

Hostel or dormitory accommodation may also be included. The federal government pays up to 75% of the capital costs and the provincial government the remainder, although the latter may call upon the municipality concerned to bear a portion of the provincial share. Rents for units in federal-provincial projects are related to the tenant's family income and size of family. Operating deficits are shared on the same contractual basis as the capital costs.

As an alternative CMHC may make long-term loans to a province, or to a municipality or public housing agency with the approval of the province, to provide public housing. Projects may consist of new construction or the renovation of existing buildings and include dormitory and hostel accommodation as well as self-contained family units. Loans may be up to 90% of the total cost as determined by CMHC and for a term as long as 50 years, but not in excess of the useful life of the development. The maximum that may be borrowed for a fully-serviced apartment is \$20,000, and for hostels \$10,000 for each person accommodated. For a house the maximum is \$30,000. In addition 15% of the maximum may be provided as an additional loan for added amenities which go beyond strictly residential use. The interest rate is set by the Governor in Council. If this alternative is selected federal grants may be made covering up to 50% of losses incurred in the operation of public housing projects for a period not exceeding the term of the loan. Annual subsidies are shared by CMHC and the province concerned.

During 1973 loans totalling \$199.7 million were approved to provide 14,114 public housing units and 14 hostel beds. This covered 90% of the cost of construction or acquisition of the units. Comparable figures for 1972 are 12,447 units, six beds and \$179 million. Under the federal-provincial cost-sharing arrangements a further \$51.8 million was approved for 3,327 housing units as compared to 1,875 units and \$27.7 million for 1972. The federal government may share in the operating deficits of public housing projects equally under the loan arrangement and accept 75% of the costs under the partnership arrangement. The federal share of subsidy payments for the 101,900 units occupied at the end of 1973 is estimated to be \$68.5 million for the year.

Provinces, municipalities or their agencies may enter into agreements with the owners of private accommodation under which the latter agree to rent to low-income families at rentals based on income. The federal government provides 50% of the difference between the subsidized rent paid by the tenant and the full market rent normally charged by the owner. Under this agreement, approval has been given for 5,331 units in Ontario, 141 units in Manitoba, 114 units in New Brunswick and 317 units in Prince Edward Island.

While the federal-provincial cost-sharing provisions of the Act permit the construction of housing for rent or for sale, assistance has been directed primarily toward providing subsidized rental accommodation. However, three different experimental sales programs are also under way. In Ontario a sales program has been initiated in 15 municipalities to allow tenants in about 1,670 non-subsidized rental units the opportunity to purchase their homes. Nova Scotia, Prince Edward Island and New Brunswick continue to use this Section of the Act to assist co-operatives to build houses for sale and, during 1973, 320 units were approved for construction and sale to members of co-operatives for a total of 5,664 units sold to date. Section 40 of the Act is also used to provide subsidized home-ownership in Nova Scotia, Manitoba, Saskatchewan and British Columbia, and negotiations are under way in Newfoundland. In the subsidy program the purchasers are required to make mortgage payments related to their incomes. The sale of a total of 172 units was approved in 1973 under the program.

14.2.6 Land assembly and new communities

The federal and provincial governments may enter into an agreement to provide for a land assembly project which involves the development of land for housing. The federal government pays up to 75% of the cost and the provincial government the remainder. The latter may call upon the municipality concerned to bear a portion of the provincial share. As an alternative loans of up to 90% of the cost of assembling and servicing land for public housing are available at a preferential interest rate to provinces, municipalities and their agencies.

Under federal-provincial partnerships 10 projects for residential building lots and five projects for land banks with a total area of 1,627 acres were approved in 1973. Since the inception of the program in 1948, 31,825 lots have been authorized for development. Of these 23,261 have been offered for sale and 21,548 have been sold. A total of 32,862 acres have been authorized for acquisition and 18,653 acres remain in land banks. A total of 108 loans amounting to \$39.7 million had been approved by year end.