	1
Unsurveyed units*	34	N/A

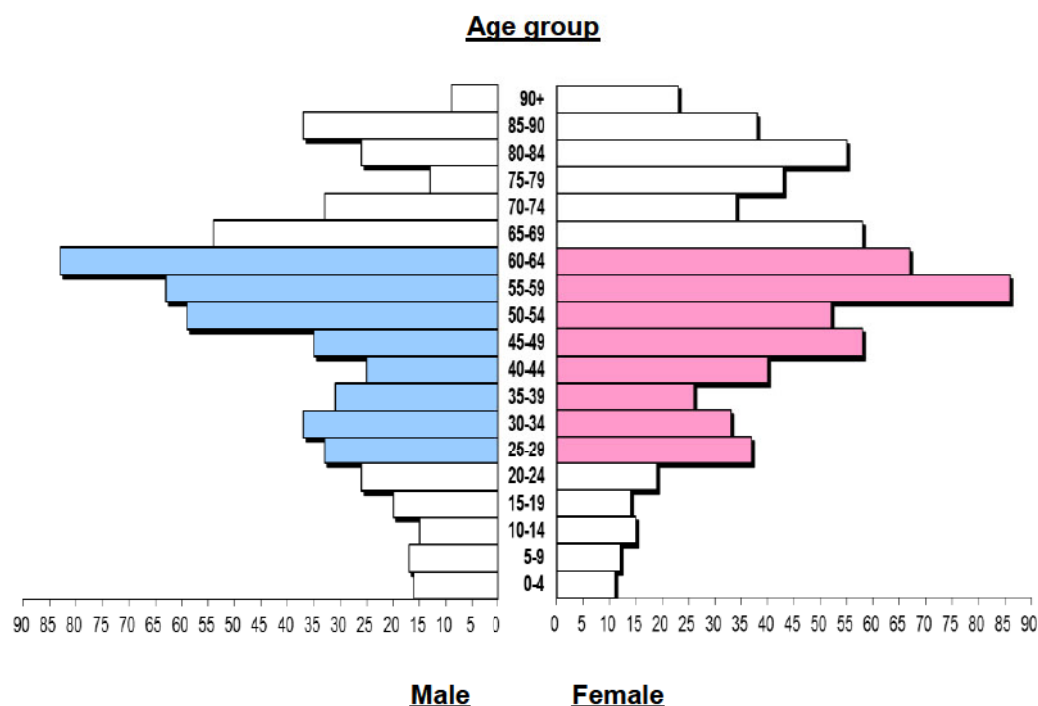
- * According to the approved GBP, ground floors of the buildings at No. 7-9 Kiang Su Street (odd nos.) and at Nos. 118-128 Maidstone Road (even nos.) are non-domestic uses as covered children play area and carport respectively and both are unsurveyed.

- 3.3 A total of 1,424 residents were recorded in the Freezing Survey, 661 were male, 761 were female, and 2 residents did not provide any information. The distribution gives a ratio of about 87 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 Scheme	Territory Wide Level (para. 3.1 refers)	Comparison
0-14 (Children)	6%	11%	Lower
15-24 (Youth)	5%	11%	Lower
25-64 (economically active age group)	54%	62%	Lower
65+ (Elderlies)	30%	16%	Higher
No age information provided	5%	/	/
Total	100%	100%	

Figure 3.1 Age Structure



- 3.4 The distribution of surveyed household sizes is shown in **Table 3.4**. The percentage of 6 persons or above household within the Scheme is about 12% higher than that of 3% in territory wide level. Besides, there are 64 households (about 15%) with family of 3 generations and 1 household with family of 4 generations in one domestic unit. The special housing needs of these households will be discussed in Sections 5 and 12.

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

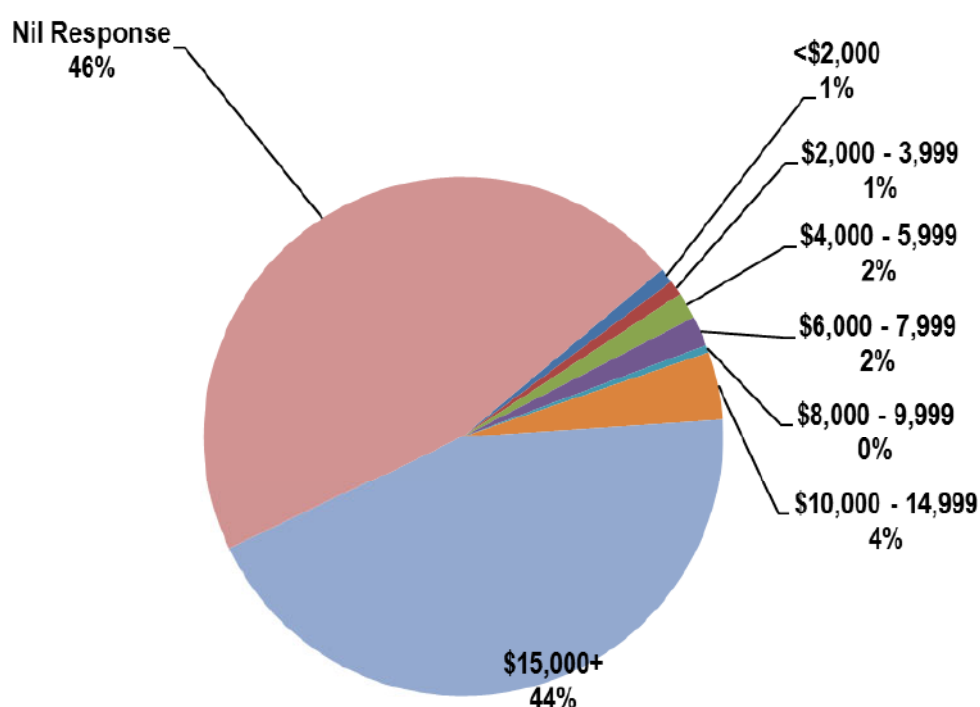
Household Size (persons)	Surveyed in the Scheme		Territory Wide Level (para. 3.1 refers)	Comparison
0 (vacant)	1%		N/A	N/A
1	12%		18%	Lower
2	24%		27%	Lower
3	18%		24%	Lower
4	22%		20%	Higher
5	11%		8%	Higher
6	7%	12%	3%	Higher
7	3%			
8 or above	2%			
Total	100%		100%	/

