

**Funding Scheme to Support
Transitional Housing Projects
by Non-government Organisations**

Guide to Application

**Revised in August 2021
Transport and Housing Bureau**

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Note:

The contents of this Guide to Application is subject to review and update from time to time. Subsequent revisions will be promulgated via the Transport and Housing Bureau's website

(<http://www.thb.gov.hk/eng/policy/housing/policy/transitional/scheme/index.htm>).

Transport and Housing Bureau

Revised in August 2021

I. INTRODUCTION

1.1 Objective

- 1.1.1 As one of the six new housing initiatives announced by the Chief Executive on 29 June 2018, the Task Force on Transitional Housing (“Task Force”) has been established under the Transport and Housing Bureau (“THB”) to proactively assist and facilitate various short-term initiatives proposed and implemented by the community/non-government organisations (“NGOs”) with a view to increasing the supply of transitional housing. To facilitate such transitional housing initiatives, the Funding Scheme to Support the Transitional Housing Projects by Non-government Organisations (“the Funding Scheme”) has been set up, with \$5 billion set aside by the Government and approved by the Finance Committee of the Legislative Council, to facilitate NGOs to take forward worthy transitional housing projects.
- 1.1.2 The Funding Scheme is implemented by THB.

II. APPLICATION

2.1 Eligibility

2.1.1 The applicant should be an NGO which has already secured in-principle policy support from the Task Force for undertaking the transitional housing project under consideration.

2.1.2 The applicant should meet the following requirement –

(a) it should be a charitable institution or trust of a public character exempt from tax under section 88 of the Inland Revenue Ordinance (Cap. 112); or a company incorporated under the Companies Ordinance (Cap. 622) or the former Companies Ordinance (Cap. 32) as limited by guarantee whose objects and powers do not include distribution of profits to members; or a non-profit-making society registered or body established under any legislation in Hong Kong; or

(b) it should take the form of a social enterprise, which should be –

(i) an institution listed under the “Hot spots for consumptions at SEs” compiled by the Home Affairs Department (<https://www.sehk.gov.hk/en/members.html>); or

(ii) an institution listed under the “Social Enterprise Directory” compiled by the Social Enterprise Business Centre (<https://www.socialenterprise.org.hk/en/sedb>); or

(iii) a social enterprise accredited by the Hong Kong General Chamber of Social Enterprises (<http://www.seemark.hk/>).

2.1.3 For the avoidance of doubt, the Funding Scheme is open to application from NGOs which have secured in-principle policy support from the Task Force on or after the announcement of the proposed setting up of the Funding Scheme in the 2019-20 Budget on 27 February 2019 and where tenants have yet to move in.

2.1.4 In case there is any doubt about the eligibility of an NGO-applicant, the decision of THB is final.

2.2 Application Procedures

2.2.1 The Funding Scheme is open for application all year round, subject to the funding availability under the Funding Scheme.

2.2.2 Applications should be made on the Application Form and conform to all the terms and conditions set out in this Guide to Application. The Application Form and the Guide to Application can be downloaded from THB’s website

(<http://www.thb.gov.hk/eng/policy/housing/policy/transitional/scheme/index.htm>)

- 2.2.3 Applications will be processed by the Secretariat of the Assessment Committee (please see paragraph 3.1.1 on the information of the Assessment Committee) (the Secretariat). The Secretariat is responsible for vetting applications and overseeing the implementation of the Funding Scheme.
- 2.2.4 The applicant must appoint a Project Coordinator, who shall be responsible for handling all matters related to the application, and if approved, overseeing the implementation of the project, monitoring the proper use of the funds approved, reporting progress of the project, as well as liaising with the Secretariat.
- 2.2.5 The Secretariat reserves the right to seek additional information from applicants whenever necessary. Applicants shall provide clarifications, information and documents requested by the Secretariat from time to time for processing the applications. Should applicants fail to reply to any queries within the timeframe required by the Assessment Committee and/or the Secretariat, the applications would be considered as being withdrawn and would not be processed further.
- 2.2.6 For the purposes of processing applications, applicants may also be required to attend meeting(s) to answer questions from the Assessment Committee. Should applicants fail to attend such meeting(s), the applications would be considered as being withdrawn and would not be processed further.
- 2.2.7 The Assessment Committee will assess applications on the basis of the proposals contained in the Application Form and all additional information provided by applicants. Funding could be approved for selected applicants to engage consultants to carry out studies, assessments, surveys and investigations as necessary to complete the scope of services specified in the Application Form, detailed design of the proposed works, as well as tender exercises and contract administration for the proposed works. In this case, we would require the applicants to update the estimated project costs when submitting the detailed technical information for approval.
- 2.2.8 A successful applicant will be required to sign a Grant Agreement with the Government and is solely responsible for all obligations under the Grant Agreement. It is also required to approach other relevant government departments as appropriate for obtaining all necessary approvals to take forward the transitional housing project.

