

not exceeding \$10,000 to ensure that the group is able to properly prepare 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. Income limitations will not be imposed on projects sponsored by non-profit organizations which cater to special disadvantaged groups such as the physically and mentally handicapped, the elderly and others whose housing choices in the market are extremely limited. In projects sponsored by non-profit organizations for clients with no special physical or mental disadvantages, income limitations may be required.

In 1973 loans were made to non-profit organizations for 4,314 dwelling units and 4,210 hostel beds for a total of \$95.1 million. The corresponding total for the previous year was \$42.9 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.

A new Section of the Act provides for loans to co-operatives to be made using the terms of the Assisted Home-Ownership Program and, if incorporated as a non-profit organization, Non-Profit Housing Assistance. Loans were made for \$7.6 million to provide 414 housing units, including an estimated contribution of \$700,000 to non-profit continuing co-operative associations.

Start-up funds. The NHA also provides for start-up funds not exceeding \$10,000 to be granted to sponsors of non-profit housing projects. To the end of 1973, a total of \$343,000 had been approved for 67 sponsors of non-profit housing projects.

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 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 by March 31, 1975. If construction is not complete by that date, 25% of the loan advanced or warrantable by construction progress, plus 25% of the accrued interest on advances may be forgiven.

Loans for municipal sewage treatment projects during 1973 were greater than any previous year since the commencement of the program in 1960. As has been the case in the preceding three years, a share of the annual budget was allotted to each province and each undertook to establish priorities among the applications submitted by its municipalities. Ontario made the greatest use of the available funds with 294 loans totalling \$153.8 million approved in 1973, compared to 261 loans and \$97.2 million in 1972 and 215 loans and \$76.7 million in 1971.

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.