4. SOCIO-ECONOMIC CHARACTERISTICS

Income Level

- 4.1 This section will be based on the 428 households and 1,424 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) (428 surveyed households as of 12 June 2020)



	Surveyed in the Scheme	Territory Wide Level (para. 3.1 refers)	Comparison
Monthly income less than HK\$10,000 per month	6%	19%	Lower
Monthly income less than HK\$4,000 per month	2%	6%	Lower
Comprehensive Social Security Assistance (CSSA) Recipients	1% (4 households)	About 4% as at May 2020 ²	Lower

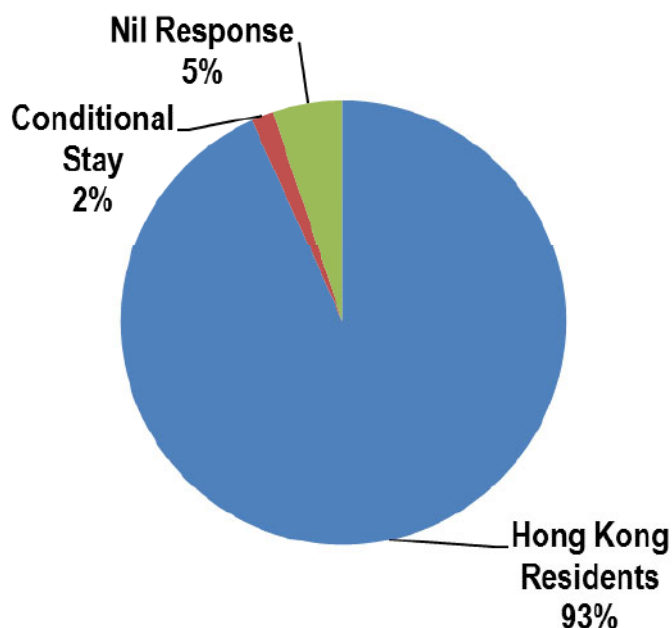
² 'CSSA caseload for May 2020, 16 June 2020, Press Release The Government of the Hong Kong Special Administrative Region.

- 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 the Scheme 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.

Residence

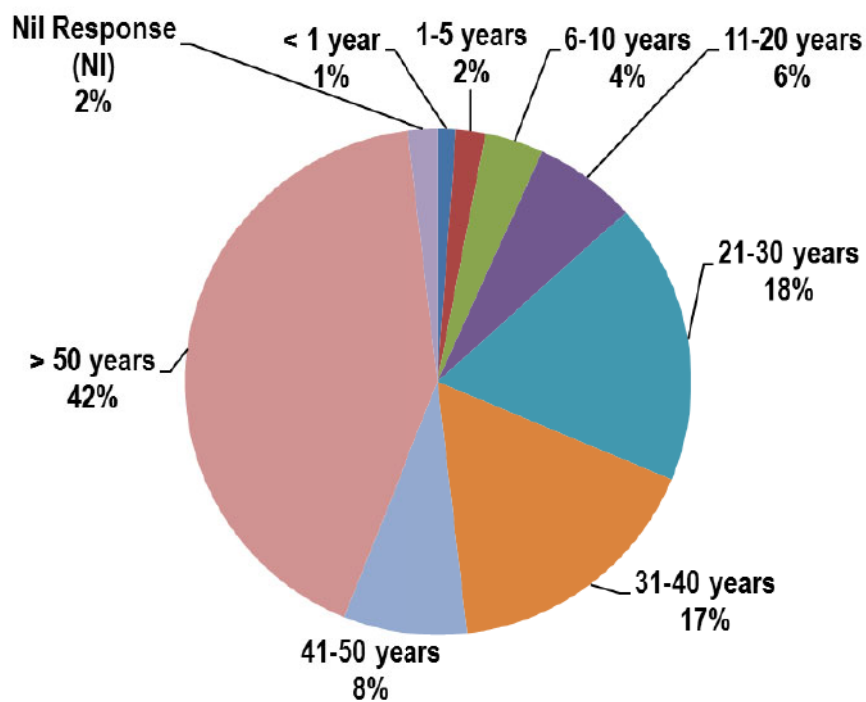
- 4.3 Twenty-three (23) residents (about 2%) were subject to conditions of stay in Hong Kong, as shown in **Figure 4.2**. None of them were found in tenant households.

