

GOVT\_PUBS  
CA1  
MH  
76153  
C.1

c.m.h.c.

NEIGHBOURHOOD &  
IMPROVEMENT  
HOUSING  
REHABILITATION  
IN CANADA

Canada Mortgage and Housing Corporation  
Société canadienne d'hypothèques et de logement

Canadian Housing Information Centre  
Centre canadien de documentation sur  
l'habitation

IMPROVEMENT OF HOUSING  
AND ITS IMMEDIATE SURROUNDINGS:  
CANADIAN MONOGRAPH ON  
NEIGHBOURHOOD IMPROVEMENT  
AND HOUSING REHABILITATION

Cal  
MH  
76 I  
c.1

Canada Mortgage and Housing Corporation  
Société canadienne d'hypothèques et de logement

Canadian Housing Information Centre  
Centre canadien de documentation sur  
l'habitation

PREPARED FOR THE  
COMMITTEE ON HOUSING,  
BUILDING AND PLANNING,  
ECONOMIC COMMISSION FOR EUROPE,  
UNITED NATIONS ECONOMIC  
AND SOCIAL COUNCIL  
PROJECT NO. 08.2.6

CENTRAL MORTGAGE  
AND HOUSING CORPORATION

April, 1976

## Contents

1. Introduction	pg. 1
2. The Nature of Canadian Housing	pg. 1
3. Description of Neighbourhood Improvement Programs	
a) Urban Renewal	pg. 2
b) NIP and RRAP	pg. 3
c) Related Federal Programs	pg. 6
d) Provincial/Municipal Programs	pg. 7
4. NIP and RRAP Assistance Components	pg. 8
5. Delivery Process	pg. 9
6. Monitoring and Evaluation	pg. 12
7. Rehabilitation Standards	pg. 14
8. Rehabilitation Industry	pg. 15
9. Energy Conservation	pg. 16
10. Historic Preservation	pg. 17
11. Resident Participation	pg. 17
a) NIP	
b) RRAP	
12. Program Take-Up/Trends	pg. 16
13. NIP/RRAP Projects	pg. 20

## 1

## INTRODUCTION

The Central Mortgage and Housing Corporation (CMHC) was established in 1945, as a Federal Crown Corporation, to deal with the housing problems resulting after the war and to administer the Dominion Housing Act of 1935. In the ensuing years, CMHC has developed a broad range of programs ranging from land assembly for new housing to the conservation of older residential neighbourhoods. At present, the Corporation is administering some 20 different programs which are now incorporated in the National Housing Act (N.H.A.).

This monograph provides an overview of two CMHC programs which were introduced to an amended National Housing Act in 1973: the Neighbourhood Improvement Program (NIP) and the Residential Rehabilitation Assistance Program (RRAP).

## 2

## THE NATURE OF CANADIAN HOUSING

In 1974, there were about 6,700,000 dwellings units in Canada, of which more than 50% had been built in the last 25 years. Approximately 30% of the units are in rural areas with the remainder distributed throughout the 2,200 incorporated urban centres in Canada. The majority of housing stock is of wood frame construction.

About 60% of the housing stock is owned by individual householders. The remainder is primarily rented from private landlords with only about 3% being rented from public authorities.

Estimates of housing in need of repair range from 209,000 in the 1966 Census of Canada to approximately 500,000 dwelling units in urban Canada in a special 1972 report commissioned by the Corporation.

### 3 DESCRIPTION OF NEIGHBOURHOOD IMPROVEMENT PROGRAMS

There are four areas discussed in this section. First a brief description of the Urban Renewal Program is given and the events leading to NIP and RRAP. Second, the CMHC programs, Neighbourhood Improvement (NIP) and Residential Rehabilitation (RRAP) are described. Next, other related CMHC programs are briefly outlined in order to provide a more complete overview of the Corporation's role in neighbourhood improvement and conservation. Finally, the relationship of similar Provincial/Municipal programs is discussed.

#### (A) URBAN RENEWAL

The germ of Canada's renewal legislation was contained in a provision of the 1944 N.H.A. whereby the federal government offered to share with municipalities the cost of acquiring and clearing blighted residential areas on condition that the cleared land would be used for low or moderate income housing. This action was motivated by a federal concern for the social consequences of slum housing.

To further encourage use of the N.H.A., the Act was amended in 1954 to permit public housing jointly undertaken by the federal and provincial governments in redevelopment areas. In 1956, the federal government removed its restrictions on land re-use in redevelopment areas. It became possible to clear slum housing and dispose of the land for whatever use was indicated in the municipal plan for the area.

However, little renewal activity occurred prior to 1964. There were three major restrictions in the legislation. First, assistance was limited to renewal areas that were predominantly residential before or after redevelopment. Second, the emphasis on clearance and residential use produced housing projects rather than renewal schemes in a comprehensive sense. Third, the legislation did not provide for assistance toward the improvement of municipal works and services.

In 1964, Part III of the N.H.A. was amended to assist municipalities to deal with urban renewal in any blighted area without the restriction of housing content. In other words, a very wide range of major redevelopment work in both residential and/or commercial areas was permitted. Under this program, loans for residential rehabilitation were available, but not grants. As a result of these changes, urban renewal activity greatly increased.

As redevelopment activity increased, a growing re-action against urban renewal developed. The anti-redevelopment tide peaked in 1969 with a federal task force report entitled "Housing and Urban Development". Consequently, in that same year, the Urban Renewal Program was 'frozen' and in 1973, the legislation was repealed by Parliament.

