

municipality and sold in lots either to prospective homeowners or merchant builders. In some areas, a similar federal-provincial partnership may assemble raw land for future development.

Under the NHA, loans of up to 90 per cent of the cost of acquiring and servicing land for public and general housing purposes may be made to a province, municipality or public housing agency.

Loans to Non-Profit Companies

The Federal Government may also make loans to non-profit organizations for low-rental housing projects. Such projects may be rented either to low-income families or to the elderly, whose limited resources often bar them from the general housing market. Either a municipality or a private group of public-spirited citizens may form a non-profit company. If the company can show evidence of need in its locality for a low-rental housing project, the Central Mortgage and Housing Corporation is authorized to lend, at a low interest-rate, up to 95 per cent of the lending value of the project as determined by the corporation. The housing may comprise self-contained units, hostels or dormitories, or any combination of these.

Loans for Low-Income Rental Accommodation

Within the provisions of the NHA, private *entrepreneurs* may obtain funds for the construction of low-income rental accommodation. Loans are made for up to 95 per cent of the lending value of the property.

Maximum rentals for the project are set out in a contractual agreement between the borrower and Central Mortgage and Housing Corporation, and may not be altered without the consent of the Corporation. They take into account such factors as unit sizes, the extent of services provided and the normal market-rents in the vicinity. These rents in turn determine the maximum income limits for both entry into and continuing occupancy of the units in the development. Rents for low-income units are considerably lower than those for comparable accommodation in the open market, due to the special low interest-rate attached to NHA loans for low-income housing.

Urban Renewal

In 1964, the NHA was amended to provide for increased financial assistance to provinces and municipalities for urban-renewal programs. Urban renewal is an inclusive term used to describe the orderly process of rebuilding a municipality to improve working and living conditions. It involves redevelopment, rehabilitation and conservation, used separately or in combination, in designated areas. The process involves both private and public initiative and investment.

The Federal Government offers both contributions and low-interest loans to provinces or municipalities undertaking urban-renewal programs. Assistance may be obtained for urban-renewal studies, preparation of urban-renewal schemes, and the implementation of such schemes.

Under the NHA, up to 75 per cent of the cost of an urban-renewal study may be covered by Federal contributions. Such studies identify "blighted" areas, determine housing requirements and provide data upon which a co-ordinated urban-renewal program can be based.