Figure 4.2 HKSAR Resident Status (Total 1,424 residents in 428 surveyed household as of 12 June 2020)



- 4.4 The number of years of residency is shown in **Figure 4.3**. A total of 363 households (about 85%) have lived within the Scheme 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, existing educational, medical and community facilities in the district. Possible mitigation measures on these issues through 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 428 surveyed households as of 12 June 2020)

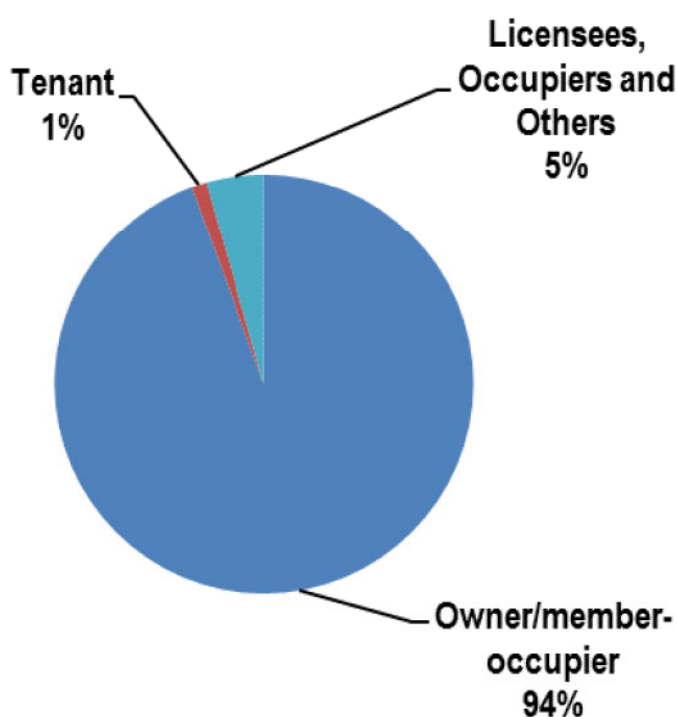


5. HOUSING

Re-housing Needs and Location Preference

5.1 **Figure 5.1** shows the occupancy status of households³. There are 404 owner/member-occupier households (94%) (261 households in units of dissolved CBS and 143 households in units of undissolved CBS classified as “owner/member-occupier households” for analysis purpose) and 24 others households⁴ (6%) (5 tenants (1%) and 19 licensees, occupiers and others (5%)), they are classified as “others households” for analysis purpose).

Figure 5.1 Occupancy Status of Households (Total 428 surveyed households as of 12 June 2020)



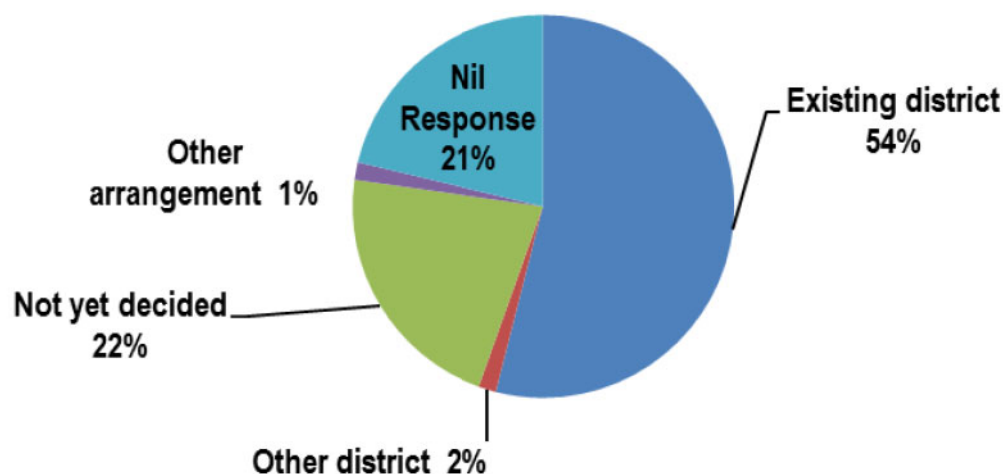
³ The actual occupancy and CBS membership status of the households has not been verified. All responses related to the occupancy status of households are based on the questionnaire surveys only.

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 (404 Households as of 12 June 2020)

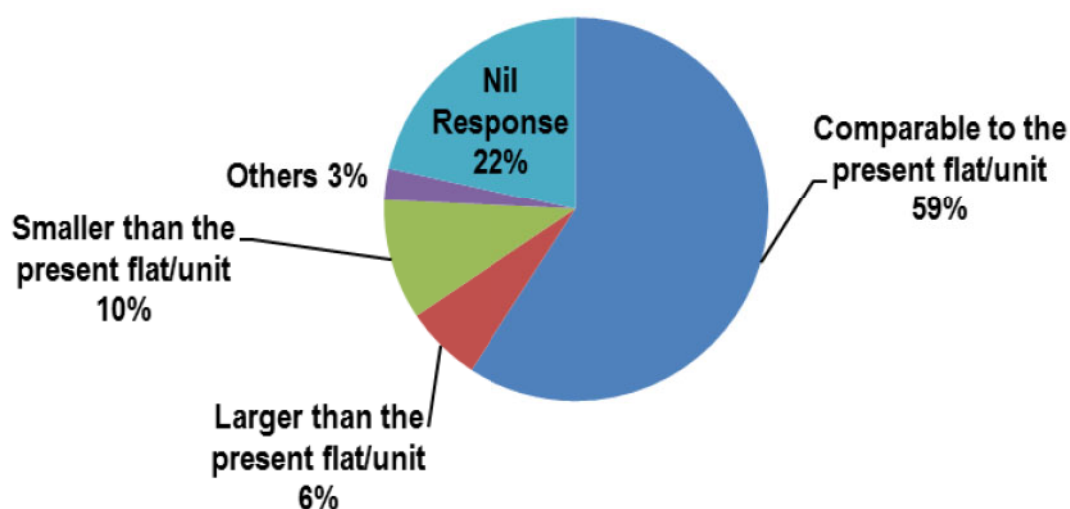
- 5.2 **Figure 5.2** shows the 404 surveyed owner/member-occupier households' preference of finding alternative accommodations in the existing district (i.e. Kowloon City) or in other districts.

