

14.2.1 Land and municipal infrastructure

An adequate supply of serviced land for residential development is a major objective of the federal government, as are the stabilization or reduction of serviced land prices, the elimination of water and soil pollution, and the promotion of high standards of community environment.

In 1977, under NHA land assembly provisions, CMHC made direct loan commitments or approved joint loan investments with the provincial governments of \$44 million. This low level of investment reflected the emphasis put on development of existing land holdings rather than on acquisition of additional land. Sanitary sewage collection and treatment, storm sewers and water supply all qualify for federal assistance, identical to that for land assembly except that 25% of the loan is forgiven. Grants are also provided to help the preparation of regional sewerage plans and to offset excessive per capita costs of sewer installation in smaller communities and areas where difficult topography makes installation costs high. Most of the sewage treatment facilities in Canada in recent years have been financed with the assistance of CMHC; the long-term goal is to achieve a national standard of sewage treatment by 1985. Direct NHA sewage and water treatment loans amounting to \$247 million were granted to municipalities, compared to a budget allocation of \$281 million and the previous year's total of \$302 million.

Grants provided under the NHA for development of regional sewage and water plans increased from \$489,000 for 12 projects in 1976 to \$950,000 for 25 projects in 1977.

Under a municipal incentives grants program designed to be in effect for the three-year period 1976-78, grants became available to encourage municipalities to develop modest housing, to make more economical use of land through increased density, and to help municipalities offset higher expenditures associated with medium-density development. The program was operational in all provinces in 1977.

To qualify for a \$1,000 grant, a unit does not have to be financed under the NHA but must be priced within the AHOP and ARP limits established by CMHC. Total value of these grants in 1977 was \$35.5 million for 35,500 dwelling units.

14.2.2 Neighbourhood improvement and residential rehabilitation

NIP and RRAP. The principal sources of NHA funding for neighbourhood and residential improvement are the Neighbourhood Improvement Program (NIP) and the Residential Rehabilitation Assistance Program (RRAP).

NIP encourages and supports efforts of municipalities to revitalize older residential neighbourhoods which are occupied predominantly by people of low and moderate incomes. Projects are planned and implemented by the municipalities and neighbourhood residents. NIP operates under annual agreements between CMHC and the provinces, which designate the municipalities to be eligible for assistance, and they in turn select eligible neighbourhoods. In 1977 agreements were signed with most provinces and 148 new NIP areas were selected, bringing the total since the inception of the program in 1974 to 478. NIP loan commitments during 1977 totalled \$15.4 million, little changed from 1976, while grants increased from \$49.4 million to \$54.3 million.

These grants have been used for providing social and recreational amenities such as community and daycare centres, parks and playgrounds, improvement of water and sewer services and upgrading of sidewalks and street lighting. Since NIP emphasizes a comprehensive approach to rehabilitation and conservation, loans available to homeowners and landlords under the residential rehabilitation assistance program to improve and repair old and substandard dwellings play a major role in NIP areas. The NHA loans granted under this program are in part forgivable depending on income. In 1977, RRAP loans were approved for \$69.4 million, nearly all allocated for the year. In 1976, loans totalling \$61 million were granted with a prospective \$42 million in loan forgiveness.

Home Improvement Loan Program. Under the home improvement loan provision of the NHA, chartered banks and approved credit instalment agencies are authorized to make loans for home improvements at favourable interest rates. These loans are