

법제교류 연구 16-18-⑬

International Legal Collaboration Research 16-18-⑬

Study on the City Redevelopment Legislative Modularization in Korea

Park Kwang Dong · Jang Kyo Sik ·
Cho Jung Eun



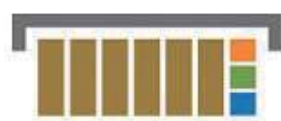
한국법제연구원
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Abstract

I . Background and Purpose

- Since Korea has undergone big changes in its cities, such as the massive population transfer and destruction of urban facilities due to the division between South and North Korea as well as the Korean War, there was a need to improve the under-developed urban areas.
- Thus, the urban redevelopment legislations, such as the ‘Urban Planning Act’, the ‘Urban Redevelopment Act’ and the ‘Act on The Maintenance and Improvement of Urban Areas and Dwelling Conditions for Residents’, etc. were enacted after the 1960’s.
- The development experience of the urban redevelopment legislations will contribute to the development of foreign cities in the future since deterioration of existing cities is not a unique situation that can only occur in Korea.
- The purpose of this study is to establish a modularization plan to suggest a legislative system that improves the cities by informing to the target countries about the development

experience of the urban redevelopment legislations and reducing the error in the redevelopment of foreign cities.

II. Major Contents

- This study reviewed the scope and necessity of urban redevelopment projects through the theoretical review of urban redevelopment and urban redevelopment legislations, and examined the purpose of urban redevelopment projects through the enactment and revision of urban redevelopment legislations.
- Urban redevelopment is defined as the process of restoring the economic, social and physical degradation of the city by indirect or indirect intervention of the government where the market power is not sufficient.
- The purpose of the urban redevelopment projects is to expand the infrastructure of a city centered on the public sector in the target area that endures a harsh environment, to develop a large-scale poor residential area, and to transform the area into a residential area in which the original residents can resettle.
- Urban redevelopment is necessary for the revitalization and development of an urban environment, the improvement of supply process facilities and public facilities, the formation of social communities, and urban redevelopment projects.

- Since the enactment of the Urban Planning Act which was the first modern law in Korea, the ‘Urban Redevelopment Act’, the ‘Act on the Temporary Measures for Improvement of Dwelling Conditions of Low-income Urban Residents’, and the ‘Act on The Maintenance and Improvement of Urban Areas and Dwelling Conditions for Residents’, etc. were enacted and revised in order to minimize the adverse effects of the projects.
- This study reviews the history of the urban redevelopment legislations and the promoting method of the urban redevelopment projects defined by social and economic changes of the times.
- In the period of the 1960’s ~ the 1979’s, the state-led redevelopment was enforced by pursuing the public interest, but during the 1980’s, the joint redevelopment method was promoted through the privatization led by the private sector.
- In the period of the 1990’s ~ 2000’s, the public redevelopment was enforced to improve the residential environment emphasized on residence rights of the residents. After the 2000’s, a comprehensive redevelopment was promoted in physical, social, cultural and economic factors. These sections are based on the participation of the residents.
- Urban redevelopment legislations are implemented on the basis of the ‘Constitution’, the ‘Framework Act on the National Land’,

and the ‘National Land Planning and Utilization Act’. In addition, each relevant legislation was enacted or revised in order to improve the imperfections of the urban redevelopment projects of the times.

- In particular, this study researches the background and main contents of the ‘Act on The Maintenance and Improvement of Urban Areas and Dwelling Conditions for Residents’, the ‘Special act on the promotion of urban renewal’, and the ‘Special Act on the Urban Regeneration revitalization and support’, which are the direct institutional basis of the urban redevelopment projects, as well as compensation and speculation control policies.
- Lastly, the major contents of the urban redevelopment legislations were modularized by dividing the development experiences of the urban redevelopment legislations by age, cultural background and year.

III. Expected Effects

- This study acts as a helpful tool for countries which need to redevelop their cities by modularizing the development experience of the Korean urban redevelopment legislations.
- In addition to this, by sharing the development experience of the urban redevelopment legislations to a recipient country,

this study may act as a guideline for urban redevelopment projects that are designed to reduce similar errors. Also, this study will help such projects to be implemented more efficiently.

►► **Key Words : Urban Redevelopment Legislation, Urban Renewal Projects, Modularization of Urban Redevelopment**

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Chapter 1. Introduction

Section 1. Need and Purpose of The Study

A city is the area of focus of a population and industry, which acts as a center of political, economic and cultural activities. Thus, an area with a high population density triggers the development of a variety of convenient facilities and the intensive use of land. As a result, a city constantly evolves with the increase or decrease of population and lifestyle changes.

These features of the cities also apply to Korea. Korean cities had a big change produced by the movement of population on a large scale and destruction of the cities due to the North-South Korean division and the Korean War. The Korean government was in a poor financial state and slum areas formed in the cities. To improve underdeveloped inner-city areas, the government planned redevelopment programs through local resources, loans, entrustments, and so on. Also, the government pushed forward plans to improve the urban environment and redevelop the existing cities.

Followed by the change of the cities, Korean legislation has developed based on the “Urban Planning Act”. Since the role of urban redevelopment became important, legislation related to urban redevelopment started to be enacted. Then, those legislations were abolished or merged to improve and revive the city’s functions systematically. For example, the provisions related to the urban redevelopment were separated from the “Urban Planning Act” and those were separately enacted as the “Urban Redevelopment Act”. In addition to this, the “Urban Redevelopment Act”

was merged with the “Act on the Temporary Measures for Improvement of Dwelling Conditions of Low-income Urban Residents” and they were enacted as a sole law, under the name “Act on the Maintenance and Improvement of Urban Areas and Dwelling Conditions for Residents”.

As such, each of the legislations sought harmony with the situation of the moment. Also, the methods or procedures of the redevelopment projects were developed to pursue an efficient urban redevelopment. Based on these legislations, the government adopted and enforced various types of redevelopment methods and learnt by trial and error. As a result, the cities were successfully revived and became competitive.

Such development in the urban redevelopment legislations should not be considered an isolated situation that may occur only in Korea. Therefore, the Korean government is able to suggest these ideas to the countries which would need to redevelop their cities by sharing its experience. In addition, Korea is considered a good model by countries that are in the similar situation as Korea was in the past. Since Korea accomplished a rapid economic growth, the so called “Miracle on the Han River”, those countries will be able to prepare the legislation for achieving the economic development while reducing errors.

Therefore, a modularization plan is required as an efficient way to sharing the experience during the development of the urban redevelopment legislations. In other words, it is necessary to suggest guidelines in order to not to commit the same errors.

Section 2. Scope of The Study

Urban redevelopment projects are a part of the urban planning technique as well as a means for urban regeneration. These projects led to urban regeneration which promote the reactivation of cities, and played an important role for the maintenance of the city's structures and infrastructure in a short period of time.

Urban redevelopment provisions were separated from the "Urban Planning Act" and were classified as 'Housing Redevelopment Projects', 'City Downtown Redevelopment Projects', and 'Factory Redevelopment Project' in 1976 through the "Urban Redevelopment Law". In addition, the "Act on the Promotion of Housing Construction", which was enacted in 1977, and the "Act on the Temporary Measures for Improvement of Dwelling Conditions of Low-income Urban Residents", enacted in 1989, were merged with the "Urban Redevelopment Law" and was enacted as the "Act on the Maintenance and Improvement of Urban Areas and Dwelling Conditions for Residents" in 2002.

The "Act on the Maintenance and Improvement of Urban Areas and Dwelling Conditions for Residents" is classified as a redevelopment project that contains: Residential environment improvement projects, Housing redevelopment projects, Housing reconstruction projects, Urban environment rearrangement projects, Residential environment management projects, and Block-unit housing rearrangement projects.

Especially, the reconstruction projects within the "Act on the Temporary Measures for Improvement of Dwelling Conditions of Low-income Urban Residents" were transferred to the housing reconstruction projects and the

residential environment improvement projects in the “Act on the Temporary Measures for Improvement of Dwelling Conditions of Low- income Urban Residents” were transferred to the residential environment improvement projects. In addition to this, redevelopment projects defined by the “Urban Redevelopment Act” were divided into ‘Housing redevelopment projects’ and ‘Urban environment rearrangement projects’.

This study focuses on the scope of redevelopment projects within the “Urban Redevelopment Act”. Since the purpose of the study is for the modularization plan regarding the Korean urban redevelopment legislations, this study suggests the modularization plan which can be applied for the countries that are in the similar situation that Korea experienced in the past.

Chapter 2. Overview of Urban Redevelopment Legislation

Section 1. Overview of Urban Redevelopment

1. Urban Redevelopment and Redevelopment Legislations

The activities of residents within an urban land reflects its era and usage. However, the usage itself is contradictory to those activities since the land use is fixed for a certain period time. This phenomenon, as well as overcrowded housing and unsanitary residential areas, appear more clearly inside of the city.

On the other hand, there were several problems in the suburbs caused by chaotic expansions. To restore the function of the cities and improve the environment, redevelopments were emerging and faced the major challenges for urban planning. Since two third of 144 cities and boroughs showed signs of a decline, the Government tried to improve it.

(1) Definition and The Intent of Urban Redevelopment

1) Definition of Urban Redevelopment

Redevelopment is a type of maintenance project which involves reconstruction tasks as a part of city planning projects. On April 20, 1965, “redevelopment district” provisions were enacted in the “Enforcement Decree of Urban Planning Act”, and it appeared in legislations for the first time.

Redevelopment is defined as sustainable city growth and development process to adapt physical environment to social and economic environment in a broad sense, but actually is understood as a means for improving urban space.

In general, urban redevelopment was required to expand industrial areas, use lands efficiently, secure convenient traffic and improve housing and living environments. Thus, urban redevelopment can be defined as the returning process of economic, social and urban decay by the direct and indirect governmental intervention. Such definition means the overall development involves effort and that the public sector has social responsibility and should intervene in the urban redevelopment.

In addition, in the event of a malfunction in the city or urban decay, the urban redevelopment uses city planning in order to improve the existing city environment by using a public power. However, this process is interpreted as a means to improve the urban environment by replacing new structures after demolishing existing structures in inner cities or old residential areas.

The concept of urban redevelopment includes downtown redevelopment projects for the reconstruction of dilapidated and low-quality structures in metropolitan areas and housing redevelopment projects for the improvement of unauthorized housings or defective housings. Thus, it can be considered as a concept which includes ‘housing redevelopment projects’ and ‘urban environment rearrangement project’ on the current “Act on the maintenance and improvement of urban areas and dwelling conditions for residents”.

2) Definition of Urban Redevelopment Pursuant to The Changes of Legislations

The definition of urban redevelopment has changed through the enactment of the “Urban Redevelopment Act”, the integration with the housing redevelopment projects and the enactment of the “Act on the Maintenance and Improvement of Urban Areas and Dwelling Conditions for Residents”.

<table> Definition of urban redevelopment on the development legislations

Date of enactment/ amendment	Related provisions	Revised contents
1971. 1. 19. (amended the Urban Planning Act)	Urban Planning Act Article 2.1 5. The term “redevelopment projects” means the city planning project for restoring the urban function or converting to new function about the districts under any items of Article 31.	Newly enacted redevelopment provision on the Urban Planning Act
1976.12.31. (enacted Urban redevelopment act)	2. The term “redevelopment projects” means any of the projects are subject to have rearrangements of structure and premises, development of land, and rearrangements of public facilities in order to use high utilized districts efficiently and reinstate urban functions in this Act.	Changed the definition provision

Chapter 2. Overview of Urban Redevelopment Legislation

Date of enactment/ amendment	Related provisions	Revised contents
1982.12.31. (amended)	2. The term “redevelopment projects” means any of the projects are subject to have rearrangements of structures and premises, development of land, and rearrangements of public facilities in order to use high utilized districts efficiently and reinstate urban functions in this Act: Projects implemented to divide downtown redevelopment projects and housing redevelopment projects.	Divided redevelopment projects with two types
1995.12.29. (general revision)	2. The term “redevelopment projects” means any of the projects are subject to have rearrangements of structures and premises, development of land, and rearrangements of public facilities in order to use high utilized districts efficiently and reinstate urban functions in this Act: Projects implemented to divide as follows. a) Downtown redevelopment projects: Projects implemented to reinstate or convert urban functions in the center or secondary center of a city; b) Housing redevelopment projects: Projects implemented to improve	Divided redevelopment projects as downtown, housing, and industrial areas.