Figure 5.2 Preference of Alternative Accommodation Location (404 owner/member-occupier households as of 12 June 2020)



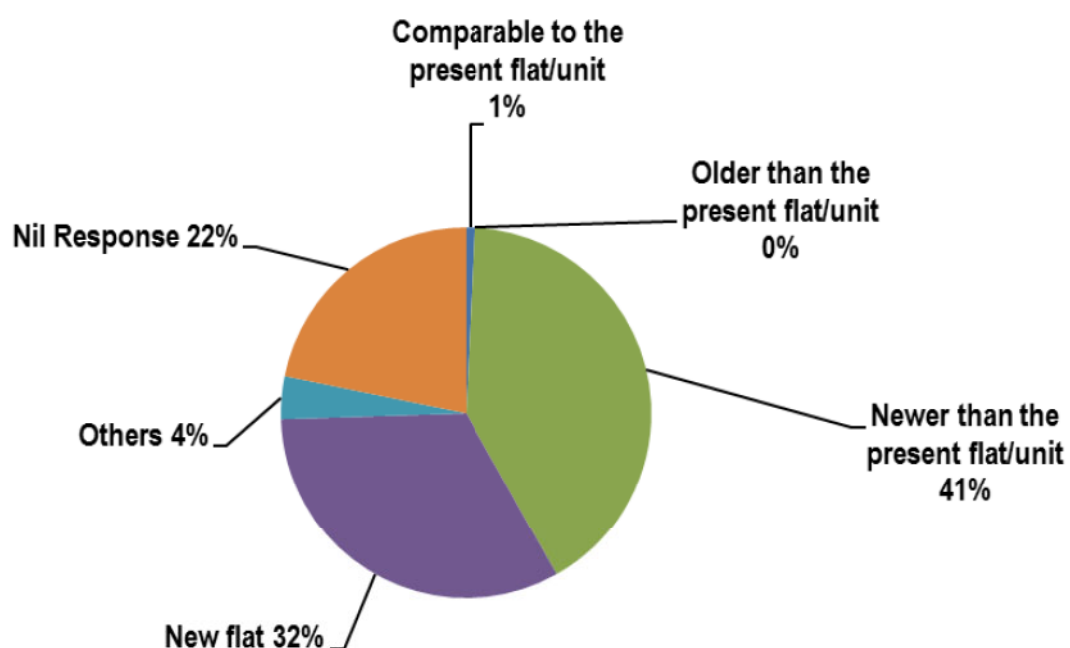
- 5.3 **Figure 5.3** shows the owner/member-occupier households' preference on flat size for the new accommodation.

Figure 5.3 Preference of Flat Size (404 owner/member-occupier 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 32%), comparing to the URA's past experience in the same district, of households preferred a new flat.

Figure 5.4 Preference of Building Age (404 owner/member-occupier households as of 12 June 2020)



- 5.5 Subject to the approval by the CE in C to implement the Scheme, 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 members/ex-members 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 members/ex-members' 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 (DRE) 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 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 (24 Households as of 12 June 2020)

- 5.7 Only 10 out of the 24 others households selected an option for the preference on new accommodation that 6 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 HKHS, they 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 1,424 surveyed residents (including 1,356 in owner/member-occupiers households and 68 in others households) is analyzed in para. 6.2 to 6.5 below.

6.2 **Figures 6.1 and 6.2** show 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 the retired residents of owner/member-occupier households (about 32%) 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 Scheme is to be implemented, the eligible households will receive cash offer under URA's prevailing acquisition policy.

Figure 6.1 Employment Status of Affected Residents of Owner/member-occupier Households (Total 1,356 residents in 404 surveyed households as of 12 June 2020)

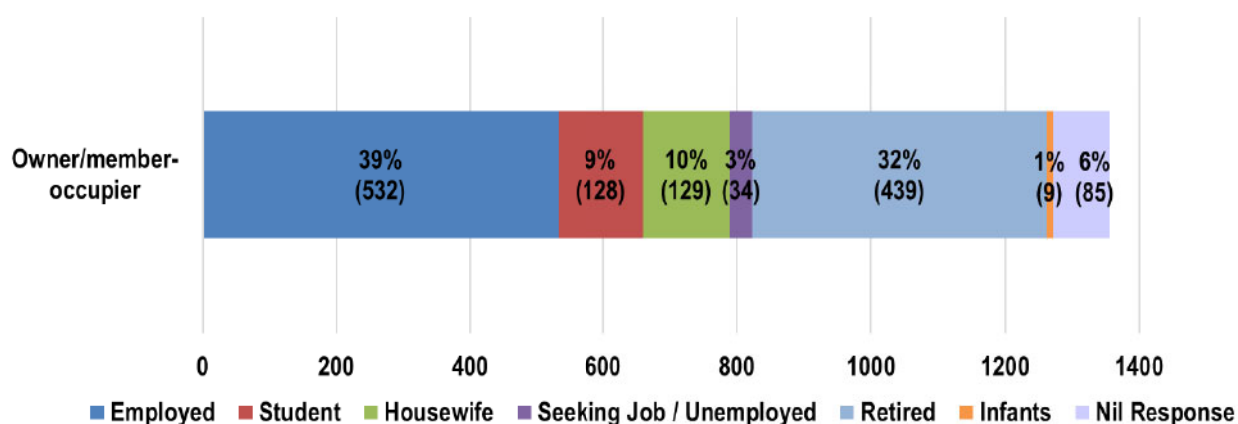
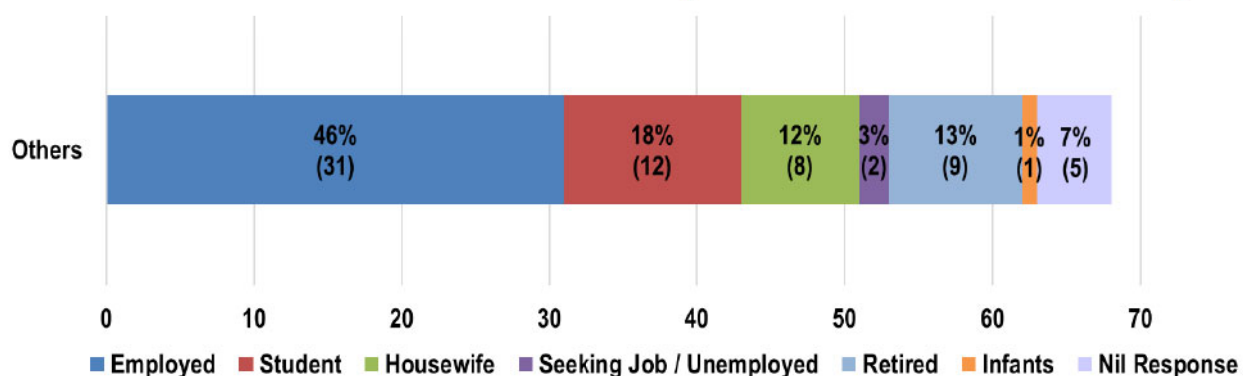