2.3 Methods of Submission of Application

- 2.3.1 The following documents should be submitted *by post* or *in person* to *Senior Executive Officer (Transitional Housing), Transport and Housing Bureau, Room 1202, 12/F, Fairmont House, 8 Cotton Tree Drive, Central, Hong Kong* –
- (a) the original duly completed Application Form;

- (b) a copy of an in-principle policy support letter issued by the Task Force (please refer to paragraph 2.1.1 above);
- (c) copies of relevant registration documents (please refer to paragraph 2.1.2 above); and
- (d) supporting documents on the application in connection with financial information, management capability and other matters, if any.

2.3.2 If an applicant fails to fill in the information required in the Application Form and/or submit related documents, the application will not be processed.

2.3.3 All submitted documents and materials will not be returned to applicants regardless of the results of the applications.

2.3.4 The applicant may refer to the Guidelines for Project Delivery on detailed submission requirements, including staged application(s).

2.4 Notification of Results

2.4.1 Applicants will be notified of the results of the applications, including the exact amount of funding approved. Depending on the complexity of each application, we expect that the applicants would be notified of the results within two months after submission of a complete application.

2.5 Withdrawal

2.5.1 Applicants may write to the Secretariat to withdraw their applications at any time during the assessment process.

2.6 Assistance to Applicants during the Application Process

2.6.1 Applicants may contact the Secretariat if they have any enquiries –

Address : Task Force on Transitional Housing
Transport and Housing Bureau
Room 1202, 12/F, Fairmont House
8 Cotton Tree Drive, Central, Hong Kong

E-mail : tfth@thb.gov.hk

Phone : 3579 5549

Fax : 3579 5775

III. ASSESSMENT OF PROJECT PROPOSALS

3.1 Assessment Committee

- 3.1.1 The Assessment Committee, chaired by the Under Secretary for Transport and Housing (“USTH”) and comprising non-official members appointed by the Secretary for Transport and Housing and official members from government departments, is responsible for assisting USTH in vetting applications, and overseeing the implementation of the Funding Scheme. A secretariat under THB is supporting USTH and the Assessment Committee in administering the Funding Scheme.
- 3.1.2 For the purpose of assessing their applications, applicants may be invited to present their proposals at the Assessment Committee meeting(s).

3.2 Assessment Criteria

- 3.2.1 As an eligible applicant should have already secured in-principle policy support for the transitional housing projects from the Task Force (please see paragraph 2.1.1) before making an application under the Funding Scheme, the Assessment Committee will assess the technical, financial and social aspects of the proposed projects and check whether they are within the scope and financial ceiling. The Assessment Committee will examine and assess the applications according to the following key criteria, having regard to the nature of transitional housing –
- (a) the proposed works should be one-off, basic and essential to make the site/premises fit for accommodation purpose;
 - (b) the proposed works should be cost-effective;
 - (c) the proposed works should be technically feasible;
 - (d) the proposed works should be completed within a reasonable timeframe;
 - (e) the applicant should be capable of implementing works project (e.g. the applicant’s management and technical capabilities, experience, expertise, qualifications, track record, and resources available for implementing the proposed works); and
 - (f) the rental level of a unit, tenancy period, basic eligibility criteria for the transitional housing units (e.g. income and asset limits), social aspects, operation mode and exit plan.