Date of enactment/ amendment	Related provisions	Revised contents
	<p>residential environments in areas wherein infrastructure subject to rearrangement are inferior and dilapidated and low-quality structures are concentrated;</p> <p>c) Redevelopment projects of industrial areas: Projects implemented to improve the functions of industrial areas subject to rearrangement wherein infrastructures are inferior and dilapidated and low-quality factories are concentrated.</p>	
<p>2002.12.30. (enacted the Act on the Maintenance and Improvement of Urban Areas and Dwelling Conditions for Residents)</p>	<p>2. The term “rearrangement project” means any of the following projects which rearranges infrastructure subject to rearrangement or improves or builds housing and other structures within a rearrangement zone or block in order to reinstate urban functions pursuant to the procedures stipulated in this Act: provided, that in cases falling under item (c), housing reconstruction projects implemented in areas, other than a rearrangement zone, shall be included:</p> <p>a) Residential environment improvement projects: Projects implemented to improve residential environments in areas where low-income urban</p>	<p>Changed the titles of Housing redevelopment projects and Urban environment rearrangement projects</p>

Chapter 2. Overview of Urban Redevelopment Legislation

Date of enactment/ amendment	Related provisions	Revised contents
	<p>residents reside collectively, wherein infrastructure subject to rearrangement are extremely inferior and dilapidated and low-quality structures are excessively concentrated;</p> <p>b) Housing redevelopment projects: Projects implemented to improve residential environments in areas wherein infrastructure subject to rearrangement are inferior and dilapidated and low-quality structures are concentrated;</p> <p>c) Housing reconstruction projects: Projects implemented to improve residential environments in areas wherein infrastructure subject to rearrangement are good, but dilapidated and low-quality structures are concentrated;</p> <p>d) Urban environment rearrangement projects: Projects implemented to improve urban environments in commercial areas, industrial areas, or other areas wherein efficient utilization of land, and reinstatement of urban functions as the center or secondary center of a city, are required;</p>	

Date of enactment/ amendment	Related provisions	Revised contents
2006.5.24. (amended)	<p>2. The term “rearrangement project” means any of the following projects which rearranges infrastructure subject to rearrangement or improves or builds housing and other structures within a rearrangement zone or block in order to reinstate urban functions pursuant to the procedures stipulated in this Act: provided, that in cases falling under item (c), housing reconstruction projects implemented in areas, other than a rearrangement zone, shall be included:</p> <p>a) Residential environment improvement projects: Projects implemented to improve residential environments in areas where low-income urban residents reside collectively, wherein infrastructure subject to rearrangement are extremely inferior and dilapidated and low-quality structures are excessively concentrated;</p> <p>b) Housing redevelopment projects: Projects implemented to improve residential environments in areas wherein infrastructure subject to rearrangement are inferior and dilapidated and low-quality structures are concentrated;</p>	<p>Added the content regarding the revitalization of a commercial zone</p>

Date of enactment/ amendment	Related provisions	Revised contents
	<p>c) Housing reconstruction projects: Projects implemented to improve residential environments in areas wherein infrastructure subject to rearrangement are good, but dilapidated and low-quality structures are concentrated;</p> <p>d) Urban environment rearrangement projects: Projects implemented to improve urban environments in commercial areas, industrial areas, or other areas wherein efficient utilization of land, reinstatement of urban functions as the center or secondary center of a city, and revitalization of a commercial zone are required;</p>	

The current definition of urban redevelopment projects was introduced by the amendment of “Urban Planning Act” in 1971. According to this, the term “redevelopment projects” means the creation of a city planning project for restoring the urban function or converting to a new function. In addition, it includes the information regarding business plans, implementation requirements, or maintenance plans. Since then, Article 2 of the “Urban Redevelopment Act” sought rearrangement of dilapidated and low-quality housing as well as securement of infrastructure. “Urban redevelopment act” had totally revised in 1995 and defined the definition

of ‘downtown redevelopment projects’, ‘housing redevelopment projects’, and ‘factory redevelopment projects’. In 2002, the types of rearrangement projects and those definitions were reformed by the “Act on the Maintenance and Improvement of Urban Areas and Dwelling Conditions for Residents”. Furthermore, the concept regarding the revitalization of a commercial zone was added to urban environment rearrangement projects in 2006 in order to make its purpose clear. The current “Act on the Maintenance and Improvement of Urban Areas and Dwelling Conditions for Residents” classifies rearrangement projects as 6 types of projects. Among those, the projects which were added newly were adopted to enhance the urban rearrangement functions.

Chapter 2. Overview of Urban Redevelopment Legislation

Before	Since enforcement of the Act on the maintenance and improvement of urban areas and dwelling conditions for residents	Since enforcement of the special act on the promotion of urban renewal																										
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3) The Intent of Urban Redevelopment

Under the “Act on the Maintenance and Improvement of Urban Areas and Dwelling Conditions for Residents”, the purpose of urban redevelopment is to contribute to the improvement of urban environments and the elevation of quality of residential life by prescribing matters necessary for the planned rearrangement of areas which are in need of restoring urban functions or whose residential functions are inferior, and for the efficient improvement of worn-out and inferior structures. Urban redevelopment projects aim at efficiency of land use, improvement of residential environment and the city, and the restoration of urban functions in the short term. Also, it pursues public profits such as rearrangement of slum districts and residential environment, making a high quality residential area, elimination of poverty and the balanced development of the city in the long term.

(2) Necessity of Urban Redevelopment

The ultimate goal of urban redevelopment is re-creation of a human friendly urban environment. The purpose of the urban redevelopment is to improve urban productivity, create good residential environments, and contribute to crime and disaster prevention.

1) The Composition of The Urban Environment

Urban areas are not static but constantly changing depending on the economic and social conditions. However, the existing urban structures are not adequately responding to contemporary changes and is put to the

limit when it comes to accepting and processing what the society needs. The urban redevelopment projects can change inefficient spatial structures to efficient ones. However, there are limits with new constructions or renewals of building units due to the fact that it is impossible to expand roads, parks, the sewer system, and so on. Those problems can be solved only by broad-based development, and the redevelopment projects is the efficient institutional strategy for it.

2) Rearrangement of Supply Processing Facilities and Public Facilities

The most important facilities of daily life in cities are water supply and drainage, electricity, telephone, natural gas, district heating and cooling, soil and waste disposal facilities. These supply process facilities should arrange properly in accordance with the change of the spatial structure. The misplaced supply process facilities or inadequate public facilities are considered a serious urban problem which interrupts the development of the existing cities. Thus, the urban redevelopment projects should gradually and systematically implement and improve the urban environment.

3) The Formation of Social Communities and Economic Stimulation

Social problems, caused by social deviant behavior in dilapidated and low-quality residential areas, are the major feature of urban housing. The urban redevelopment project can reduce the harms by social pathologies and environmental pollution and fulfill the needs of both users and operators by improving the commercial environment. In addition, it is possible to prepare for disasters such as fire by solving the problem caused by overcrowded facilities. Also, it is important to stimulate the

economy with measures such as job creation through redevelopment and strengthening the economy circulation system in urban areas. As a result, the urban redevelopment can contribute to improving the quality of the residents' lives.

2. Significance of Urban Redevelopment Legislation

The contents of the urban environment improvement project related to the urban redevelopment have been prescribed by the law. The first Korean modern urban planning act was the "Chosun Urban Area Planning Decree", enacted and proclaimed by the Japanese Government General of Korea on June 20, 1934. The decree included the appointment of districts, restriction of buildings and a land readjustment project. The "Chosun Urban Area Planning Decree" was the only system of modern urban planning for nearly 30 years until the enactment of the "Urban Planning Act. Since the old 'Urban Redevelopment Act' was enacted in December 31, 1976, the urban redevelopment projects began in earnest. In 1989, the 'Act on the Temporary Measures for Improvement of Dwelling Conditions of Low-income Urban Residents' was enacted to promote the housing environment improvement projects. However, since the projects were enforced by three different laws, the efficiency of the projects was decreased pursuant to urban space problems. As a result, the 'Act on The Maintenance and Improvement of Urban Areas and Dwelling Conditions for Residents' was enacted in 2002 by integrating the 'Urban Redevelopment Act' and the 'Act on the Temporary Measures for Improvement of Dwelling Conditions of Low-income Urban Residents'.

Section 2. Urban Redevelopment Legislations in Accordance with The Socio-Economic Changes

1. Maintenance of Poor Villages and Groups Migrations (mid 1960s - early 1970s)

The cities of Korea had big changes due to large-scale movements of population and the destruction of urban facilities through the 8.15 independence, the North-South Korean division, and the Korean war. Since large-scale population movements happened in an extremely short period of time, most cities could not handle the situation properly and the quality of various facilities were below average. In addition, since the Korean government was poor, the quality of buildings was very low and slums were formed inside the cities. Thus, groups migrations projects were paired with the urban renewal and urban planning since 1960.

2. The Method According to Urban Redevelopment Era (since the mid-1970s-2000s)

(1) Local Redevelopment (1973-1975)

The provisions related to the urban redevelopment projects was newly enacted under the 'Urban Planning Act' in 1971. The 'Act on Temporary Measures of Promotion of Housing Improvement', enacted in March, 1973, was a temporary statute until 1981 and was a basis for the redevelopment policies. Once this act could not solve the problems anymore, the city of Seoul introduced the self-redevelopment project method in order to improve the residential environment including housing and public facilities.

(2) Loan Redevelopment (1975-1981)

The redevelopment projects were enforced by introducing the first loan in September, 1976. The loan redevelopment was a new type of method at that time. It was considered as residents' participation but there was no process for residents in decision-making. Furthermore, since the private sector was charged into the individual development, the period of the projects was delayed enough to cause problems.

(3) Entrustment Redevelopment (1978-1980)

The entrustment redevelopment project was a method to enforce a full demolition in order to promote housing redevelopment. This method caused conflicts between the project operator and residents since the residents were vulnerable to financing support and development gains.

(4) Circulation Redevelopment (1983-1996)

The government tried to reduce conflicts with residents and to solve the financing problems regarding the redevelopment method. Thus, the government enforced a circulative redevelopment mode by constructing houses near the redevelopment districts or using the existing housing. However, it was not effective enough to solve the problems.

(5) Joint Redevelopment (~1983 years)

The 'Urban Redevelopment Act' was enacted in December 31, 1976 since the government realized the existing land arrangement division projects were not enough to deal with various urban problems. Thus,

redevelopment projects under the ‘Urban Planning Act’ and housing redevelopment projects under the ‘Act on Temporary Measures of Promotion of Housing Improvement’ were integrated into the ‘Urban Redevelopment Act’.

<Table> Changes in the project model of the flow of the times

Type	Period	Feature
Local redevelopment	1973~1975	Rearrangement method by land compartmentalization rearrangement
Loan redevelopment	1975. 12~1976. 12 Introduction of AID loan	Districts reclaim
Entrustment redevelopment	Since 1978	Private construction company
Circulation redevelopment	1983~1996	Sequential rearrangement
Joint Redevelopment	Since 1983	Introduction of market economy principle

3. Housing Environment Improvement Project (1990’s)

The ‘Act on the Temporary Measures for Improvement of Dwelling Conditions of Low-income Urban Residents’ was enacted to overcome the limitation of joint redevelopment methods which did not have housing

measures for tenants and to encourage resettlement of previous residents. The standards regarding the areas which had high disaster risk were mitigated and financing funds were supported by this Act. The construction of housing and the improvement of structures were possible due to the opinion of the residents. However, the environmental improvement of housing was imperceptible since this Act was focused on only housing improvement and physical improvement, not social improvement.

4. Urban Rearrangement Project (since 2000)

The urban rearrangement projects in Korea were separated into projects targeted at the residential areas and outside of the residential areas. The projects subject to be outside of the residential areas are downtown redevelopment projects and industrial facilities redevelopment projects governed by the old urban redevelopment act. Even though the purpose of all projects was the same, applicable laws were different. Thus, it was difficult to manage the projects efficiently. As a result, the Act on The Maintenance and Improvement of Urban Areas and Dwelling Conditions for Residents was enacted in December 30, 2002 in order to promote rearrangement projects by integrating the relevant legislations.

<Table> The time periodic features of the redevelopment policy

period	before 1960	1960-1970	1980	since 1990
Policy direction	Non interference	Authoritarian redevelopment	Privatization of redevelopment	Collectivization of redevelopment

Chapter 2. Overview of Urban Redevelopment Legislation

period	before 1960	1960-1970	1980	since 1990
Policy-oriented	-	Public interest	Profitability	Public interest Residential Right
Policy goal	Rearrange- ment of urban areas	Environment improvement of national land redemption	Maximize development profits	Improvement residential environment
Policy content	Inaction	Demolition policy experiment, local improvement/ demolition	Joint Redevelopment (private-led)	Improvement residential environment
Political relationships	-	State-led	Intervention of capital	Limited citizen participation
Awareness of the government to residents	Indifference	Target of exclusion/mob ilization (Residents = lawbreaker)	Target of the divided ruling	Political negotiations principal

Chapter 3. Development Process of Urban Redevelopment Legislations

Section 1. Changes of The Redevelopment Legislations Under Public Law

The redevelopment projects are enforced within the range of the ‘Constitution’, the ‘Framework Act on the National Land’, and the ‘National Land Planning and Utilization Act’. In particular, the various legislations have the provisions related to the redevelopment projects under the ‘Framework Act on the National Land’ and the ‘National Land Planning and Utilization Act’. In addition, those legislations regulate the limitation of private property rights.

1. The Redevelopment Projects under the Constitution

(1) Guarantee of Property Rights and The Redevelopment Projects

With regard to the redevelopment projects, Article 23 (1) of the ‘Constitution’ is defined as follows: the right of property of all citizens shall be guaranteed. The contents and limitations thereof shall be determined by the Act. Article 23 (2) says that the exercise of property rights shall conform the public welfare. Furthermore, Article 23 (3) states that the expropriation, use or restriction of private property from public necessity and compensation therefor shall be governed by the Act and just compensation shall be paid in such a case. Thus, to expropriate property rights for the projects, the projects shall satisfy the requirements under Article 23 (3) of the ‘Constitution’.

(2) Ensure of Environmental Rights and The Redevelopment Projects

The Article 35 (1) of the Constitution defines that all citizens shall have the right to a healthy and pleasant environment and the State and all citizens shall endeavor to protect the environment. Also, for protecting the environmental rights of the citizens, the State shall endeavor to ensure comfortable housing for all citizens through housing development policies and the like stated under Article 35 (3) of the Constitution.