Figure 6.2 Employment Status of Affected Residents of Others Households (Total 68 residents in 24 surveyed households as of 12 June 2020)



- 6.3 The findings of the survey also show that the unemployment rate of the residents of owner/member-occupier households and others households (3% and 3% respectively), are both lower than the territory-wide unemployment rate of 5.9% (seasonally adjusted, for the period from Mar 2020 to May 2020⁵). There may be financial difficulty for this group of unemployed residents in the Scheme. If the Scheme 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 (532 Residents)	Employed Persons in surveyed Others Households (31 Residents)
Kowloon City	13%	32%
Wong Tai Sin & Kwun Tong	12%	3%
Yau Tsim Mong	13%	16%
Sham Shui Po	2%	0%
Kwai Tsing & Tsuen Wan	6%	7%
Hong Kong Island	27%	26%
New Territories & Outlying Islands	11%	7%
Outside Hong Kong (including Mainland China)	5%	3%
No Fixed District	9%	6%
Nil Response	2%	0%

⁵ Information from website of Census and Statistic Department as at 17 June 2020.

7. EMPLOYMENT AND ECONOMIC IMPACTS

7.1 **Table 7.1** summarizes the impacts of the proposed redevelopment on employment and economic conditions as anticipated by the 404 surveyed domestic owner/member-occupier households and 24 others households.

7.2 For impact on employment, around half (48% and 54% respectively) said there would be no impact. For those expressing negative impacts (11% and 4% respectively), they were concerned about the increase in transport expenditure and longer travelling time to workplace. For those concerned others households, the URA will endeavour to meet the locational preferences of residents for public rental housing from the HKHA and the HKHS subject to their eligibilities and the availability of flats at that time. The SST will investigate the needy cases as identified and depending on justifications, may make recommendations for rehousing on compassionate grounds.

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

Anticipated Impacts		Affected Owner/member-occupiers (404 surveyed Households)	Affected Others (24 surveyed Households)
Employment Condition	Positive Impact	2%	4%
	No Impact	48%	54%
	Negative Impact	11%	4%
	No Response	39%	38%
Economic Condition	Positive Impact	9%	12%
	No Impact	17%	25%
	Negative Impact	38%	38%
	No Response	36%	25%

7.3 For those expressing negative impacts on economic condition (38% and 38% respectively), their key concerns were about the less savings and additional expenditure resulting from the proposed Scheme. This is understandable as there are about 439 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 Scheme to be implemented, the URA and the Government will synchronize 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

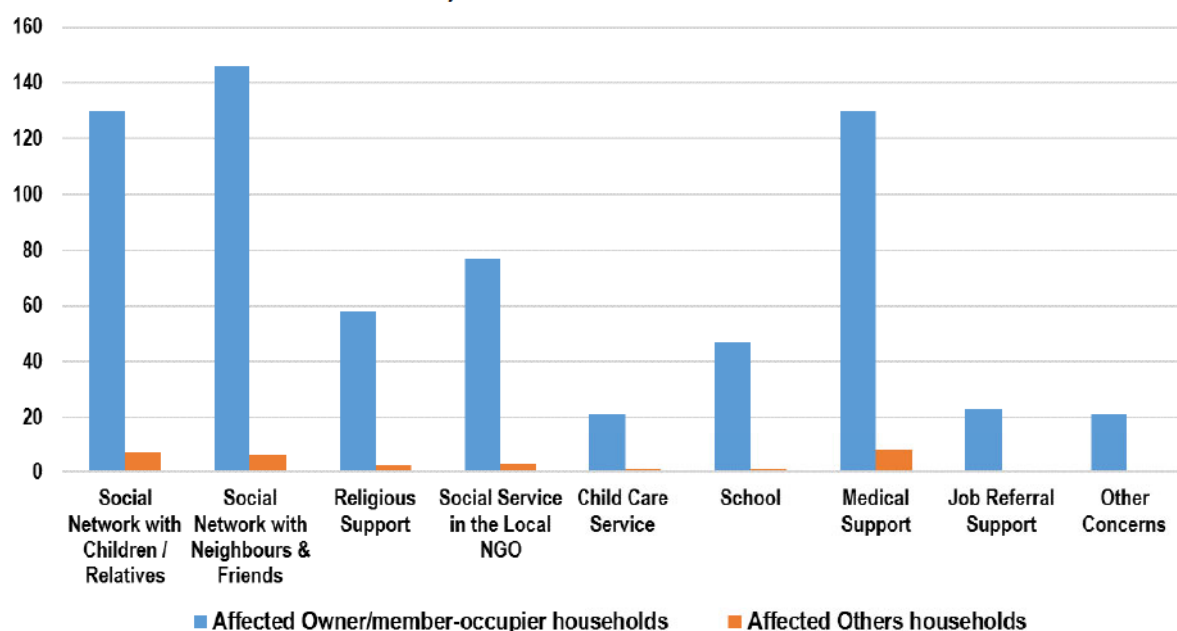
8.1 The likely impacts of the proposed redevelopment on the social network of owner/member-occupiers and others households are shown in **Table 8.1**. The percentage of households replied that the social network affected by redevelopment is relatively high (about 45% and 42%) comparing to the URA's past experience in the same district. It may be related to the long residence and the high dependency on the social network as mentioned in para. 4.4.