IV. FINANCIAL SUPPORT

4.1 Scope of Financial Support

- 4.1.1 Government does not guarantee that the full amount applied for will be approved. In accepting the funds approved, applicants may need to find additional resources including financial support to ensure that the proposed project can be implemented.
- 4.1.2 The funds approved and provided under the Funding Scheme must be exclusively used for the project in accordance with the terms and conditions of the Grant Agreement, except otherwise approved in writing beforehand by Government.
- 4.1.3 Government reserves the right to suspend the disbursement of or reduce the approved funding subsidy for the project if the applicant has used the approved funds or any part thereof for any purpose other than that specified in paragraph 4.1.2 above.
- 4.1.4 The maximum amount of the funding subsidy to be granted to each approved project is \$0.2 million for each transitional housing unit for projects situated in vacant residential building and \$0.55 million for each transitional housing unit to be provided through erection of temporary structure on vacant land and in non-residential building.
- 4.1.5 The funds provided should be used to cover the following items of the approved projects –
- (a) consultancy services such as –
- feasibility studies on the proposed restoration and repair works, or investigation or site survey for preparing the detailed design or the technical studies, traffic impact assessment, environmental assessment, ecology assessment, etc.; for planning permission under Section 16 of the Town Planning Ordinance (Cap. 131), etc.;
 - detailed architectural, structural, geotechnical, building services, environmental, lighting, pedestrian/ vehicular access design and plans, etc.;
 - submission of specified plans to Buildings Department, Fire Services Department, etc.;
 - deploying suitably qualified staff to supervise the execution of works to meet statutory requirements¹; and

¹ For the avoidance of doubt, only the absolutely necessary expense for project staff who need to conduct inspection outside Hong Kong as required by relevant authorities will be reimbursable (e.g. reasonable meal expense and travelling expense by public transportation for supervision/inspection duties in mainland factory for Modular Integrated Construction units as required by the Buildings Department and Water Supplies Department).

- quantity surveying services, including tender documentation, cost control and account preparation;
- (b) one-off, basic and essential construction or restoration and repair works required to make the site/premises fit for the proposed use and to comply with statutory requirements (please see Annex for examples of such requirements) such as –
- site formation and slope improvement works (as long as on private land/premises they will not confer long term benefit to the owner of such private land/premises after the transitional housing project ceased operation);
 - erection of temporary structures (such as the use of modular integrated construction method, pre-fabricated component, etc., or any other appropriate method);
 - provisions of sewerage/drainage and pedestrian/vehicular access, etc.;
 - utility provision, diversion and/or connection (such as water, gas, drainage and electricity);
 - installation of fire safety equipment and barrier-free facilities;
 - renovation of dilapidated premises;
 - basic internal fitting-out necessary to make the units fit for accommodation purpose;
 - one-off upgrading works to meet statutory requirements; and
 - insurance policies covering any potential claims that may arise during surveys, investigations and construction or renovation works.
- (c) project management for the execution of the subsidized works;
- (d) administrative work of the project operator before the tenants move in²;
- (e) removal of the temporary structures and the associated installations and fitting-out after the expiry of the transitional housing terms;

² Administrative overheads represent the share of overhead expenditure (or indirect cost) attributable to the carrying out of the project. Such administrative overheads will be calculated on a sliding down scale from 0.4% to 0.14 % of the total subsidy according to the number of units with a ceiling of \$1.5 million (shown below), and be reasonable and proportionate to the purpose, scale, nature and circumstance of a project.

No. of Units	Ceiling of subsidy for administrative work (in % of the total subsidy)
for the first 29th units	0.40%
from 30-99 units	0.30%
from 100-199 units	0.25%
from 200-499 units	0.20%
from 500-999 units	0.17%
from 1,000 units and up	0.14% subject to a ceiling of \$1.5 million

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- (f) remuneration of resident site staff;
- (g) rent payments for conversion or use of private premises as transitional housing; and
- (h) external audit fees relating to the approved project.

4.1.6 The approved funding subsidy is ***not*** to cover the following items –

- (a) interior fitting-out other than the basic fitting-out works specified in paragraph 4.1.5 (b) above;
- (b) appliance, furniture and equipment;
- (c) all other operating or recurrent expense, including any related social services costs, to be incurred in the transitional housing projects in question after the tenants move in, e.g. rental, utility charges, repair and maintenance cost, etc.; and
- (d) infra-structure works such as slope works and site formation on private land/premise which may confer long term benefit to the owner of such private land/premise after the transitional housing project ceased operation.