(3) Efficient Land Development and The Redevelopment Projects

According to the Constitution, Article 120 (2), the land and natural resources shall be protected by the State, and the State shall establish a plan necessary for their balanced development and utilization. Also, the State may impose, under the conditions as prescribed by the Act, any restrictions or obligations necessary for the efficient and balanced utilization, development and preservation of the land of the nation that is the basis for the productive activities and daily lives of all citizens under the Constitution, Article 122. In other words, the Constitution itself defines the importance and necessity of the land use in the view of public interests. Thus, the state may impose legal obligations and restrictions for the use, development, and preservation of the city in order to achieve a balanced development.

2. The Redevelopment Projects Under The ‘Framework Act on The National Land’

The goal of the ‘Framework Act on the National Land’ is to contribute to the sound development of the national land and the improvement of the national welfare by providing for fundamental matters concerning the formulation and implementation of plans for and policies on the national land. Under Article 6 of this Act, National land plans shall be classified into a comprehensive national land plan, a Do comprehensive plan, a Si/Gun comprehensive plan, a regional plan, and a sector plan.

3. The Redevelopment Projects Under The ‘National Land Planning and Utilization Act’

The goal of the ‘National Land Planning and Utilization Act’ is to promote public welfare and to upgrade the quality of people's livelihood by providing for matters necessary for the formulation, implementation, etc. of plans to utilize, develop and preserve national land. This Act classifies the urban plan as metropolitan plan, urban or Gun plan and district-unit plan. Also, under Article 56, a person who intends to engage in development activities prescribed by the Presidential Decree, shall obtain permission from the Special Metropolitan City Mayor, a Metropolitan City Mayor, a Special Self-Governing City Mayor, the Governor of a Special Self-Governing Province or the head of a Si/Gun.

Section 2. Legislative Intent and Contents of the Urban Redevelopment Legislations

1. Enactment of The Redevelopment Legislations for Poor Districts Improvement (1960's)

(1) Urban Planning Act in 1962

Since the 'Chosun Town Planning Decree' was abolished in January 20, 1962, the construction sector was regulated in the 'Building Act' and the urban planning and land readjustment were regulated in the 'Urban Planning Act'. The 'Urban Planning Act' was enacted in order to promote the development of the city by regulating the necessary requirements in terms of draft, decision and procedures for the urban planning. This Act considered the facilities regarding poor districts improvement as a part of urban planning projects. The 'Urban Planning Act' consisted of 11 chapters, 103 articles and supplementary provisions.

2. Enactment of Legislations for The Redevelopment Project Activation (1970's)

(1) Act on The Temporary Measures for Promotion of Specific Districts Development in 1972

The 'Act on The Temporary Measures for Promotion of Specific Districts Development' was enacted in order to promote the redevelopment projects by giving tax privileges to the redevelopment project operators. A person who constructs housing or a certain structure on the land which

was designated as the development promotion districts may receive a refund of acquisition tax and registration tax of the land. Also, a person who constructs housing inside the development promotion districts may finance the housing construction fund by priority.

(2) Housing Construction Promotion Act in 1972

The ‘Housing Construction Promotion Act’ was enacted to regulate the requirements in terms of construction and supply of housing for enhancing the housing environment and financing for it. The ‘Housing Construction Promotion Act’ contributed to raise the rate of housing supply through a massive construction of housing. According to this Act, the Minister of Construction shall prepare the national housing financing and construction plan and instruct it to the local governments, Korea Housing Bank, and the Korea Housing Cooperation after consulting it with the Minister of the Economic Planning Board and the Minister of Finance. A person who applies or receives a license, permit or registration from the state or local governments may nationalize housing bonds. Also, business entities shall construct a national housing by creating a project plan and being approved by the Minister of Construction.

(3) Act on Temporary Measures of Promotion of Housing Improvement in 1973

The Act on Temporary Measures of Promotion of Housing Improvement was enacted to contribute to the development of the city and the enhancement of the public wealth by regulating exception in terms of the redevelopment projects. This Act was a temporary statute which was valid until December 31, 1981. Also, this Act classified the urban

redevelopment policies as downtown redevelopment policy and housing redevelopment policy regarding unauthorized poor housing.

3. Enactment of Legislations Focused on The Residential Environment Improvement (1980's-1990's)

(1) Land Development Promotion Act in 1980

Since the 1970's, the population was rapidly concentrated in the city and it caused a serious shortage of housing in the urban areas. Thus, on December 31, 1980, the 'Land Development Promotion Act' was enacted in order to fulfill the desire for homeownership and to eliminate the defeats of land readjustment system. New towns, such as Bundang, Ilsan, or Dongtan, were created by this Act. This Act limited the project operator only as the state, the local governments, the Korea Land and Housing Cooperation, and local cooperation, and the private sector was excluded from participation of the housing development projects.

(2) Act on The Temporary Measures for Improvement of Dwelling Conditions of Low-Income Urban Residents In 1989

The housing supply rate decreased since the 1970's, and the rate increased only by 3.7%, even with the construction of 2 million residences until 1992. In other words, the policy that relies on the supply of new housing had a certain limit. Thus, a separated complement was required for enhancing the quality of housing of urban low-income residents. As a result, in April 1, 1989, the 'Act on the Temporary Measures for

Improvement of Dwelling Conditions of Low-income Urban Residents' was enacted in order to contribute to promote the welfare of low-income residents and to improve the urban environment.

4. Enactment of Legislations for The Maintenance Projects Integration (since 2000)

(1) Urban Development Act in 2000

Since the previous urban development projects were promoted as a single purpose project, such as housing or industrial district development, etc., it had limits to develop a city with multiple functions. The 'Urban Development Act' was enacted in order to deal with various market demands and prepare a legal basis for the integrated urban development in January 28, 2000. In particular, this Act enabled the private sector to participate in various forms of the urban development. To enforce the urban development projects, the urban development operator shall be designated under the provisions of this Act. Urban development projects mean projects that are used in order to create urban areas or complex which has the features of residential, commercial, industrial, retail, telecommunications, ecology, culture, health, welfare, etc. The urban development project under this Act may be enforced in such a way that the project operator can expropriate or use land in the urban development districts, or in a combined way.

<Table> Urban Development Project Operator by Project Methods

Expropriation or Use	Land Substitution
<ul style="list-style-type: none"> ① The state and local governments ② Government-invested institutions (Korea Land Cooperation/Korea Housing Cooperation/Korea Water Resources Cooperation/ Korea agricultural and Rural Infrastructure Corporation/Korea Tourism Organization/Korean Railroad Corporation) ③ Local Cooperation ④ Land Owner (over 2/3 of Land), Association ⑤ Local Relocation Cooperation under Seoul Metropolitan Area Readjustment Planning Act ⑥ General Builder under Framework Act on the Construction Industry ⑦ Cooperation made by 2 or more of above relevant person 	<ul style="list-style-type: none"> ① Land Owner or Association ※ Appointed by Appointer <ul style="list-style-type: none"> - if a land owner of an association does not request an appointment for a project operator or the request is unjust or illegal - if it is necessary to enforce with the Public Facilities Cooperation - if there is an agreement in terms of enforcement by local government, etc. (Size:1/2, Land Owner:1/2) 《Project Operator》 - Korea Land Cooperation, Korea Housing Cooperation, Local Cooperation, Trust Cooperation

(2) Act on The Maintenance and Improvement of Urban Areas and Dwelling Conditions for Residents in 2002

There was a high demand for a systematic and integrated law in order to maintain dilapidated and low-quality structures which were built in 1970. Therefore, the ‘Act on The Maintenance and Improvement of Urban

Areas and Dwelling Conditions for Residents’ was enacted by integrating the ‘Urban Redevelopment Act’, the ‘Act on The Temporary Measures for Improvement of Dwelling Conditions of Low-Income Urban Residents’, and the ‘Housing Construction Promotion Act’.

This Act defines that the Special Metropolitan City Mayor, a Metropolitan City Mayor, the Mayor of a Special Self-Governing City, the Governor of a Special Self Governing Province, or the head of a Si shall formulate a master plan for urban and residential environment rearrangement every ten years. Additionally, the master plan does not need to be formulated when the city is not large, excluding a city for which the relevant Do Governor deems it necessary to formulate the master plan.

In addition, a housing redevelopment project may be implemented by an association, or by the association jointly united with the head of the relevant Si/Gun, the Housing Corporation, etc. a constructor under Article 9 of the Framework Act on the Construction Industry, a registered project operator deemed a constructor under Article 12 (1) of the Housing Act, or a person meeting the requirements prescribed by Presidential Decree, upon obtaining consent from a majority of association members.

(3) Special Act on The Promotion of Urban Renewal in 2005

The Special Act on The Promotion of Urban Renewal was enacted to provide aid to the matters necessary for planning projects for improving residential environments, expanding infrastructure and restoring urban functions in urban areas that lag behind, spanning a wide area, and promoting them systematically and efficiently in order to seek a balanced urban development and to contribute to improving the quality of life of the citizens. Under this Act, the head of each local government may

install infrastructure by means of public-private partnership projects in part of land for infrastructure in order to accelerate the expansion of infrastructure. In addition, except as otherwise expressly provided in this Act, expenses incurred in installing infrastructure built in accordance with an urban renewal acceleration plan shall be borne by a project performer in principle.

<Table> System of the Special Act on the Promotion of Urban Renewal

	General Provisions	<ul style="list-style-type: none"> • Purpose • Definitions • Relationship with other Acts, etc.
Chapter 2	Designation of Urban Renewal Acceleration Districts	<ul style="list-style-type: none"> • Application for Designation of Urban Renewal Acceleration Districts • Designation of Urban Renewal Acceleration Districts • Conditions Designation of Urban Renewal Acceleration Districts • Invalidity, etc. of Designation of Urban Renewal Acceleration Districts • Restrictions on Act, etc.
Chapter 3	Formulation and Determination of Urban Renewal Acceleration Plans	<ul style="list-style-type: none"> • Formulation of Urban Renewal Acceleration Plans • Infrastructure Installation Plans • Cost-Sharing for Installation of Infrastructure, etc. • Determination of Urban Renewal Acceleration Plans • Validity of Determination of Urban Renewal Acceleration Plans

Section 2. Legislative Intent and Contents of the Urban Redevelopment Legislations

Chapter 4	Performance of Urban Renewal Acceleration Projects	<ul style="list-style-type: none"> • General Management of Performance of Projects in Urban Renewal Acceleration Districts • Project Performers • Public-Private Partnership Projects, etc. • Formation of Consultative Council on Projects • Expedition of Performance of Projects
Chapter 5	Support for Performance of Urban Renewal Acceleration Projects	<ul style="list-style-type: none"> • Special Cases on Mitigation of Building Regulations • Special Cases on Priority Project Zone • Special Cases on Sizes and Building Rates of Housing • Special Cases on Sizes and Building Rates of Housing based on Floor Area Ratio to be Increased • Special Case on Performance of Urban Development • Reduction of and Exemption from Local Taxes • Exemption of Overconcentration Charges • Establishment of Special Accounts • Special Cases on Improvement of Education Environments
Chapter 6	Restitution of Development Gains	<ul style="list-style-type: none"> • Principle of Cost-Sharing • Installation of Infrastructure in Urban Renewal Acceleration Districts • Costs for Installation of Infrastructure outside Urban Renewal Acceleration Districts • Subsidization of Installation Costs of

		<p>Infrastructure</p> <ul style="list-style-type: none"> • Construction of Rental Housing for Tenants, etc. • Measures for Petty Merchants and Shop Tenants • Construction of Rental Housing
Chapter 7	Supplementary Provisions	<ul style="list-style-type: none"> • Designation of Permission Areas concerning Land Transaction Contracts, • Severable Transaction of Land, etc. • Urban Renewal Committee • Supervision • Demand for Submission of Materials, etc. • Legal Fiction of Public Officials for Purposes of Penal Provisions

5. Enactment of Legislations for the Urban Regeneration Support (since the 2010's)

(1) Special Act on the Urban Regeneration revitalization and support in 2013

In 2012, the relevant legislations concerning the urban regeneration revitalization were proposed in the National Assembly in order to support self-reliant urban regeneration and to develop the urban functions. As a result, the Special Act on the Urban Regeneration revitalization and support was enacted and enforced in 2013 for preparing the institutional basis of revitalization. This Act prescribes organizations, support by the state, designation and support of leading districts, etc.

Section 2. Legislative Intent and Contents of the Urban Redevelopment Legislations

<Table> Changes of the relevant legislation for Urban Redevelopment

1962	1972	1973	1976	1980	1989	2000	2002	2003	2005	2013
Enacted Urban Planning Act (1962.1.20.)	-----	-----	-----	Abolition	-----	-----	National Land Planning Utilization Act (2002.2.4)			
Enacted Urban Planning Act (1962.1.20.)	-----	-----	Enacted Urban Redevelopment Act (1976.12. 31.)	+	Enacted Act on the Temporary Measures for Improvement of Conditions of Low-income Urban Residents (1989.4.1.)	-----	Abolition (2002.12. 30.)			

Chapter 3. Development Process of Urban Redevelopment Legislations

1962	1972	1973	1976	1980	1989	2000	2002	2003	2005	2013
					Act on the Temporary Measures for Improve ment of Dwelling Conditions of Low-inco me Urban Residents (1989.4.1.)	Enact ment*	Enacted the Act on The Maintena nce and Improve ment of Urban Areas and Dwelling Conditio ns for Residents (2002.12. 30.)			
	Enacted the Housing Construct ion Promotion Act (1972.12. 30.)	----->	----->	----->	----->	----->	----->	Hosing Act (2003.11. 30.)		
	Enacted the Act on The Temporary Measures for Promotion of Specific Districts Develop ment (1972.12.30.)	----->	Expired (1978.12. 31.)		Enacted Urban Develop ment Act (2000.1.28.)					