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

	Affected Owner/member-occupiers (404 surveyed Households)	Affected Others (24 surveyed Households)
No Impact	26%	37%
Affected	45%	42%
No Response	29%	21%

8.2 The possible effects of the Scheme 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)



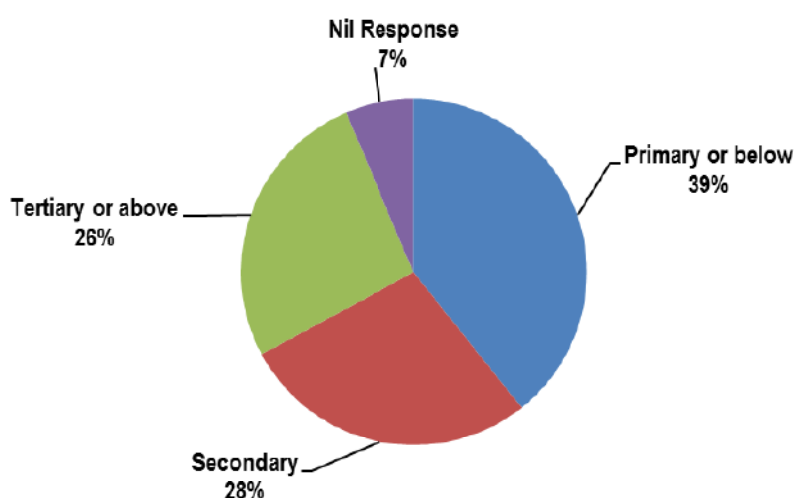
8.3 The SST will provide orientation sessions before and after rehousing to help the affected residents adapt to their new homes and introduce various community resources available in the area, including medical support, NGO services and

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. 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

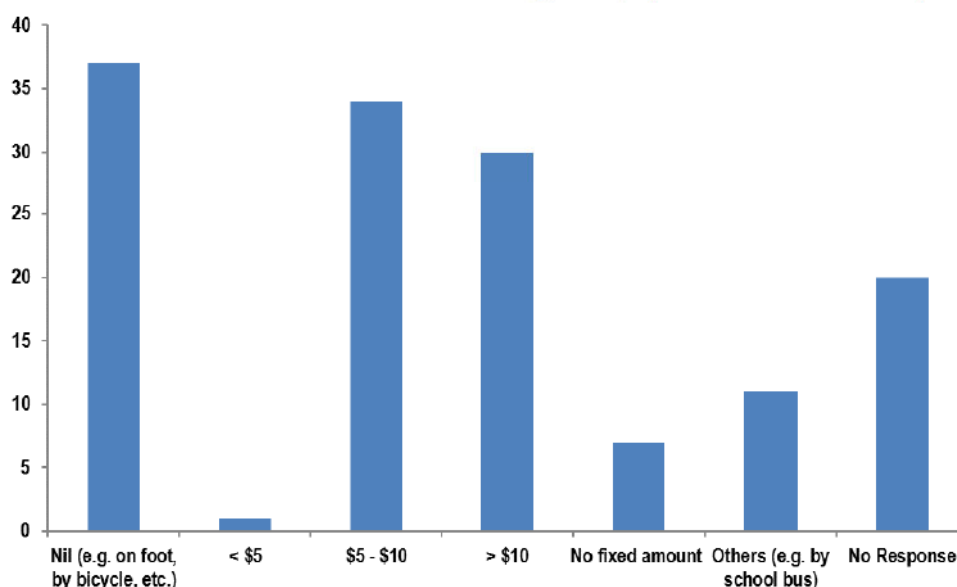
- 9.1 The survey identified 140 students residing in 98 households within the Scheme. Of this, 128 students (91%) were from owner/member-occupier households, 12 students (9%) were from others households. **Figure 9.1** shows the type of schools attended by the students residing in the Scheme.

