

limited means, particularly the elderly and the handicapped. A non-profit organization is one in which no part of the income is payable or otherwise available for the personal benefit of any proprietor, member or shareholder. Non-profit organizations may be provincially-municipally owned or constituted exclusively for charitable purposes. The latter group is eligible for start-up funds not exceeding \$10,000 to ensure that the group is able to prepare properly a loan application to CMHC and to cover expenditures for research and organization, incorporation, site selection, options, professional fees and the technical skills required to put the project in place, selection of tenants and other costs.

Both categories of non-profit borrowers may apply to CMHC for a contribution not exceeding 10% of the cost of the project as estimated by CMHC at the time of application, less any forgivable federal residential rehabilitation loan or federal grants such as those made under the Local Initiatives Program or by the Department of National Revenue in the form of tax refunds. The cost may include both real estate and hard furnishings of the sort used in community buildings for social and recreational purposes. In the case of hostels, hard furnishings would include built-in and non-movable furniture and equipment.

Non-profit organizations formed exclusively for charitable purposes and those which are municipally owned may obtain loans to cover 100% of lending value. In the case of the provincial non-profit organizations, loans to the value of 95% of the lending value are available, with the borrower providing the other 5%. In all cases the 10% contribution from CMHC must be applied against the reduction of the loan.

In 1975 loans were made to non-profit organizations for 4,948 dwelling units and 4,506 hostel beds for a total of \$160 million. The corresponding total for the previous year was \$125 million. Loans committed to non-profit organizations during the year supported the provision of low-rent accommodation for the elderly, low-income families and special groups. Included in the special groups category is housing for the mentally retarded, physically handicapped, halfway houses for persons recovering from alcohol addiction, and receiving homes for children who are wards of the courts.

Start-up funds. "Start-up" funds not exceeding \$10,000 a project were introduced in 1973 to assist potential sponsors to develop proposals for low-rental housing to be financed under the non-profit provisions of the NHA. In 1975 grants totalling \$631,000 were approved enabling 63 non-profit and cooperative groups to complete their plans and receive loan approvals for their projects. 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 \$698,476 was approved for these purposes during 1975.

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 in 1975, and 322 loans totalling \$217.7 million were made. In late 1975 the Municipal Infrastructure Program was