Section 2. Legislative Intent and Contents of the Urban Redevelopment Legislations

1962	1972	1973	1976	1980	1989	2000	2002	2003	2005	2013
				Enacted the Housing Site Develop ment Promotion Act (1980.12. 31.)					Enacted the Special act on the promotion of urban renewal (2005.12. 30.)	
		Enacted the Act on Temporary Measures of Promotion of Housing Improvement (1973.3.5.)	Expired (1981.12. 31.)						Enacted the Special Act on the Urban Regeneration revitalization and support (2013.6.4.)	

Chapter 4. Analysis of The Relevant Redevelopment Legislation

Section 1. Act on The Maintenance and Improvement of Urban Areas and Dwelling Conditions for Residents

1. Background

In 1960, various measures came into effect in order to improve dilapidated and low-quality housing. The institutional framework of the redevelopment project began to furnish since the introduction of the housing redevelopment project, the reconstruction project and residential environment improvement project based on the relevant legislations. Even those projects contributed to the redevelopment project, and there was a structural problem due to the changes in the related government policies.

First, the projects were not able to proceed consistently since similar projects were regulated in separate legislations. Second, partners were damaged due to the lack of professionalism in terms of projects implementation. In addition, the problems of sprawling development and instability if low-income group housing should be solved for improving the situation.

<Table> Previous urban maintenance legislation system

	Housing Redevelopment Project	Residential Environment Improvement Project	Reconstruction Project
Basis	Urban Redevelopment Act (1976. 12. 31)	Act on the Temporary Measures for Improvement of Dwelling Conditions of Low-income Urban Residents (1989. 4. 1-2004. 12. 31)	Housing Construction Promotion Act (1987. 12. 4)
Purpose	Low-quality housing and communal facilities maintenance	Low-quality housing and communal facilities maintenance	Dilapidated and low-quality housing reconstruction
Object	Single family house area	Single family House area	Apartment house
Characteristic	Emphasizing urban planning	Redevelopment project mitigation (shantytown)	Housing supply
Enforcement procedures	Master Planning → appointment of district → authorization for project implementation → construction management and	District designation → Improvement planning → Project implementation → Supply and moving-in	reconstruction Resolution → Safety Inspection → authorization for association establishment → authorization for business plan →

Section 1. Act on The Maintenance and Improvement of Urban Areas
and Dwelling Conditions for Residents

	disposition plan→ sales and disposition		Projects implementation → Completion and Liquidation
Housing supply target	<ul style="list-style-type: none"> · Land and building owner · Tenants: rental Housing · Remainder: general sale in lots 	<ul style="list-style-type: none"> · Land and building owner · Tenants: rental Housing 	<ul style="list-style-type: none"> · Partners · Remainder: general sale in lots
Tenant Measures	<ul style="list-style-type: none"> · Construction of rental housing for tenants · Supply · Payment of residential measures cost 	<ul style="list-style-type: none"> · Construction of rental housing for tenants · Supply · Payment residential measures cost 	None
Public support	State and local government aid	State and local government aid	None

Furthermore, there was a high demand for a systematic and integrated law in order to maintain dilapidated and low-quality structures which were built in 1970. Therefore, the ‘Act on The Maintenance and Improvement of Urban Areas and Dwelling Conditions for Residents’ was enacted by integrating the ‘Urban Redevelopment Act’, the ‘Act on The Temporary Measures for Improvement of Dwelling Conditions of Low-Income Urban Residents’, and the ‘Housing Construction Promotion Act’.

2. Background and Reasons for Revision [1st (2003) ~ 63rd (2016)]

Revision process	Reason for Revision	Contents of revision of other laws
2002. 12. 30 The first revision [Law No. 6841]	The system on management and use of mountainous districts was improved to prevent a sprawling development of mountainous districts, build eco-friendly mountainous districts that use the system and can be understood easily.	Partial revision of the “Mountainous districts management act”
2005. 3. 18 6th partial revision [Law No. 7392]	For expanding the supply of rental housing in the downtown areas and promote the stable housing of homeless tenants living in a reconstructed housing area. Additionally, it activated the housing redevelopment projects.	-
2005. 7. 13 9th partial revision [Law No. 7597]	The continuity of the residential environment improvement projects was maintained by extending the deadline to apply the provisions of previous law in range of 2 years in case of difficulty of the project implementation.	-
2006. 5. 24 The 13th partial revision [Law No. 7960]	The purpose was to prevent a reckless reconstruction by improving the objectivity and reliability of the safety inspection and redefining a system among the administrative bodies.	-

Section 1. Act on The Maintenance and Improvement of Urban Areas
and Dwelling Conditions for Residents

Revision process	Reason for Revision	Contents of revision of other laws
<p style="text-align: center;">2006. 12. 28 The 15th revision [Law No. 8125]</p>	<p>A circulative rearrangement mode was considered as a proper method to solve the problems of the urban renewal projects. Thus, it is required to active policies by supporting the costs preferentially in case of circulative rearrangement mode. ‘Act on The Maintenance and Improvement of Urban Areas and Dwelling Conditions for Residents’ Article 35 was amended to reflect this content.</p>	-
<p style="text-align: center;">2007. 12. 21 23rd partial revision [Law No. 8785]</p>	<p>The resident representatives' meeting shall be composed of at least five, but not exceeded 25 persons for representing its various opinions. Also, data related to the project performer and the Committee should be disclosed to enhance transparency.</p>	-
<p style="text-align: center;">2008. 3. 28 31st partial revision [Law No. 9047]</p>	<p>To perform quickly the procedures of the projects, the Mayor of a city with a population over 500,000 citizens may specify the rearrangement zone without approval of the Do Governor.</p>	-
<p style="text-align: center;">2009. 2. 6 33rd partial revision [Law No. 9444]</p>	<p>Improved unreasonable restrictions in order to prepare a stable basis of housing supply within the city. Appointed certain indicator to limit the ownership for multiple new housing even before the designation or the</p>	-

Chapter 4. Analysis of The Relevant Redevelopment Legislation

Revision process	Reason for Revision	Contents of revision of other laws
	notice of the arrangement zones. Minimized the projects procedures for the cost savings.	
2009. 4. 22 34th revision [Law No. 9632]	The existing reconstruction projects were considered as the cause of rising house prices despite it having positive functions which provide housing in the city. Thus, the construction rate of the projects, the size of housing, and the housing supply base were improved to provide rental housing and economic revitalization.	-
2009. 5. 27 35th revision [Law No. 9729]	The current redevelopment and reconstruction projects caused housing problems among tenants since land owners actively promoted the projects and it lacked consideration for the tenants. Furthermore, various social problems were caused since the policies did not protect the tenants properly. Thus, a system for managing the tenant-related disputes was established in order to adjust disputes efficiently. In addition, the legal basis for protecting tenants was prepared for preventing the social problems caused by the tenants. On the other hand, a certain rate of housing should be constructed as	-

Section 1. Act on The Maintenance and Improvement of Urban Areas
and Dwelling Conditions for Residents

Revision process	Reason for Revision	Contents of revision of other laws
	<p>rental housing under the Act on The Maintenance and Improvement of Urban Areas and Dwelling Conditions for Residents. By doing so, residents may have a chance to resettle in their previous residence. However, since the public sector did not have the obligation to obtain the rental housing constructed by the rearrangement projects, the welfare of the residents living in the maintenance areas. Thus, the provisions provide the legal basis that states that the public sector shall obtain rental housing constructed by housing redevelopment projects.</p>	
<p>2010. 4. 15 39th revision [Law No. 10268]</p>	<p>The revision of the Act on The Maintenance and Improvement of Urban Areas and Dwelling Conditions for Residents was required due to the Yongsan tragedy in order to enhance the roles of the public sector. Thus, a public management system was introduced in order to enhance the efficiency and the transparency of the maintenance projects.</p> <p>Since there is the possibility that the establishment of the ordinance is determined based on the enforcement regulations under this Act, Article 16, the provisions prescribed that</p>	<p style="text-align: center;">-</p>

Revision process	Reason for Revision	Contents of revision of other laws
	the ordinance shall be established based on the grounds defined by the law.	
2011. 9. 16 43rd partial revision [Law No. 11059]	The article 19 (1) 3) of the Act on The Maintenance and Improvement of Urban Areas and Dwelling Conditions for Residents was newly enacted to regulate real estate speculation related to the rearrangement projects. However, even though land owners have no relation to real estate speculation, the property rights were restricted in the course of the enforcement. Thus, the supplementary provisions prescribed interim measures regarding the qualification of the association of members to rescue the innocent victims.	-
2012. 2.1 44th revision [Law No. 11293]	The rearrangement projects were interrupted or delayed due to the economic recession and resident conflicts. Thus, the projects were supported through deregulation, improvement of transparency of association operating, and expansion of the roles of the public. In addition, the urban rearrangement functions were enhanced by introducing new project methods. The approval of the association establish-	-

Section 1. Act on The Maintenance and Improvement of Urban Areas
and Dwelling Conditions for Residents

Revision process	Reason for Revision	Contents of revision of other laws
	ment may cancel depending on the opinion of the residents.	
<p style="text-align: center;">2012. 12. 18 45th revision [Law No. 11580]</p>	<p>The provision regarding dilapidated and low-quality structures was newly enacted. This means that structures prescribed by the Presidential Decree that have serious functional defects, structural defects caused by unreliable design or works, or other defects, among structures without earthquake-resistant capacity may request safety evaluations after obtaining consent from at least 1/10 of the owners of structures. In addition, the concept of the important meeting was defined as a meeting which shares cost-bearing by the association members or the owners of land, etc. or causes changes in their rights and duties.</p>	-
<p style="text-align: center;">2013. 12. 24 47th revision [Law No. 12116]</p>	<p>The provision of this Act allowed the supply of 2 houses within the range of the existing asset price of the association members. However, this provision caused problems since the price of small houses was increased relatively at the time of revision. In other words, the sum of the 2 houses' areas would be smaller than the area of the existing house.</p>	-

Chapter 4. Analysis of The Relevant Redevelopment Legislation

Revision process	Reason for Revision	Contents of revision of other laws
	Thus, it allowed the supply of two houses within the residential area of the former house in order to encourage the expansion of small-scale housing.	
2015. 9. 1 58th revision [Law No. 13508]	The renewal projects were delayed or interrupted by the conflicts among residents and the lack of feasibility. The transparency and the efficiency of the association's operation were enhanced by strengthening a duty of information disclose and exercise the voting rights by the agents.	-
2016.1. 19 60th revision [Law No. 13792]	To improve the deficiency of the union officers' term, the provisions prescribed the term limitation of the union officers and the details should be regulated by the articles of the association.	-
2016. 1. 27 62nd partial revision [Law No. 13912]	As complex business processes and due to the lack of feasibility, the authority of designation or revocation transferred from the Do governor to the head of a Si/Gun, and allowed the construction of office buildings. In addition, the duty of the liquidator was prescribed in the provision in order to make transparent the process of liquidation.	-

3. The Main Contents and Implications of The Current Legislation

(1) The Main Contents of The Current Legislation

1) Policy and Planning

a. Basic Policies for Urban and Residential Environment Rearrangement

To improve urban and residential environments, the Minister of Land, Infrastructure and Transport shall formulate basic policies including the following matters every ten years, and review the feasibility thereof every five years, and reflect the findings thereof in the basic policies (Article 2-3).

b. Master Plans for Urban and Residential Environment Rearrangement

The Special Metropolitan City Mayor, a Metropolitan City Mayor, the Mayor of a Special Self-Governing City, the Governor of a Special Self-Governing Province, or the head of a Si shall formulate a master plan for urban and residential environment rearrangement containing the matters, such as basic direction-setting for the rearrangement project, and a planning period for the rearrangement project, every ten years.(Article 3 (1)) In addition, the Special Metropolitan City Mayor, a Metropolitan City Mayor, the Mayor of a Special Self-Governing City, the Governor of a Special Self-Governing Province, or the head of a Si shall examine it every five years whether a master plan is pertinent and shall reflect its outcomes in the master plan(Article 3 (2)). A master plan includes basic direction-setting for the rearrangement project, planning period for the

rearrangement project, current status of the population, structures, land utilization, infrastructure, etc. Thus, local residents may predict the approximate range and direction of the rearrangement project and social conflicts may be reduced by it.

c. Improvement Plans for Dilapidated and Low-Quality Residential Places

The Minister of Land, Infrastructure and Transport shall investigate areas subject to improvement on a five-year basis, and formulate improvement plans for dilapidated and low-quality residential places, including annual subsidization plans, to improve the residential environment of residential places wherein houses or infrastructure are inferior. (Article 82-2)

2) Rearrangement Plans and Rearrangement Zones

The head of a Si/Gun/Gu shall formulate a rearrangement plan for the zones meeting the requirements prescribed by Presidential Decree and shall hold an explanatory meeting for residents after giving a written notice to residents thereof, and make the rearrangement plan available to the residents for at least 30 days, as well as seek opinions from the relevant locals and thereafter file a request to designate a rearrangement zone with the Special Metropolitan City Mayor, Metropolitan City Mayor, or a Do Governor by appending it.(Article 4(1)) Where a Mayor/Do Governor or the head of a large city intends to designate a rearrangement zone or modify the designation thereof, he/she shall do so by following deliberation by the relevant local urban planning committee. (Article 4(5)) In addition, where a Mayor/Do Governor or the head of a large city designates a rearrangement zone or modifies the designation,

he/she shall announce the details of such designation or modification thereof containing the relevant rearrangement plans in the official bulletin of the relevant local government. (Article 4(6))