Figure 9.1 Educational Level of Students (140 Students in surveyed households as of 12 June 2020)



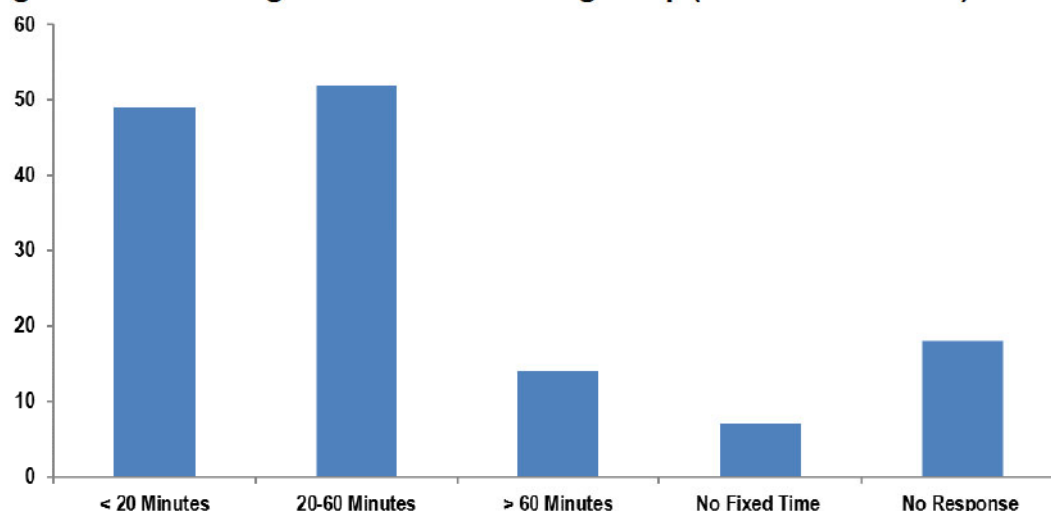
- 9.2 **Figure 9.2** shows the transport costs of the students in the interviewed households. Since 62 students (about 44%) within the Scheme are studying in Kowloon City District, it is not surprising that 37 students (about 26%) did not need to pay for transport to school.

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



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

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



9.4 Of the 140 students, 55 (39%) are studying in primary school or kindergarten. Impact of the Scheme 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.

9.5 If the proposed Scheme is implemented, the URA will offer FFF option (in-situ or in the same district) or the Government will offer an alternative option of the 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 questionnaire.

Elderly Persons (Age 65 and above)

- 10.2 **Table 10.1** shows the distribution of elderly persons identified in the survey in the Scheme.

Table 10.1 Distribution of Elderly Persons identified in survey in the Scheme (as of 12 June 2020)

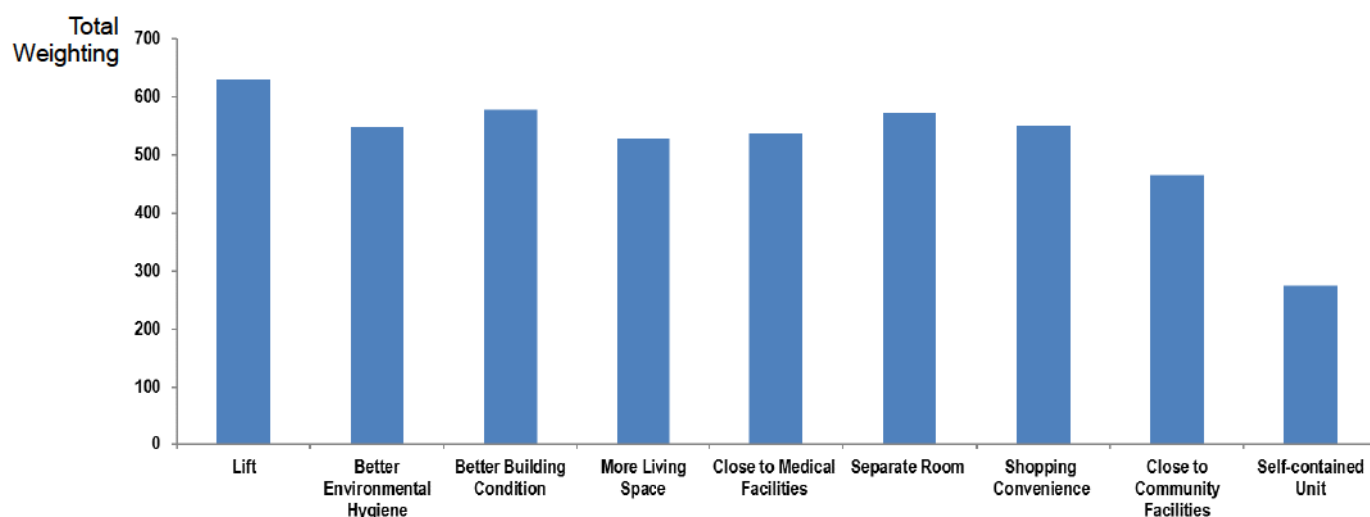
Total No. of Elderly and Households	
Total No. of Households with Elderlies	283 Households out of 428 surveyed households
Total No. of Elderly Residents	422 Elderly Residents
Household Sizes	
Singleton Households	33 Households (33 Elderly Residents)
Doubleton Households	30 Households (60 Elderly Residents)
Others	220 Households (329 Elderly Residents)
Type of Tenure	
Owner/member-occupiers	274 Households (97%)
Others	9 Households (3%)

- 10.3 Out of the 1,424 surveyed residents, 30% are elderly which is much higher than the territory wide level of 16%. The high proportion of elderly population within the Scheme 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 or in the same district) or the Government will offer an alternative 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, better building condition and better environmental hygiene, which can be improved by moving to the rehousing units with better modern days 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) (as of 12 June 2020)



Persons with Disability

10.6 Fifty (50) residents with disabilities (about 4% of total number of 1,424 residents) were recorded in the survey. Their disabilities mainly relate to wheelchair access,

mental health, or have some kinds of disease. Most residents with disabilities considered medical support, disability access / facilities, and counselling support as their primary concerns. Rehousing for disabilities may be considered on compassionate grounds if they are not eligible under the normal eligibility requirement.

Single-parent Families

- 10.7 Among the 428 surveyed households, 4 single-parent families with 7 children were identified in the survey. Their major concerns are more living space, better living environment and school.

