

Mr. PALEF: I would think they had certain standards in connection with senior citizen units and I would say that in this case we were developing not a walkup type of dwelling but that of an elevator type. All the projects done in Ottawa in the past had been of the conventional walkup type. We wanted to develop something which we could give people accommodation which would have some durability over the years, in case some of these capable and able-bodied people became incapable of self-mobility. So this was one of the first problems we had to overcome, that is, the problem of a site which would meet the regulations of C.M.H.C. and be acceptable to them.

As I say, the sources of funds were a very serious problem because of the fact that in this case also, while we were representing or forming this company on behalf of the City of Ottawa, the City of Ottawa's contribution in all other projects was normally limited to a 10 per cent contribution. We assumed that the land contribution would equal that 10 per cent, but it did not. The City of Ottawa finds itself in the somewhat dangerous position of establishing a precedent by contributing an amount of roughly 30 per cent beyond the normal 10 per cent. In other words, what you finally wound up with in this case was that instead of contributing \$87,800 to the project they wound up with contributing \$112,631. As a result of establishing that precedent they ran the risk of being faced with this in future projects as well. This is one of the situations.

Then of course there are two ways of approaching this particular financial contribution. One has to be able to establish that you have sources of funds which will be sufficient to make the project fit in with your capital cost development.

Senator GROSART: What percentage of funds do you have to have as a voluntary organization, to obtain substantial help from C.M.H.C?

Mr. PALEF: Normally the amount is set at 10 per cent, but in our particular case we obtained a mortgage from C.M.H.C. of roughly 85 per cent. Even though they say they will lend up to 90 per cent, their loan of 90 per cent is related, as I said before, to the so-called appraised value, which does not in my opinion reflect any additional amount to take care of the amenities of the social adjustment which we are trying to set up in this particular project.

Senator GROSART: So from other sources you had to find 15 per cent?

Mr. PALEF: That is correct. Part of the problem arose also from the fact that the provincial government normally would make available a \$500 per unit grant. We were looking to them to increase the amount of their grant in order to make the project fit together from a capital cost point of view.

Senator GROSART: I am confused now. You had grants from Ottawa?

The CHAIRMAN: The grants were from the City of Ottawa.

Senator GROSART: And from the province. Would you give the arithmetic? You had 85 per cent?

Mr. PALEF: Out of a total cost of \$900,000, \$726,668 being made available in the form of C.M.H.C. mortgage, then you have \$61,000 made available in the form of a provincial grant, which is \$500 a unit on 122 units. And then the City of Ottawa made up the difference of \$112,631.

Senator GROSART: Is the City of Ottawa in the same position as Kiwanis Club or a Rotary Club?

Mr. PALEF: Yes.

Senator GROSART: And the City of Ottawa was a voluntary organization in this case?

Mr. PALEF: We acted on behalf of the Corporation of the City of Ottawa, but by virtue of the fact that we were acting on their behalf we still had to comply with all the rigid requirements regarding parking by-laws and