

non-profit provisions of the NHA. In 1974 grants totalling \$797,000 were approved to 180 groups and organizations for developments which could result in 60 loans totalling \$37.6 million and involving 3,882 units and hostel beds. Costs covered by the grants include expenditures for incorporation as a non-profit society, professional fees, site selection, land options and administration expenses.

In addition to the "start-up" funds, grants were made available for formal management training in social housing activities and to assist non-profit resource groups offering professional and technical services to community organizations sponsoring NHA-financed housing developments. A total of \$342,476 was approved for these purposes during 1974.

14.2.4 Municipal infrastructure

Since December 1960 the NHA has made funds available to assist in the elimination or prevention of water and soil pollution. CMHC is authorized to make a loan to a province, municipality or municipal sewerage corporation to construct or expand sewage treatment and trunk collector facilities. The loan may not exceed two thirds of the cost of the project and the maximum repayment term is 50 years from date of completion. Interest is set by the Governor in Council. Agreements covering such projects contain a "forgiveness" clause applicable to both the principal of the loan and accrued interest conditional on satisfactory completion. There was a record demand for such loans in 1974, and a total of 313 loans totalling \$171.9 million were made. Additional assistance for communities with a population of less than 5,000 was introduced by relaxing the definition of a trunk collector. In 1974 the Municipal Infrastructure Program (previously the Sewage Treatment Program) was re-organized. The Program was also expanded to include research into municipal sewage treatment.

14.2.5 Public housing

Under the NHA and complementary provincial legislation the federal and provincial governments may enter into partnership agreements to build rental housing for families and individuals with low incomes or to purchase and rehabilitate existing housing for this purpose. 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 1974 loans totalling \$177.4 million were approved to provide 9,239 public housing units. This covered 90% of the cost of construction or acquisition of the units. Comparable figures for 1973 are 14,114 units, 14 hostel beds and \$199.7 million. Under the federal-provincial cost-sharing arrangements a further \$58.1 million was approved for 3,346 housing units as compared to 3,327 units and \$51.8 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 119,000 units occupied at the end of 1974 is estimated to be \$87.0 million.

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, a total of 5,989 units have been approved.