

Public Housing

Large-scale low-rental public housing developments similar to those in United States or European cities are not common in Canada. Of those which do exist, almost all have been built since the end of the war. This is partly because of the preoccupation of Canadian towns and cities with problems of growth and, partly because of the difficulties of financing such schemes in earlier years.

The Federal Government provides financial assistance for the building of low-rental public housing projects and Federally-assisted public housing schemes have either been completed or are being built in 35 municipalities. Under the National Housing Act, the Federal Government can enter into a partnership arrangement with a provincial government to build and operate rental dwellings for low-income families. The federal authorities put up 75 per cent of the capital cost while the remaining 25 per cent is contributed either by the provincial partner or by its nominee. The partners share gains and losses on the same basis..

There are two types of schemes: those in which rents are set at a level high enough to recover the full operating expenses and at the same time pay back the initial investment over the finance period; and those in which rents are geared to the income of the individual family and the annual deficit is borne by the Federal and Provincial partners in the 75-25 per cent ratio. In full recovery schemes, where the rent is fixed for each dwelling, families are not admitted if their income is more than five times the monthly rental. If, after they are in, their income increases so that it exceeds six times their monthly rental they are obliged to leave.

The Federal Government may also make loans to limited-dividend companies to aid in the construction of low-rental housing projects.. Any group of public-spirited citizens which wants to help meet a need for low-rental accommodation may form a limited-dividend housing company in which dividends are limited to five per cent or less of the paid-up share capital.

Before such a loan can be made, however, members of the company must present evidence that conditions of shortage, overcrowding or sub-standard housing exist in the district in which the proposed project will be built.

Urban Redevelopment

The building of public housing is often associated with the clearance of slums or blighted areas. Under a further provision of the National Housing Act the Federal Government provides financial aid for clearing and redeveloping such areas. The Government contributes up to 50 per cent of the cost of acquiring and clearing the land, the other half being supplied by the province or the municipality. Federal aid is dependent on adequate housing being found for any family displaced in the clearing of the area. This may be provided by a federal-provincial public housing project.

The redeveloped land has to be used for its "highest and best use", which can be either housing, industry or commerce. The area selected must also be substantially residential either before or following clearance.