3) Composition of Association, Etc.

a. Establishment of Association

Where a person, other than the head of a Si/Gun, the Housing Corporation, etc., intends to implement a rearrangement project, he/she shall establish an association comprised of the owners of land, etc. (Article 13 (1))

b. Composition of Promotion Committee

When a person intends to establish an association, he/she shall obtain consent from at least five members, including the chairperson, and a majority of the owners of land, etc., on its operational rules after the designation of a rearrangement zone is announced, form the promotion committee to establish the association, and then obtain approval from the head of the relevant Si/Gun according to the methods and procedures determined by the Ordinance of the Ministry of Land, Infrastructure and Transport(Article 13(2)) A promotion committee may perform the affairs, such as selection of a manager specialized in rearrangement projects, selection and replacement of a designer, preparation of a summarized implementation plan for a rearrangement project, and so on.(Article 14 (1))

(2) Procedures of Rearrangement Project Implementation

The ‘rearrangement project’ means Residential environment improvement projects, Housing redevelopment projects, Housing reconstruction projects,

Urban environment rearrangement projects, Residential environment management projects, Block-unit housing rearrangement projects in this Act (Article 2 (2)). Thus, Housing redevelopment projects and Urban environment rearrangement projects of this Act consider as the implementation procedures of rearrangement project. Housing redevelopment projects mean the projects implemented to improve residential environments in areas wherein infrastructure subject to rearrangement are inferior and dilapidated and low-quality structures are concentrated. The subject of the projects shall be association, the head of a Si/Gun, constructor, registered project operators, etc. A housing redevelopment project shall be based on the methods of building and supplying housing and accessory and welfare facilities under a management and disposal plan authorized within a rearrangement zone, or on the methods of supplying as substituted land.

In addition, Urban environment rearrangement projects mean the projects implemented to improve urban environments in commercial areas, industrial areas, or other areas wherein efficient utilization of land, reinstatement of urban functions as the center or secondary center of a city, and revitalization of a commercial zone are required. The subject of the projects shall be association, land owners, the head of a Si/Gun, land public corporation, constructor, registered project operators, etc. An urban environment rearrangement project shall be based on the methods of building and supplying the structures within a rearrangement zone under a management and disposal plan authorized, or on the methods of supplying as substituted land like a housing redevelopment project.

The implement procedures are as follows; Established a basic plan and approved by the Ministry of Land, Infrastructure and Transport →

Designated arrangement zones → Established arrangement plan → Approval of association establishment (the head of Si/Gun/Gu) → Approval of project implementation plan (the head of Si/Gun/Gu) → Application of parceling out by association members and expropriation of land → Approval of management disposal plan (the head of Si/Gun/Gu) → Parceling out → completion authorization → Liquidation.

(3) Implications

Since the arrangement projects were based on three different laws, the projects were not efficient. In addition, the redevelopment projects under the Urban Redevelopment Act, the reconstruction projects under the Housing Construction Promotion Act, and the residential environment improvement projects under the Act on Temporary Measures of Promotion of Housing Improvement promoted separately depending on the relationship among residents and construction companies. It caused various urban problems and conflicts. In other words, since the urban arrangement projects enforced without a comprehensive and systematic plan for the projects, several projects were implemented in the same areas. The projects were able to promote efficiently by enacting an integrated law and it was an opportunity to establish the system in response to the situations. However, the urban arrangement projects under the current law focus on the improvement of physical environment, not socio-economic environment. Thus, the urban areas where the quality of the life was declined and degraded should be improved environmentally, economically and socially in order to recover the urban functions.

Section 2. Special Act on The Promotion of Urban Renewal

1. Background

The private-sector projects which lacked publicity of housing maintenance caused a high-density development, lack of infrastructure and a distorted city landscape. In addition, it focused on the improvement of physical housing rather than comprehensive housing improvement. As a result, the countermeasures were needed to reduce imbalance of the areas, enhance regional equity, or improve the residential environment of the underdeveloped areas. The ‘Special Act on The Promotion of Urban Renewal’ was enacted in 2005 in order to provide a legal basis for supporting the Gangbuk New Town project and similar projects by the city of Seoul.

The city of Seoul promoted a wide maintenance of the city under the name of New Town Project before the concept of the promotion of urban renewal. Since the ‘Special Act on The Promotion of Urban Renewal’ was enacted, a part of the New Town project districts is considered as districts of the renewal acceleration project. The main business of the projects are the housing redevelopment projects and housing reconstruction projects. Since urban renewal projects were considered as a new paradigm for urban development, the introduction of the ‘Special Act on The Promotion of Urban Renewal’ was necessary for urban renewal and a dramatic change was foreseen in the existing maintenance projects.

2. Background and Reasons of Revision [1st (2006) ~ 29th (2016)]

Revision process	Reason for Revision	Contents of revision of other laws
<p>2006. 5. 24- 1st revision of other laws [Law No. 7959]</p>	<p>Due to the lack of proper devices for the excessive development profits, speculative demand was increased in order to enjoy the profits. Thus, development share should be charged in order to prevent the privatization of development profits.</p>	<p>Revised the ‘restitution of excess rebuilding’ The rebuilding charges reverted to the state shall go to the National Housing Fund under the Housing Act. The rebuilding charges reverted to a local government shall be reverted to the Urban and Residential Environment Rearrangement fund under the Act on The Maintenance and Improvement of Urban Areas and Dwelling Conditions for Residents, special accounts for urban renewal acceleration under the special act on the promotion of urban renewal, or special accounts of national housing projects under the housing act.</p>
<p>2007. 12. 21 2nd partial revision [Law No. 8786]</p>	<p>Reduced the minimum area standard to cities below a certain size in order to accelerate the urban renewal projects and specify the renewal acceleration zones easily under this act.</p>	<p style="text-align: center;">-</p>

Chapter 4. Analysis of The Relevant Redevelopment Legislation

Revision process	Reason for Revision	Contents of revision of other laws
<p>2008. 2. 29 ~ 2008. 3. 28 3rd - 5th revision of other laws</p>	<p>-</p>	<p>Full revision of the ‘Government Organization Act’, the “Urban Development Act”, and the “Environmental Impact Assessment Act”.</p>
<p>2008. 3. 28 6th revision [Law No. 9048]</p>	<p>A project performer may be appointed by the method of competitive bidding to enhance the transparency of the projects.</p> <p>Each person authorized to formulate urban renewal acceleration plans shall include a school installation plan or improvement plan in an urban renewal acceleration plan after holding consultation with the superintendent of the office of education in order to improve educational environments.</p>	<p>-</p>
<p>2009. 3. 25 12th revision [Law No. 9539]</p>	<p>Adjusted the area standard of districts where require permission regarding the land transaction contract with the standard under the national land planning and utilization act in order to promote the renewal acceleration projects</p>	<p>-</p>

Section 2. Special Act on The Promotion of Urban Renewal

Revision process	Reason for Revision	Contents of revision of other laws
<p>2009. 12. 29 13th revision [Law No. 9876]</p>	<p>Prescribed complex terrain of high density districts among renewal acceleration districts and the details. A different type of renewal acceleration districts may be converted as complex terrain of high density districts by changing the renewal acceleration plan. Prepared the measures for the protection of small merchants and commercial tenants.</p>	<p>-</p>
<p>2010. 3. 31 ~ 2011. 4. 14 14th - 16th Revision of other laws</p>	<p>-</p>	<p>Full revision of the ‘Restriction of Special Local Taxation Act’ and the ‘Local Tax Act’, partial revision of the ‘National Land Planning And Utilization Act’</p>
<p>2011. 5. 30 17th revision [Law No. 10761]</p>	<p>Increased the authority and autonomy of local governments for specifying the renewal acceleration districts and the renewal acceleration plans. Regulated the measures for resident security, such as installation of patrol post. Changed the difficult terms to simple terms.</p>	<p>-</p>

Chapter 4. Analysis of The Relevant Redevelopment Legislation

Revision process	Reason for Revision	Contents of revision of other laws
<p>2012. 2. 1 19th revision [Law No. 11294]</p>	<p>Enhanced consultation procedures of resident opinions. Provided management plans for the renewal acceleration districts. Prevent reckless designation of the renewal acceleration districts by abolishing special provisions which relieve the designation standard.</p>	<p>-</p>
<p>2013. 8. 6 - 2015. 8. 28 22nd - 27th revision</p>	<p>-</p>	<p>Partial revision of the ‘Framework Act on Dwelling’, the ‘Urban Traffic Improvement Promotion Act’, the ‘Special Act on Public Housing Construction’, the ‘Housing and Urban Fund Act’, etc.</p>
<p>2016.1. 19 29th revision [Law No. 13794]</p>	<p>Abolished the provision specified automatically as the land transaction permission zones if the area is specified as a renewal acceleration zone under the ‘Special Act on The Promotion of Urban Renewal’. Specified the land transaction permission zones depend on the decision of the Minister of land, Infrastructure and transport or Mayor/Do Governor under the Nation</p>	<p>-</p>

Revision process	Reason for Revision	Contents of revision of other laws
	land planning and utilization act.	

3. The Main Contents and Implications of The Current Legislation

(1) The Main Contents of The Current Legislation

1) Policy and Planning

a. Urban Renewal Acceleration Plan

① Establishment of The Urban Renewal Acceleration Plan

The head of each Si/Gun/Gu shall formulate urban renewal acceleration plans, including the following matters, and apply to the Special Metropolitan City Mayor, Metropolitan City Mayor, or Do Governor for their determination on such plans. In such cases, if an urban renewal acceleration district spans the jurisdictions of at least two Sis, Guns and Gus, the heads of the competent Sis/Guns/Gus shall jointly formulate such plans (Article 9)

② Decision of The Urban Renewal Acceleration Plan

Where the Special Metropolitan City Mayor, Metropolitan City Mayor, or Do Governor has received an application for the determination of an urban renewal acceleration plan from the heads of Sis/Guns/Gus pursuant to Article 9 (1) of this act, or where the Mayor/Do Governor or large city mayor has directly formulated an urban renewal acceleration plan, he/she shall determine or alter it after holding consultation with the heads

of the relevant administrative agencies and undergoing deliberation of the Local Urban Planning Committee established in the relevant City/Do or large city or deliberation jointly conducted by the Building Committee established in the relevant City/Do or large city pursuant to Article 4 of the Building Act and the Local Urban Planning Committee. That the same shall not apply to the alteration of minor matters prescribed by the Presidential Decree (Article 12)

b. Infrastructure Installation Plans

Each infrastructure installation plan in accordance with an urban renewal acceleration plan shall be formulated to span a wide area by connecting urban renewal acceleration projects and comprehensively considering preserved areas in urban renewal acceleration districts and timing for promoting urban renewal acceleration projects, etc. (Article 10) The Nation Land Planning and Utilization Act and Enforcement decree of the nation land planning and utilization act define the term ‘infrastructure’ which means traffic facilities, such as roads and railroads, open facilities, such as parks and squares, etc.

2) Designation of The Urban Renewal Acceleration Districts

Where the Special Metropolitan City Mayor, Metropolitan City Mayor, or Do Governor receives an application for the designation of an urban renewal acceleration district pursuant to Article 4, he/she shall designate an urban renewal acceleration district after consulting with relevant administrative agencies and the deliberation of the relevant Local Urban Planning Committee (Article 5).

3) Administrative and Financial Support

a. Administrative Support

If necessary, each person authorized to formulate an urban renewal acceleration plans may formulate urban renewal acceleration plans to the effect that specific-use areas designated under the National Land Planning and Utilization Act are to be altered. In addition, there are special provisions in order to promote urban renewal acceleration projects, expand the supply of small-sized houses, and support the relocation of residents (Article 19-2). Furthermore, in cases of an urban renewal acceleration district classified as the complex terrain of high density, the sizes and building rates of housing based on the floor area ratio are to be increased as a result of the relevant urban renewal acceleration project that may be separately prescribed by the Presidential Decree (Article 20-2)

b. Financial Support

Local taxes, such as an acquisition tax and a registration and license tax, may be reduced and exempted pursuant to the Restriction of Special Local Taxation Act and ordinances of local governments for any of certain buildings, which are built in urban renewal acceleration districts in accordance with the urban renewal acceleration plans (Article 22) In addition, no overconcentration charge imposed and collected pursuant to the Seoul Metropolitan Area Readjustment Planning Act shall be imposed on buildings built in accordance with the urban renewal acceleration plans (Article 23).

(2) Implications

The ‘Special Act on The Promotion of Urban Renewal’ is to provide for matters necessary for planning projects for improving residential environments, expanding infrastructure and restoring urban functions in urban areas that lag behind, spanning a wide area, and promoting them systematically and efficiently in order to seek a balanced urban development and contribute to improving the quality of life of citizens. In particular, since the ‘Act on The Maintenance and Improvement of Urban Areas and Dwelling Conditions for Residents’ focused on only the rearrangement of dilapidated and low-quality structures, there were difficulties to create a pleasant urban environment and expand infrastructures in a wide range of the areas. However, local governments were able to reconstruct the city at the level of a large area development under this act.