4.1.7 The lists in paragraphs 4.1.5 and 4.1.6 are not exhaustive. Applicants should consult the Secretariat if they have any doubt about whether an item is under the scope of the financial support.

4.1.8 Any unused funding approved³ must be returned to Government as soon as practicable and not later than 3 months after the submission of the final report of the project unless otherwise approved by THB.

4.1.9 In general, Modular Integrated Construction (MiC) Systems / Components subsidized under the Funding Scheme shall be re-used in other transitional housing project(s) after the operation of one transitional housing project. The NGO will be required under the Grant Agreement to assign, transfer or dispose the MiC components upon the written instruction of the Government at the NGO's cost after the operation of the transitional housing project is completed.

4.1.10 The applicant shall seek THB's prior approval on the use or disposal of any surplus⁴ from the implementation of the project by way of reinvesting into the project itself or investing into other transitional housing projects so far as the transitional housing projects exist or other social welfare purposes towards the end of all transitional housing projects subject to THB's prior agreement/approval.

³ "Any unused funding approved" is the excess of fund disbursed to the applicant over approved expenditure for the execution of the subsidized works.

⁴ Surplus means the operational revenue (e.g. rental income) over operating expenditure (e.g. daily operation and maintenance costs, including any related social services costs).

4.2 Sources of Other Financial Support

- 4.2.1 The applicant may receive funding from other sources (such as funding from the applicant/parent organisation, third party sponsorship, funding schemes operated by other government bureaux/departments, etc.) for the proposed project. The applicant is required to list in the Application Form any government/non-government sponsorships and/or donations that it will or may be able to secure. In case the applicant receives funding from private source, the applicant should first exhaust the private funding committed and received towards the project before drawing upon the approved government funding.
- 4.2.2 The applicant shall not accept sponsorships, donations or advertisement from, nor be in association in any form or manner with –
- (a) any person in tobacco or tobacco-related industry; or
 - (b) for events specifically aimed at young people under 18, any person in the alcohol industry.
- 4.2.3 The applicant shall not accept any sponsorships, donations or advertisements which, in the opinion of Government, may jeopardise the image or reputation of Government.

V. TECHNICAL SUPPORT

- 5.1 The transitional housing project should essentially be executed by consultants, professionals or contractors engaged by successful applicants upon approval of the funding applications and in accordance with procurement arrangements that are open and fair.
- 5.2 In view of the technical constraints inherent in some of the projects, the Secretariat may –
- (a) refer applicant's enquiries in specific areas (e.g. compliance with the Buildings Ordinance (Cap. 123) and licensing requirements, etc.) to the appropriate government departments for advice, and consolidate and co-ordinate technical advice sourced from different government departments during assessment, to assist the applicant in taking forward the approved projects as soon as possible; and
 - (b) invite the applicant to collaborate with members nominated by professional institutes or organisations in specific disciplines to identify or resolve technical issues particularly at the initial stage of the project.
- 5.3 The responsibility to make statutory applications for permits, licences or approvals about the site, the proposed use and the operation of the facilities rests entirely with the applicants. The applicants must fully assume the role of a works agent and ultimately be responsible for the timely delivery of the works from inception to completion of construction in accordance with the approved project estimate.

VI. ADMINISTRATIVE AND FINANCIAL ARRANGEMENTS

- 6.1.1 The successful applicants will be required to sign a Grant Agreement with Government in respect of the implementation of the approved works on the transitional housing project and comply with all the terms and conditions of the Grant Agreement, this Guide to Application, and the instructions and correspondence issued by Government from time to time in respect of the project (if any).
- 6.1.2 The Grant Agreement will contain the complete terms and conditions of the approved funding subsidy. The Grant Agreement will require the successful applicants to follow the detailed requirements concerning engagement of consultants and contractors, procurement, payment and disbursement arrangements for the approved funding, insurance policies, record keeping and reporting, project management, and other financial matters in this Guide to Application and the Guidelines for Project Delivery to ensure that the use of the approved funding subsidy would be in line with the principles of integrity, economy, efficiency and effectiveness.

VII. MONITORING MECHANISM

7.1 Project Management

7.1.1 Apart from paragraphs 6.1.1 and 6.1.2 above, applicants should follow other guidelines and procedures as advised by Government from time to time.