Ethnic Minority Groups

- 10.8 Among the 428 surveyed households, 6 owner/member-occupier households were recorded with members to be ethnic minority groups including 3 households from Indonesia, 1 household from Philippines, 1 household from Thailand and 1 household from Malaysia.
- 10.9 All the 6 households with ethnic minority were owner/member-occupier households. Among them, 5 of these affected 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 are 2 business operators using 2 premises. One of them is using 1 unit (for domestic use according to GBP) for both domestic and non-domestic use (mixed use) while the other is a wall shop⁶. Both business operators responded to both FS and SIA forms. Those did not answer particular SIA question will be analyzed as “Nil Response” in the following analysis.
- 11.2 Regarding the occupancy status of business operators, one was tenant operator while another was the occupier of a wall shop. Regarding the nature of existing businesses, one of them is retail while the other one is office. Both of the interviewed business operators indicated that the shop has no chain store or other branches.
- 11.3 The years of business operation was less than 5 years for one and more than 30 years for another one. The size of premises are about 101-500 sq.ft. for one and 1,501-2,000 sq.ft. for another one. (The exact size of the premises can only be confirmed subject to detailed survey after CE-in-C approval of the Scheme).
- 11.4 The reasons for operating at the existing premises include good neighbours, wide customer base and low rent. Both interviewed operator are satisfied to the interpersonal relationship and business network. One of them is satisfied to the business performance while the other expressed neither satisfied nor dissatisfied.
- 11.5 Both interviewed operators do not support the proposed development. The operators preferred to continue the businesses nearby. The main concerns on relocation include high rental cost, high acquisition cost, loss of existing customer base and loss of good neighbors.
- 11.6 Both interviewed operator would like the URA to assist them in finding new premise to continue the business. Both operators also wanted to meet URA staff and SST for assistance in finding new premise for business. Upon request from the operators, the URA will assist to identify suitable premises with compatible use nearby to the Scheme to enable relocation and continue operation in the same district as far as practicable.

⁶ It is located very close to the boundary. Its actual location has not been verified and subject to site survey.

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 persons affected by 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 non-governmental organisations for counseling services, the Hospital Authority and Department of Health in medical assistance, etc. As at 30 June 2020, the SST has successfully contacted different client groups. A breakdown of the contacts by client groups is listed in **Table 12.1**.

Table 12.1 Breakdown of SST Contacts by Client Groups

Client Group	No. of Contacts
Domestic Tenants/Others	2
Domestic Owners/member-occupiers	156
Business Operators	0
Undisclosed Occupiers	173

- 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	2
b) Evicted by owners / outrageous rent rise	1
c) Worry about eviction, termination of tenancy or outrageous rent rise in future	2
<i>Domestic Owners/member-occupiers and Undisclosed Occupiers</i>	
a) Unclear on acquisition policies	320
b) Worry about the amount receivable not enough to purchase another flat in the same district	240

* 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 persons 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 To avoid gatherings under COVID-19 pandemic, project briefing videos instead of the public briefing in past practice are provided to the affected persons by URA when the Scheme is commenced. The videos explain the Scheme and include information on planning procedures, the URA's acquisition and rehousing policies, 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, including the Freezing Survey covering letter, 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, 3 public briefing sessions were organized by URA with government representatives from Civil Service Bureau, Development Bureau and Lands Department on 6 and 7 July 2020 to inform all the affected persons, the details of the Scheme and to obtain public views on the Scheme. Questions on Freezing Survey, 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 persons 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 Scheme 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 provides 3 hotline services to the residents and answers their enquiries. About 402 enquiries had been received via 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
Scheme information, progress, timetable and planning procedures of urban renewal	7%
Acquisition, tenant's ex-gratia allowance and rehousing policies	42%
CBS dissolution	5%
Household survey (e.g. registration arrangement, briefing arrangement)	41%
Others	5%
Total enquiries: 402	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 affected persons 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 for elderly, to find replacement flats within Kowloon as far as practicable. Redevelopment will inevitably affect the existing social network of some residents in the Scheme. 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; and
- (ii) the displaced residents will have 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 Scheme 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 Scheme. 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 Scheme, the Government has made special arrangements to offer an additional option for them to purchase subsidised sale flats of the 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 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 members/ex-members 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 In the briefing videos provided to the affected persons and at the public briefings held on 6 and 7 July 2020, the acquisition, tenant's ex-gratia allowance and rehousing policies based on the URA's prevailing policies for the affected owners and tenants 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 amount of HPA payable to individual owners is the difference between the value of a notional replacement flat and the market value of the property being acquired. The notional replacement flat, based on a seven-year-old flat of a size similar to the flat being acquired and in the same locality, is assumed to be in a comparable quality building, situated in a similar locality in terms of characteristics and accessibility. The notional replacement flat will be situated at the middle floor of a notional building with average orientation, i.e. not facing south or west, and without sea view. 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 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 suitable site (s) at market value (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 choice to cash offer to such owner-occupiers. According to para. 5.3 and 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 FFF option 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 Scheme 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 URA purchases the properties. In general, eligible domestic tenants who meet the criteria under this programme will be offered, after acquisition or 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
1st HK\$10,000	9 times RV
2nd HK\$10,000	8 times RV
3rd HK\$10,000	7 times RV
4th HK\$10,000	6 times RV
5th HK\$10,000	5 times RV
6th HK\$10,000	4 times RV
7th HK\$10,000	3 times RV
8th HK\$10,000	2 times RV
9th HK\$10,000 and above	1 time RV

Non-Domestic Properties

- 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 For non-domestic tenants of non-domestic premises, an ex-gratia allowance of 3 times the rateable value of the affected premises will be offered. 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 Scheme 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