On the other hand, the ‘Special Act on The Promotion of Urban Renewal’ was enacted as a form of a special law without any revision of the existing legislations, and applied before any other legislations. It caused confusion in the statutory hierarchy of the relevant legislations regarding urban redevelopment. In addition, this act focused on the metropolitan area, such as Seoul. Thus, there were a number of problems to apply for local cities. To solve the problems, the legal system regarding renewal projects should be simple and clear. The ‘Act on The Maintenance and Improvement of Urban Areas and Dwelling Conditions for Residents’ should enhance the functions as a basic law for regeneration and the ‘Special Act on The Promotion of Urban Renewal’ is need to review abolitions since it does not reflect the opinion of residents.

Section 3. Special Act on Urban Regeneration Revitalization and Support

1. Background

Cities in a state of decline degrade citizen's quality of life, decrease urban competitiveness, and increase the demand for new cities. Difficulties were encountered in order to promote various projects efficiently and systematically and reflect the opinions of citizens with the existing legislations since those projects were performed by several legislations. In addition, since the projects focused on the metropolitan area, a number of problems were occurring in local cities with monolithic project models that didn't consider the regional features and decreased the resettlement ratio of the residents, and slump of business promotion.

Accordingly, an urban function support was necessary for satisfying citizens' desires. A secure infrastructure fit to change the population structure and residential welfare were important as well. The living conditions of resident should be improved by enhancing the role of the public. The special act on urban regeneration revitalization and support was enacted in order to upgrade urban functions, create jobs and provide a base for urban regeneration.

2. Background and Reasons of Revision [1st (2006) ~ 3rd (2016)]

Revision Process	Reason for Revision	The content of Revision of Other Laws
2014. 1.7 1st Revision [Law No. 12215]	<p>This Act aims imbalance between regions and enhance regional competitiveness and the quality of life of local residents by facilitating region-specific development and inter-regional connectivity and cooperation, thereby contributing to a balanced development between regions. In addition, special accounts on region were defined in order to efficiently support the budgets.</p>	<p>Partial revision of the “Special Act on Balanced National Development”.</p>
2015.1.6 2nd Revision [Law No. 12989]	<p>First, the use of a national housing fund was expended from a limited housing area to a housing regeneration area in order to establish housing and urban fund.</p> <p>Second, Korea Housing Guarantee Corporation was transferred to Housing and Urban Guarantee Corporation in order to designate it as an operating agency.</p> <p>Third, certain requirements were prescribed in the Presidential Decree to prevent the indiscriminate support of funding for urban regeneration projects.</p>	<p>Revision of the ‘Housing and Urban Fund Act’</p>

Section 3. Special Act on Urban Regeneration
Revitalization and Support

Revision Process	Reason for Revision	The content of Revision of Other Laws
	<p>Fourth, housing-backed securities were excluded from securities warranties of the Housing and Urban Guarantee Corporation in order to avoid the duplication of work from Housing and Urban Guarantee Corporation and Housing Finance Corporation.</p> <p>Fifth, the provision for loss preservation against Housing and Urban Guarantee Corporation was removed in order to avoid moral hazards and enhance the responsibility of the public corporate operation.</p>	
<p>2016.1. 19 3rd revision [Law No. 13793]</p>	<p>The provision regarding the fixed number of Committee members was revised ‘within’ to ‘less than’. The subject for financing by the state and local governments was defined as ‘a person who performs the relevant work or services’ for enhancing the financial control.</p>	-

3. The Main Contents and Implications of The Current Legislation

(1) The Main Contents of The Current Legislation

1) Policy and Planning

a. National Urban Regeneration Basic Policy

To promote urban regeneration effectively, the Minister of Land, Infrastructure and Transport shall formulate basic policy matters every ten years, review the feasibility thereof every five years, and reflect the findings thereof in the basic policies (Article 4).

b. Urban Regeneration Strategic Plan

The ‘Urban Regeneration Strategic Plan’ covers any projects which establish urban regeneration acceleration strategy by the strategy planning authority (Article 2 (1) 3)). The strategy planning authority shall establish the urban regeneration strategy plan every 10 years, and maintain it every 5 years, if it is necessary (Article 12). The strategy planning authority may establish the urban regeneration revitalization plan and the head of Gu may establish the neighborhood regeneration revitalization plan about the urban regeneration revitalization districts (Article 19).

2) Installation of Organizations

a. Urban Regeneration Special Committee and Local Urban Regeneration Committee

To promote the policies in terms of urban regeneration efficiently, the urban regeneration special committee shall be established under the Prime

Minister's office. (Article 7) In addition, the local urban regeneration committee shall be established under the local governments in order to consider the urban regeneration strategic plan and the urban regeneration revitalization plan (Article 8).

b. Urban Regeneration Support Organization and Urban
Regeneration Center

The Minister of Land, Infrastructure and Transport shall install the urban regeneration support organization, which can be one of public agencies under the Presidential Decree (Article 10). The head of Do/Gu may install the local urban regeneration support center in order to promote the relevant projects and to arbitrate the opinions of residents (Article 11).

3) Administrative and Financial Support

The state and local government may support or finance all or part of the costs for the urban regeneration strategic plan or the urban regeneration revitalization plan (Article 27). In addition, the Minister of Land, Infrastructure and Transport may constitute the urban regeneration information system which develops, verifies, and manages the relevant information and statistics for revitalizing urban regeneration (Article 29).

(2) Implications

The urban regeneration projects proceed to rearrange the residential environment and to recover the urban functions through urban revitalization and rearrangement of old city areas. However, a lot of the redevelopment projects or reconstruction projects were delayed due to business slumps. As a result, this act introduces new concepts, such as 'urban regeneration', 'urban regeneration project' in order to constitute a promoting system or

a supporting system for urban regeneration comprehensively. It is a result of legislative efforts to improve the problems of urban redevelopment projects.

Meanwhile, the Korean urban regeneration projects are weighted towards the physical environment rearrangement compared to foreign urban regeneration policies which aim to restore economic, social, and cultural community, not only physical environment. Thus, an integrated approach is required for activating and rearranging the old downtown areas. Furthermore, the urban regeneration can hardly succeed without the participation of local residents and interested parties. Therefore, cooperation from local residents, constructors or investors is important if the projects are to succeed.

Section 4. Compensation legislations and Speculation Control Policies in Urban Redevelopment

1. Real Property Compensation Legislation in Urban Redevelopment

When the urban redevelopment projects are performed, the compensation system can be distinguished into three types; compensation for real property, compensation for tenants, and compensation for migration.

(1) Compensation for Real Property Owners, etc.

1) Compensation for Owners of Real Property

Owners of real property shall be allotted a certain range of real property if real property is expropriated or used for the urban redevelopment

projects (Urban Redevelopment Act Article 50). Under the Act on the Maintenance and Improvement of Urban Areas and Dwelling Conditions for Residents, for persons who have failed to file an application for subdivision, persons who have withdrawn an application for subdivision before the end of the application period and persons exempted from subdivision under a management and disposal plan authorized, a project implementer shall make settlement in cash for relevant land, structures, or other rights according to the procedures prescribed by Presidential Decree, within 90 days following the date on which a management and disposal plan is authorized (Act on the Maintenance and Improvement of Urban Areas and Dwelling Conditions for Residents, Article 47 (1)).

In addition, the computation of an indemnity shall be based on the price at the time of yielding an agreement where consultation is held, and the price at the time of adjudicating on the expropriation or use where such adjudication is rendered (Act on Acquisition of and Compensation for Land, etc. for Public Works Projects, Article 67 (1)).

2) Compensation for Expropriation of Land, Etc.

Under the old 'Urban Redevelopment Act', any project implementer may acquire land, structures, or other rights established under the Article 41 of this Act, and Article 65 of the Act on Acquisition of and Compensation for Land, etc. for Public Works Projects may not apply for it (Old Urban Redevelopment Act, Article 38 (2)).

Where it is necessary to implement a arrangement project within a rearrangement zone (limited to any project referred to in Article 8 (3) 1 in cases of a housing reconstruction project), any project implementer may acquire or use land, articles or other rights under Article 3 of the

Act on Acquisition of and Compensation for Land, etc. for Public Works Projects (Act on the Maintenance and Improvement of Urban Areas and Dwelling Conditions for Residents, Article 38)

Where a project implementer pays relocation expenses to tenants or compensates losses incurred by the closure or suspension of business operation, in excess of the standards for compensation for losses separately prescribed by the Presidential Decree under the proviso to Article 40 (1), or formulates and implements additional measures for compensation for losses of tenants, such as construction of additional rental houses and rental shops, in addition to the compensation for losses prescribed in the proviso to Article 40 (1), the relaxed building volume ratio may be determined up to 125/100 of the building volume ratio applicable to the relevant rearrangement zone by Ordinance of the Special Metropolitan City, Metropolitan City, Special Self-Governing City, Special Self-Governing Province, Si, or Gun, notwithstanding Article 78 (1) of the National Land Planning and Utilization Act (Act on the Maintenance and Improvement of Urban Areas and Dwelling Conditions for Residents, Article 40-2).

3) Loss Compensation

Under the Constitution, expropriation, use or restriction of private property from public necessity and compensation therefor shall be governed by the Act. That in such a case, just compensation shall be paid (Constitution of the Republic of Korea, Article 23-3). In case of urban redevelopment, expropriation, use or restriction of private property from public necessity and compensation shall be paid. Under the old 'Urban Redevelopment Act', any project implementer shall compensate loss by use of land, etc.

or request of obstruction transfer (Old Urban Redevelopment Act, Article 37 (1)).

Where any persons have suffered any losses from the temporary use of the facilities or lands of public organizations (excluding local governments) or private persons under Article 36, the project implementer shall compensate for such losses, and hold a consultation with such persons, to compensate for the losses. Where the consultation for loss compensation under paragraph (1) is not attained or it is impossible to hold a consultation, the project implementer or the persons who have suffered losses may make a request for an adjudication to the competent land expropriation committee established under Article 49 of the Act on Acquisition of and Compensation for Land, etc. for Public Works Projects (Act on the Maintenance and Improvement of Urban Areas and Dwelling Conditions for Residents, Article 37 (1), (2)).

The Act on Acquisition of and Compensation for Land, etc. for Public Works Projects regulates indemnity for Land, indemnity for goods, such as buildings, etc., indemnity for rights, compensation for business loss, relocation measures, indemnity for costs for other land.

(2) Compensation for Tenants

The previous legislations did not have compensation provisions for tenants, but various provisions for protecting tenants were enacted in the Act on the Maintenance and Improvement of Urban Areas and Dwelling Conditions for Residents. The Special Metropolitan City Mayor, a Metropolitan City Mayor, the Mayor of a Special Self-Governing City, the Governor of a Special Self-Governing Province, or the head of a Si shall formulate a master plan for urban and residential environment

rearrangement containing the residential stabilization measures for tenants (Act on the Maintenance and Improvement of Urban Areas and Dwelling Conditions for Residents, Article 3). The head of a Si/Gun may directly execute or have the Housing Corporations, etc. execute the urban environment rearrangement projects by designating them as the project implementers by obtaining consent of not less than 2/3 (referring to the majority in cases under Article 6 (1) 1) of the owners or persons with superficies of lands or structures in the relevant zones scheduled to be rearranged, as of the date of public notification of the perusal under Article 4 (1) and of the majority of households of tenants (referring to the persons residing for not less than three months in zones scheduled to be rearranged three months prior to the public notice date for public perusal under Article 4 (1)) (Act on the Maintenance and Improvement of Urban Areas and Dwelling Conditions for Residents, Article 7 (1)).

To facilitate implementing a rearrangement project under the subparagraph 2 (a) through (e) of Article 2, a project implementer shall establish countermeasures for the migration of house owners or tenants by rearranging the rearrangement zone in order of the mode such as having the owners or tenants of houses to be removed due to the implementation of the said rearrangement project (limited to persons actually residing within the rearrangement zone) (Act on the Maintenance and Improvement of Urban Areas and Dwelling Conditions for Residents, Article 35).

Where a project implementer pays relocation expenses to tenants or compensates losses incurred by the closure or suspension of business operation, in excess of the standards for compensation for losses separately prescribed by the Presidential Decree under the proviso to Article 40 (1), or formulates and implements additional measures for compensating the

Section 4. Compensation legislations and Speculation Control Policies
in Urban Redevelopment.

losses of tenants, such as construction of additional rental houses and rental shops, in addition to the compensation for losses prescribed in the proviso to Article 40 (1), the relaxed building volume ratio may be determined up to 125/100 of the building volume ratio applicable to the relevant rearrangement zone by Ordinance of the Special Metropolitan City, Metropolitan City, Special Self-Governing City, Special Self-Governing Province, Si, or Gun (Act on the Maintenance and Improvement of Urban Areas and Dwelling Conditions for Residents, Article 40-2). When it becomes impossible to accomplish the purpose of establishing the superficies, right to lease on a deposit basis, or right to lease due to the implementation of rearrangement project, any holders of said rights may terminate the contracts (Act on the Maintenance and Improvement of Urban Areas and Dwelling Conditions for Residents, Article 44 (1)). In other words, the provisions for protecting land owners expanded to the provisions for protecting tenants under the Act on the Maintenance and Improvement of Urban Areas and Dwelling Conditions for Residents.