7.2 Upkeep of Sites/Transitional Housing

7.2.1 The applicants are required to permit Government and all persons authorised by Government to enter the sites/transitional housing units and slopes within or adjoining the sites/transitional housing units to see their state and condition, conduct inspection, etc.

7.2.2 Upon completion of the works, the applicant should arrange inspections with relevant statutory authorities, government departments, etc. for the issue of Occupation Permit (or a letter of acknowledgement in the case of completion of alteration and addition Works), Fire Services Certificates and other licenses/permits required for the operation of the proposed use on the sites/premises. The applicant should provide the originals or copies where appropriate of the above to the Secretariat.

7.3 Progress Review Meetings

7.3.1 Progress review meetings may be organised to examine the progress of project implementation and documents kept in respect of the project. Applicants will be required to attend such meetings.

7.4 Termination of Project

7.4.1 Prior written approval from Government is required for premature termination of the project for any reason before the expiry of the Grant Agreement.

7.4.2 Government reserves the right to suspend the disbursement of funding and cease a project in case of unsatisfactory project progress or contravention of the guidelines or agreement in effect, and require the refund of the unused amounts already disbursed for a curtailed project.

VIII. NOTES ON PERSONAL DATA

8.1 Purposes of Collection

8.1.1 The personal data provided as part of the application will be used by Government to process all applications and other relevant arrangements. The provision of personal data by means of an application is voluntary.

8.2 Classes of Transferees

8.2.1 The personal data provided by means of an application to Government may be disclosed to other government bureaux, departments or authorised organisations for the purposes mentioned in paragraph 8.1.1.

8.3 Access to Personal Data

8.3.1 Applicants have a right of access and correction with respect to personal data as provided for in Sections 18 and 22 and Principle 6 of Schedule 1 of the Personal Data (Privacy) Ordinance (Cap. 486). Their right of access includes the right to obtain a copy of the personal data provided in their applications. Applicants are also entitled to make request for correction of the personal data.

8.4 Enquiries

8.4.1 Enquiries concerning the personal data collected under the Funding Scheme should be addressed to the Secretariat indicated in paragraph 2.6.1 above.

- End -

Examples of Statutory Requirements to be complied with^{Note}

Planning Submission

- Town Planning Board (TPB)'s permission for transitional housing for not more than three years in the rural areas unless the use is permitted in the Notes of the relevant zone, following the provisions as set out in the Notes of the Outline Zoning Plans for the rural areas
- TPB published a series of guidelines on its website (<https://www.info.gov.hk/tpb/en/forms/guideline.html>). In particular, guidance notes on application for permission under Section 16 of the Town Planning Ordinance (Cap. 131) could be found at https://www.info.gov.hk/tpb/en/forms/Guidance_Notes/S16_GN_ENG_Feb%202021.pdf.

Buildings Ordinance

- Means of escape
- Rescue access (emergency vehicular access and fireman's lift)
- Fire resisting construction (protection of staircase(s), compartmentation)
- Barrier free facilities (access, ramp, toilet & lift)
- Structure (additional load, strengthening the capacity of existing structure, structural alteration works)
- Site formation and modification of existing slopes

Fire Services Requirements

- Fire service installation using water such as sprinkler, fire hydrant, hose reel, street fire hydrant, improvised sprinkler, new water supply tank, etc.
- Electrical fire service installation such as fire alarm, fire detection, emergency lighting, exit sign, audio/visual advisory, close circuit television, fire service direct link, etc.
- New emergency generator for fire services installation
- Miscellaneous fire service installation such as portable appliances, automatic actuating devices, ventilation/air-conditioning control, automatic fixed installation not using water, etc.
- Special fire service installation such as smoke extraction system, pressurisation of staircase, gas extraction system, etc.
- Fire retarding material for licensed premises

Building Services Requirements

- Electrical installation including lighting, low voltage cubicle switchboard and lightning protection
- Mechanical ventilation installation
- Plumbing and drainage installation including provision of water tank and septic tank
- Supply and discharge connections for utilities and services including electricity, gas, telecommunication, fresh water, salt water, storm water drainage, foul water drainage, etc.
- Miscellaneous building services installations such as gas installation, specialist building services equipment, etc.

^{Note} The examples set out are not exhaustive. Applicants may consult the Secretariat if there is any doubt.