

expanded to include assistance for the provision of storm trunk sewers and water supply projects required to open up raw land for new residential construction purposes.

Public housing

14.2.5

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 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. In addition the loan may be increased by 15% to cover the cost of 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 1975 loans totalling \$237.4 million were approved to provide 10,401 public housing units. This covered 90% of the cost of construction or acquisition of the units. Comparable figures for 1974 are \$177.4 million and 9,239 units. Under the federal-provincial cost-sharing arrangements a further \$25.8 million was approved for 886 housing units as compared to 2,501 units and \$53.5 million for 1974. 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 135,700 units occupied at the end of 1975 is estimated to be \$85.0 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.

Included in the federal-provincial cost-sharing arrangements is a program of housing for sale. Subsidy assistance for home-ownership has been provided under a variety of arrangements in Newfoundland, Prince Edward Island, Nova Scotia, New Brunswick, Manitoba, Saskatchewan and British Columbia. Under these arrangements mortgage payments are related to the incomes of the purchasers, with the federal government providing 75% of the difference between the mortgage payment made by the purchaser and the actual amount required to retire the loan and interest. During the year 2,258 units were provided under these arrangements, for a total of 9,697.

Land assembly and new communities

14.2.6

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 up to 90% of the