<Table> Change of Compensation Provision under ‘Act on The Maintenance and Improvement of Urban Areas and Dwelling Conditions for Residents’

Relevant Law	Main Contents
Established the Act on The Maintenance and Improvement of Urban Areas and Dwelling Conditions for Residents (2002. 12. 30)	<ul style="list-style-type: none"> - Established housing stabilization measures for tenants in case of establishing urban residential environment maintenance master plan - Created countermeasures for a residence of tenants in case of creating a business implementation plan

Relevant Law	Main Contents
Revised the Act on The Maintenance and Improvement of Urban Areas and Dwelling Conditions for Residents (2005. 3. 18)	<ul style="list-style-type: none"> - Regulated obtaining consent of tenants of project implementer - Rental housing construction obligations
Revised the Act on The Maintenance and Improvement of Urban Areas and Dwelling Conditions for Residents (2006. 12. 28)	<ul style="list-style-type: none"> - Tenants of the circulative rearrangement mode
Revised the Act on The Maintenance and Improvement of Urban Areas and Dwelling Conditions for Residents (2009. 5. 27)	<ul style="list-style-type: none"> - Added tenants for representative meeting - Established exemption regarding building volume ratio

(3) The Obligation to Install Temporary Facilities for Migrators

The project implementer may use the state, public organizations or private facilities or land near the redevelopment districts when it is necessary to accommodate the other facilities to the residents (Old Urban Redevelopment Act, Article 34 (1)). The article 36 of the Act on The Maintenance and Improvement of Urban Areas and Dwelling Conditions for Residents succeeded the provisions of the urban redevelopment act regarding the duty for migrators. The implementer of an urban environment rearrangement project may set up temporary shops in the relevant

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rearrangement zone or in the vicinity thereof to use by the tenants of shops who are to be relocated due to the implementation of the project (Act on The Maintenance and Improvement of Urban Areas and Dwelling Conditions for Residents, Article 36-2).

Relevant Law	Main Contents
Enacted the Urban Redevelopment Act (1976. 12.31)	- Use of land, etc. for installing temporary accommodations
Revised the Urban Redevelopment Act (1981. 3. 31)	- Mandatory provisions for temporary accommodations
Revised the Urban Redevelopment Act (1995. 12. 29)	- Moved provisions - Added information regarding financing of housing funds
Enacted the Act on The Maintenance and Improvement of Urban Areas and Dwelling Conditions for Residents (2002. 12. 30)	- Limited to the residential environment improvement projects and the housing redevelopment projects
Revised the Act on The Maintenance and Improvement of Urban Areas and Dwelling Conditions for Residents (2016. 12. 28)	- Added tenants to temporary accommodations
Revised the Act on The Maintenance and Improvement of Urban	- Newly regulated for protecting shopping center

Relevant Law	Main Contents
Areas and Dwelling Conditions for Residents (2012. 2. 1.)	

2. The Tax Relief Legislations in Accordance with The Urban Redevelopment

(1) Exemption of Acquisition Tax Related to Housing Redevelopment Projects

1) Owners of Real Property in Business Area

Housing redevelopment projects under the Act on The Maintenance and Improvement of Urban Areas and Dwelling Conditions for Residents mean projects implemented to improve residential environments in areas wherein infrastructure subject to rearrangement are inferior and dilapidated and low-quality structures are concentrated. Basically, real property owners have to pay an acquisition tax regarding the acquisition of new property after the completion of the projects since it shall be deemed to be a land substitution performed under the Article 40 of the Urban Development Act. On the other hand, unlike housing reconstruction projects, housing redevelopment projects do not have the acquisition tax problem since project operators do not obtain ownership of real property in project implementation districts.

(2) Exemption of Acquisition Tax Related to Urban Environmental Improvement Project

1) Owners of Real Property in Project Areas

The owners of real property in project areas of urban environment rearrangement projects do not need to transfer the ownership to the association and may obtain disposition authority pursuant to structures or land by management disposition plan. If the owners of a real property in project areas did not transfer the ownership, said owner may exchange the ownership with the real property which arranged the projects after their completion.

2) Project Operator

An urban environment rearrangement project may be implemented by an association or the owners of land, etc., or by the association or landowners, etc. jointly with the head of the relevant Si/Gun, the Housing Corporation, etc., a constructor, a registered project operator, or a person meeting the requirements prescribed by Presidential Decree, upon obtaining consent from a majority of association members, landowners, etc. If the head of Si/Gun is a project operator, the acquisition tax shall not be charged by the local tax act, article 9 (1).

3. Speculation Control Policy of Urban Redevelopment

(1) Ownership Resale Limitation

The government implemented various policies to control speculation, and one of those policies is limitation of ownership resale. Resale limitation

of national housing was regulated in article 38-3 of the Housing Construction Promotion Act for the first time. The resale limitation related to urban redevelopment did not exist but it was regulated by the revision of the Act on The Maintenance and Improvement of Urban Areas and Dwelling Conditions for Residents. In other words, two houses may be supplied within the residential floor area of the previous house and the residential floor area of neither of which shall exceed 60 square meters. The house with a residential floor area not exceeding 60 square meters among the supplied houses shall neither be resold, nor arranged for resale until a three-year lapse from the date of the public announcement of transfer has passed. Ownership resale limitation related to urban redevelopment applies only for residential housing.

(2) Restitution of Development Gain

The restitution of development gains act was enacted to prevent speculation in land and promote the effective utilization of land by restituting development gains accruing from land and duly distributing them, thereby contributing to the sound development of the national economy in December 30, 1989. The development projects subject to this act are housing site development projects, industrial complex development projects, tourist complex preparation projects, urban development projects, site preparation projects for traffic facilities and logistics facilities, site preparation projects for sport facilities, and so on.

In addition, the development charges were differentiated individual location projects and planning location projects. Development charges shall be reduced or exempted for projects subject to the imposition of development charges are obtained within one-year period from the enforcement date of

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this Act. Projects executed within the Seoul Metropolitan Area will be 50/100 reduction of development charges and projects executed in areas other than the Seoul Metropolitan Area will be exemption from development charges.

<Table> Speculation Control Policies of Real Estate in Urban
Redevelopment Districts

year	Ownership Resale Limitation	Main Contents
1970's	Executory	- Real property development policies > Real property speculation control policies
1980's	The national housing ownership resale limitation under the housing construction promotion act, article 38-3 (1981)	Enacted the restitution of development gains act (1989. 12. 30)
1990's	- Extended to all housing from the national housing (1992) - Abolished ownership resale limitation (1999)	Deleted industrial complex development projects (1993. 6. 11) Changed the impose standard of the development charges
Since 2000	Reenacted housing ownership resale limitation (2002) Established housing ownership resale system under the Urban Rearrangement Act (2012)	Differentiated rate of development charges Exemption and deduction development charges by the economic changes

Chapter 5. Modularization of Developed Experience Regarding Urban Redevelopment Legislation

Section 1. Urban Redevelopment Legislation by Historical and Cultural Background

Korean urban redevelopment legislation was launched from the ‘Chosun Town Planning Decree’, which was enacted and enforced during the Japanese colonial era. In the 1960’s, the ‘Urban Planning Act’, as the first modern law, was enacted to recover the damages caused by the Korean war and to improve squatter settlement. In the 1970’s, the concrete grounds for urban redevelopment under the ‘Urban Planning Act’ were prepared based on a 5-year economic development plan and the urban planning by the Korean government. In the 1980’s, the ‘Act on the Temporary Measures for Improvement of Dwelling Conditions of Low-income Urban Residents’ was enacted to improve the environment of low-income housing area. In the 2000’s, the government put effort to improve the residential environment of the underdeveloped areas and recover the function of cities by enacting the ‘Act on The Maintenance and Improvement of Urban Areas and Dwelling Conditions for Residents’ and the ‘Special Act on The Promotion of Urban Renewal’. In addition to the this, the ‘Special Action Urban Renewal Activation and Support’ enhanced the competitiveness of the cities and strengthened the basis for the self-sustaining growth of the cities.

Chapter 5. Modularization of Developed Experience Regarding Urban
Redevelopment Legislation

Year	Historical and cultural background	Main legislations and contents
1960	<ul style="list-style-type: none"> - 1960 Park Chung-Hee government - Japanese colonial era and the Korean War Recovery - Rapid rural to urban migration - Improvement of low-quality districts 	<ul style="list-style-type: none"> * Enacted Urban Planning Act (1962.01.20.) - Regulated provisions regarding the establishment or improvement of the city - The sound development of the City - Promotion of public welfare. <hr/> <ul style="list-style-type: none"> * Enforcement Decree of Urban Planning Act (1965.04.20.) - Appeared the terms related to the redevelopment in the statute for the first time. - Set up other districts within the city planning zone
1970	<ul style="list-style-type: none"> - 1970 Park Chung-Hee government - Promoted a 5-year economic development plan focused on economic growth modernization - Promoted every plan led by the Government - Focused on efficiency rather than equity - Increasing of the use of land surrounding highways - Aggressive investment in industrial zones - Concentrated metropolitan areas - Speculation in real estate - Suppressed speculation through tax 	<ul style="list-style-type: none"> * Total Revision of the Urban Planning Act (1971.01.19.) - Prepared the redevelopment basis by adding the provisions related to the redevelopment projects - Newly established use districts system - Maintenance of roads, buildings, and low-quality areas within the existing urban areas - Sub central area and new town project in order to distribute the city function - Newly established permit system of small land division - Newly established local City Planning Commission

Section 1. Urban Redevelopment Legislation by
Historical and Cultural Background

Year	Historical and cultural background	Main legislations and contents
	<ul style="list-style-type: none"> - Focus on real estate and land policy 	<ul style="list-style-type: none"> * Enacted the Act on The Temporary Measures for Promotion of Specific Districts Development (1972.12.30.) - Regulated the provisions which allows to specify a particular household maintenance district - Temporary statute until December 31, 1975 - Temporary statute until December 31, 1978 as an amendment to a three-year extension - Appointed housing construction promotion districts and redevelopment promotion districts - Exemption of taxes (Such as registration fee, acquisition fee, etc.) - Financing of construction funds <hr/> <ul style="list-style-type: none"> * Enacted the Housing Construction Promotion Act (1972.12.30.) - Enacted the provisions regarding the supply of financing, operations and supply of materials for people who do not own homes - Procurement of national housing fund - Purchase of public housing bonds - Approval by Minister of Construction in case of National Housing Construction

Chapter 5. Modularization of Developed Experience Regarding Urban
Redevelopment Legislation

Year	Historical and cultural background	Main legislations and contents
		<ul style="list-style-type: none"> - Newly established Housing Policy Committee <hr/> <ul style="list-style-type: none"> * Enacted the Act on Temporary Measures of Promotion of Housing Improvement (1973.03.05.) - Special regulations on redevelopment by the Urban Planning Act in order to facilitate housing improvements - Designation of the redevelopment area for housing improvement - Regulated the matters related to land management disposition by the ordinance of local governments - Temporary statute until the end of 1981 <hr/> <ul style="list-style-type: none"> * Urban Redevelopment Act (1976.12.31.) - Defined the requirements for the planned redevelopment of the city - Established the improvement of low-quality housing districts and the urban development system - Performed by separating the housing improvement projects and urban redevelopment projects - Enacted a new law to solve the problem of the redevelopment projects under the Urban Planning Act.

Section 1. Urban Redevelopment Legislation by
Historical and Cultural Background

Year	Historical and cultural background	Main legislations and contents
		<ul style="list-style-type: none"> - Regulated the decision-making procedures of the redevelopment plan - Regulated enforcement procedures of the redevelopment project
1980	<ul style="list-style-type: none"> - 1980 Chun Doo-Hwan Government - Emphasized security and economic development - Enforced privately led economy policies - Promoted economic stability - Expanded social overhead capital facilities 	<ul style="list-style-type: none"> * Act on the Temporary Measures for Improvement of Dwelling Conditions of Low-income Urban Residents (1989.04.01.) - Established to improve the environment of low-income residential areas - Redevelopment of dilapidated and low-quality residential environment and improvement of housing environment - Specified the region to improve - Established a financing plan and the residential environment improvement plan
2000	<ul style="list-style-type: none"> - 2000's Kim Dae-jung, Roh Moo-Hyun administration - Emphasized the efficiency for governmental reforms - Use advanced financial techniques to overcome the financial crisis - The balanced development of national land mitigated the Real Estate Regulatory 	<ul style="list-style-type: none"> * Act on The Maintenance and Improvement of Urban Areas and Dwelling Conditions for Residents (2002.12.30.) - Prescribed matters necessary for the planned rearrangement of areas which are in need of restoring urban functions or whose residential functions are inferior, and for the efficient improvement

Chapter 5. Modularization of Developed Experience Regarding Urban Redevelopment Legislation

Year	Historical and cultural background	Main legislations and contents
	<ul style="list-style-type: none"> - Land market opening for foreign people - Balanced development, activation of civil society and peace on the Korean peninsula - Promoted Real estate regulatory policies 	<p>of worn-out and inferior structures.</p> <ul style="list-style-type: none"> - Integrated rearrangement projects which were scattered in the existing legislations. <hr/> <ul style="list-style-type: none"> * Special act on the promotion of urban renewal (2005.12.31) - Defining the requirements for the restoration and expansion of urban functions, which improved the living environment and infrastructure of the underdeveloped areas of the city - Designation of rearrangement promotion districts - Establishment of rearrangement promotion plans - Exception for the support of the rearrangement promotion projects - Construction of rental housing for tenants - Construction of rental housing for adjusting development merits
2010	<ul style="list-style-type: none"> - 2010's creative pragmatism - Focused on national integration and economic revitalization - Consolidation of governmental organizations to establish a small government - Pragmatism, diplomatic resources and economic growth 	<ul style="list-style-type: none"> * Enacted Special Act on the Urban Regeneration revitalization and support (2013.06.04.) - To support the economic, social and cultural vitality of the city, and to regain a self-sustaining growth for the city, as well as to improve its competitiveness

Section 2. Urban Redevelopment Legislation by Year

Year	Historical and cultural background	Main legislations and contents
	<ul style="list-style-type: none"> - Efforts to overcome economic crisis - Deregulation in the real estate policy - Emphasis on the recovery of market function - Released Greenbelt - Promoted tax reduction policy 	<ul style="list-style-type: none"> - Establish a basic cycle of 10 years, reviewed every five years. - Installation of Services Organization and Center - Expense support and financing - Regulated exceptions of the regulatory provisions

Section 2. Urban Redevelopment Legislation by Year

As a legal basis for urban redevelopment projects, urban redevelopment legislations have been enacted each year. In particular, the redevelopment means have been changed depending on the change of regime and policy of each political period. Thus, the change of the redevelopment project method can be established by comparing the primary contents of the relevant legislations.

1. The 1960's Primary Urban Redevelopment Legislations

Year	Primary Legislation	Redevelopment scheme
1960	* Urban Planning Act (1962.01.20.)	<ul style="list-style-type: none"> - Regulated the requirements regarding the establishment or improvement of the city - Commissioner of the national land construction office must go through the approval process of

Chapter 5. Modularization of Developed Experience Regarding Urban
Redevelopment Legislation

Year	Primary Legislation	Redevelopment scheme
		<p>the relevant local assembly and the city planning committee in order to decide the city planning areas and city plans</p> <ul style="list-style-type: none"> - Cost-bearing by national and local governments - Expropriation or use of the land required for urban planning projects - Specified the urban planning area by commissioner of the national land construction office - Installed the central city planning committee to investigate and consider matters related to urban planning - Installed the local city planning commission in cities with a population of 200,000 people or more
	* Enforcement Decree of Urban Planning Act (1965.04.20.)	<ul style="list-style-type: none"> - Regulated necessary matters for the implementation of the Urban Planning act - Minister of Construction may set up other districts within the city planning zone

2. The 1970's Primary Urban Redevelopment Legislations

Year	key Legislation	Redevelopment scheme
1970	Full revision of the Urban Planning Act (1971.01.19.)	<ul style="list-style-type: none"> - Prepared the basis of the redevelopment projects by adding the relevant provisions - Allowed to specify 10 districts in the city planning districts

Section 2. Urban Redevelopment Legislation by Year

Year	key Legislation	Redevelopment scheme
		<ul style="list-style-type: none"> - Specified the particular facilities restricted area - Newly established use of the zone system - Designation of limited development districts - Newly established permit system of small land division - Newly established provisions regarding enforcement procedures of the redevelopment projects - Newly established local City Planning Commission - Newly established preferential transfer system
	<p>Act on the Temporary Measures for Promotion of Specific Districts Development (1972.12.30.)</p>	<ul style="list-style-type: none"> - Regulated necessary matters regarding the development promotion districts - The development promotion districts include the housing construction promotion districts and the redevelopment promotion districts - Minister of Construction may specify the redevelopment promotion districts by the Presidential Decree - State and local governments. Korea Housing Bank may finance the housing construction funds in the redevelopment promotion districts - Minister of Construction may cancel or change the redevelopment promotion districts if there is no need to exist or need to change it.
	<p>* Enacted Housing Construction Promotion Act (1972.12.30.)</p>	<ul style="list-style-type: none"> - Defined the requirements for supplying housing to citizens who do not own one - Minister of Construction may establish a national housing construction plan and fund management guidelines every year - Regulated the size of the national housing unit, the scope of recipients, selection methods, and conditions

Chapter 5. Modularization of Developed Experience Regarding Urban
Redevelopment Legislation

Year	key Legislation	Redevelopment scheme
		<p>of supply by the Presidential Decree</p> <ul style="list-style-type: none"> - Business entities should establish project plans and be approved by the Minister of Construction for the construction of national housing - Regulated necessary matters for the supply of public housing procedures by the Presidential Decree - Regulated administrative standards for managing national housing and facilities by the Presidential Decree - Details on housing construction considered by the Housing Policy Committee - Minister of Construction may take the necessary measures, including suspension or cancellation due to violations - Minister of Construction may delegate a part of authority to the Mayor of Seoul, Mayor of Busan or Do-governor
	<p>* Enacted the Act on Temporary Measures of Promotion of Housing Improvement (1973.03.05.)</p>	<ul style="list-style-type: none"> - Defined the special provisions regarding the redevelopment projects under the Urban planning act - Minister of Construction may specify the redevelopment districts through applications by the Mayor of Seoul, Mayor of Busan, Do-Governor, reviewed by the Cabinet and approved by the President - Applied the Building Act for Implementation of the redevelopment projects - Minister of Construction may order the necessary measures or cancel the designated redevelopment areas

Section 2. Urban Redevelopment Legislation by Year

Year	key Legislation	Redevelopment scheme
	<p>* Enacted the Urban Redevelopment Act (1976.12.31.)</p>	<ul style="list-style-type: none"> - Regulated necessary requirements for the planned redevelopment of the city - Mayor of an urban area with a population greater than 1,000,000 may submit a basic plan of urban redevelopment to the Minister of Construction - Minister of Construction may order change or adjustment to the Mayor if it is necessary - Minister of Construction may designate redevelopment districts as city planning - A Mayor or the Head of Gun is obliged to apply the decision-making to the Minister of Construction regarding the redevelopment projects planned to be implemented within two years from the date of the notice of the designated redevelopment areas - Minister of Construction may delegate a part of authority to the Mayor of Seoul, Mayor of Busan or governor of Do - Redevelopment projects may be enforced by Land owners or redevelopment associations - Minister of Construction may specify an implementer to enforce the redevelopment projects - Costs associated with the redevelopment enforcement may be expenses of local government and administrative agency, unless otherwise specified - Minister of Construction or the Governor of Do may order the submission of the report or data with respect to the concession if it is necessary, and the officials may allow to investigate its business or accounting

Chapter 5. Modularization of Developed Experience Regarding Urban
Redevelopment Legislation

Year	key Legislation	Redevelopment scheme
		<ul style="list-style-type: none"> - Minister of Construction may order the necessary measures, such as cancellation, suspension, or change if the implementation of the redevelopment projects violates the project plan or the management plan
		<p><Redevelopment process></p> <p>Urban Redevelopment Plan → Designated areas → organized Promotion Committee (optional) → selection of Construction company → approval of association establishment (the owner 2/3) → approval of project implementation (2/3 of land area, 80% of owners) → Migration and construction → Disposal management plan → Liquidation</p>

3. The 1980's Primary Urban Redevelopment Legislations

Year	key Legislation	Redevelopment scheme
1980	* Act on the Temporary Measures for Improvement of Dwelling Conditions of Low-income Urban Residents (1989.04.01.)	<ul style="list-style-type: none"> - Defined necessary matters for improvement of the dwelling conditions of low-income residential areas - The Minister of Construction may specify the improvement of districts through applications of a Mayor or the head of a Gun, consultation with the head of relevant central administrative agency, and approval of the Central Urban Planning Committee. - A Mayor may establish the residential environment improvement plan within one year from the date

Section 2. Urban Redevelopment Legislation by Year

Year	key Legislation	Redevelopment scheme
		<p>of notification of the improvement districts and report it the Minister of Construction</p> <ul style="list-style-type: none"> - A Mayor may enforce the residential environment improvement project; the project may be exceptionally performed by residents - The state may aid or finance a portion of the cost for the projects from the state treasury or the national housing Fund under the housing construction promotion act. - The project operator may expropriate or use land, goods or rights under the Land Expropriation Act in order to implement the residential environment improvement projects - A Mayor may report the Residential Environment Improvement Project situation to the Ministry of Construction in accordance with the Presidential Decree by the end of the last day of March of the following year

4. The 2000's Primary Urban Redevelopment Legislations

Year	key Legislation	Redevelopment scheme
2000	* Act on the Maintenance and Improvement of Urban	- Prescribed matters necessary for the planned re-arrangement of areas which are in need of restoring urban functions or whose residential functions are inferior, and for the efficient improvement of worn-out and inferior structures.

Chapter 5. Modularization of Developed Experience Regarding Urban
Redevelopment Legislation

Year	key Legislation	Redevelopment scheme
	<p>Areas and Dwelling Conditions for Residents (2002.12.30.)</p>	<ul style="list-style-type: none"> - The Special Metropolitan City Mayor, a Metropolitan City Mayor, the Mayor of a Special Self-Governing City, the Governor of a Special Self-Governing Province, or the head of a Si shall formulate a master plan for urban and residential environment rearrangement every ten years - The head of a Si/Gun shall formulate, to the extent compatible with the relevant master plan, a rearrangement plan for the zones, such as the concentration of dilapidated and low-quality structures, and make the rearrangement plan available to the residents for at least 14 days, and seek opinions from the relevant local council, and thereafter file a request to designate a rearrangement zone. - The head of a Si/Gun may directly execute or have the Housing Corporations execute the urban environment rearrangement projects by designating them as the project implementers by obtaining consent of not less than 2/3 of the owners or persons with superficies of lands or structures in the relevant zones scheduled to be rearranged - Any project implementer shall submit to the head of the relevant Si/Gun a project implementation plan, along with the articles of association, etc. and other documents stipulated by Ordinance of the Ministry of Land, Infrastructure and Transport, and shall obtain authorization for the project's implementation. - The project implementer shall compensate for any losses, and hold a consultation with persons, in

Section 2. Urban Redevelopment Legislation by Year

Year	key Legislation	Redevelopment scheme
		<p>order to compensate the losses if any persons have suffered any losses from the temporary use of the facilities or lands of public organizations or private persons.</p> <p>- The head of a Si/Gun may let any manager of infrastructure subject to remarkable benefit bear some of costs for relevant rearrangement project under the method and procedure prescribed by Presidential Decree.</p> <hr/> <p><Redevelopment process></p> <p>① Association method: established maintenance plan → Designated areas → organized Promotion Committee (1/2 of owners) → Founded Association → Contractor selection → approval of the project implementation → approval of the management disposal plan → Migration and construction → parceling out → Completion and occupancy</p> <p>② Owners Method: Established maintenance plan → Co-enforcer selection → Designated areas → Contractor selection → approval of the project implementation → approval of the management disposal plan → Migration and construction → parceling out → Completion and occupancy → inspection and completion</p>
	<p>* Special Act on the Promotion of Urban Renewal (2005.12.31)</p>	<p>Provided for matters necessary for planning projects for improving residential environments, expanding infrastructure and restoring urban functions in urban areas that lag behind, spanning a wide area, and promoting them systematically and efficiently in order to seek balanced urban development and contribute to improving the quality of life of the citizens.</p>

Chapter 5. Modularization of Developed Experience Regarding Urban
Redevelopment Legislation

Year	key Legislation	Redevelopment scheme
		<p>The Head of a Si/Gun/Gu shall apply a designation of renewal acceleration zone to the Special Metropolitan City Mayor, a Metropolitan City Mayor, or the governor of a Do</p> <p>The Head of a Si/Gun/Gu shall establish the renewal acceleration plan and apply the decision making for a mayor/Do governor</p> <ul style="list-style-type: none"> - Infrastructure installation costs shall be borne by the operator of the renewal acceleration project based on cost-sharing plan - The project operator shall enforce the renewal acceleration projects - The renewal acceleration costs shall be borne by each project implementer unless instructed otherwise. - The State or a Mayor/Do Governor shall support all or part of the cost of the infrastructure installation established by the Presidential Decree.

5. The 2010's Primary Urban Redevelopment Legislations

Year	key Legislation	Redevelopment scheme
2010	Special Act on the Urban Regeneration Revitalization and Support (2013.06.04.)	<ul style="list-style-type: none"> - Contributed to support the economic, social and cultural vitality of the city, and to regain a self-sustaining growth for the city, as well as to improve its competitiveness - The state and local governments shall secure budget in order to accelerate the urban regeneration

Section 2. Urban Redevelopment Legislation by Year

Year	key Legislation	Redevelopment scheme
		<p>projects, and establish the relevant policies.</p> <ul style="list-style-type: none"> - The Minister of Land, Infrastructure and Transport shall establish the basic regeneration plan every 10 years, and shall review the contents every 5 years, if it is necessary. - Installed the urban regeneration special committee under the Prime Minister’s office and the local urban regeneration committee under the local governments - The Minister of Land, Infrastructure and Transport shall install the urban regeneration support organization, which can be one of public agencies under the Presidential Decree - The strategy planning authority shall establish the urban regeneration strategy plan every 10 years, and maintain it every 5 years, if it is necessary- Residents may suggest the designation or the change of the urban regeneration revitalization zone to the strategy planning authority - The State and local governments shall reduce and exempt each project performer from paying taxes, such as corporation tax, income tax, acquisition tax, property tax, etc.

Section 3. Conclusion

As such, the features of urban redevelopment legislations and the changes of the implementation methods are modularized by the change of the historical and cultural background.

According to the modularization system, we confirm not only the characteristics of the application process and the problems in the relevant legislations, but also the legal and institutional efforts to improve the problems in the development process.

The target countries are likely to build a legislative plan to reduce similar errors that may occur in the urban redevelopment projects through this basic modular legal system. Thus, such modular legal system may act as an attractive model for the target countries. Furthermore, the target countries can minimize errors for applying laws and regulations by reflecting the actual situation and characteristic of the target countries in the modular legal system.

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