These series of events were a result of the growing sympathy toward conservation, rehabilitation and citizen involvement in community planning. The stage was now set for the federal government to develop alternative planning strategies to urban renewal. The development process lasted approximately 2 years and resulted in NIP and RRAP.

During the life of the Urban Renewal Program, some 200 urban renewal studies were funded with approximately 100 reaching implementation before the funds for new projects were cut off. Those projects which had reached the implementation stage before the program was frozen received the required allocation to complete the project.

## (B) NIP AND RRAP

### (a) Interrelationship between NIP and RRAP

NIP is intended to conserve and improve the living conditions of older neighbourhoods while RRAP provides assistance to rehabilitate substandard housing.

The two programs are considered to be interrelated components of any attempt to stabilize and improve those older deteriorating urban residential areas where economic rehabilitation measures are still feasible, since activity by property owners (the private sector) to extensively rehabilitate dwelling units becomes more attractive if public action is also underway to stabilize and improve the overall fabric of the neighbourhood. Thus, with three exceptions which will be set forth later, the Residential Rehabilitation Assistance Program is applied in those geographic areas designated by a municipality and province as a neighbourhood improvement area. The programs emphasize the conservation of both residential neighbourhoods and housing units wherever possible for families and individuals of low and medium income.

(b) Description of Neighbourhood Improvement Program

The goal of NIP is to conserve and maintain the desirable qualities of residential neighbourhoods before they deteriorate to a state where major redevelopment is required. The intent is to conserve and rehabilitate the housing stock (through the companion Residential Rehabilitation Assistance Program); to add or rehabilitate required social and recreational amenities or municipal services, to remove blighting land uses, and to promote the maintenance of the neighbourhood after the NIP project is terminated.

However, the program does not seek to provide unlimited resources to do everything that may be considered desirable. Instead, it requires planning and implementation within the terms of known and predefined resources. This requires a careful selection of priorities for action and further requires flexibility in planning and implementation to allow for readjustment of priorities as conditions or costs change. The essential element in the process is the preparation of a neighbourhood improvement plan which respects the available financial resources. The preparation of financial planning at the outset is important as it produces an assessment of realistic objectives and provides a discipline if a later change in priorities is contemplated.

NIP does not contemplate the preparation of an elaborate plan before action commences. It emphasizes action along with planning as a continuous process and seeks to avoid the negative effects and consequent lethargy that results from long periods of study, analysis and planning before action is taken. Consequently, implementation may proceed when a concept plan, which includes a budget, has been formulated and accepted. Generally, detailed planning of specific proposals should be undertaken during the implementation stage.

The program also stresses the involvement of residents in the process of planning and implementation. It is a program requirement that residents be provided with an opportunity to relate to what is happening to their environment and develop a measure of control in what happens to their community. Associated with this is the desire that there will develop as part of the neighbourhood plan, an approach to the integrated and local delivery of social, health, education and recreational services, such as legal aid, family counselling services, and the like.

#### (c) Description of Urban Residential Rehabilitation Assistance Program

The Residential Rehabilitation Assistance Program has been designed to improve the housing conditions of low and moderate income families by assisting in the repair of existing family housing units. Aimed primarily at homeowners and landlords, the program is also available to non-profit corporations which, in certain cases, may utilize RRAP funds to convert existing residential units to a greater number of units.

Although the program is primarily intended for areas designated for upgrading under the Neighbourhood Improvement Program, RRAP also operates in some areas which have received a special designation. These areas, usually former urban renewal areas, require general rehabilitation of housing units but do not require the additional funds for services, social and recreational facilities or social housing that is provided through NIP. RRAP operates within the context of the Corporation's Rural and Native Housing Program as well, providing rehabilitation funding to the country's rural areas.



### (C) RELATED FEDERAL PROGRAMS

#### (a) Rural and Native Housing

Certain sections of the National Housing Act enable CMHC to provide funds for housing Canada's Native People and those people who need assistance and live in rural, less developed areas of the country. The RRAP program is applied in this context after federal/provincial negotiations have selected areas for program operation. Program guidelines and regulations closely parallel those for urban rehabilitation. As of January, 1976 the program has been active in each of Canada's ten provinces.

#### (b) Non-Profit Corporations

Current legislation permits corporations designed solely for charitable purposes to borrow funds to acquire and rehabilitate family housing units without geographic restrictions faced by other program participants. In addition, funds are available for conversion of an existing residential property to a greater number of housing units, the only restriction being that the property be located in an area designated for upgrading under NIP. Loan amounts, forgiveness levels and earning of forgiveness is the same as for landlords.

Non-profit corporations may also receive funds to rehabilitate hostel and dormitory units.

#### (c) Home Improvement Loans

The federal government, through the nation's approved lenders, provides one other program to repair homes, the Home Improvement Program. Under this program, an applicant may borrow up to \$4,000 for repairs, improvements, extensions or additions to his home. The borrower must meet the eligibility criteria of the lender; however, CMHC guarantees the loan in the event of default.

## (D) PROVINCIAL/MUNICIPAL PROGRAMS

### (a) Rehabilitation

Six provinces have designed and implemented complementary rehabilitation programs of their own. This demonstrates the awareness on the part of the governments involved that much of deteriorated housing may still be economically viable and with careful use of rehabilitation technology will continue to provide decent, safe accommodation. In addition, some provincial programs provide the extra advantage to clients of "stacking" their benefits on top of those offered by the federal government.

The provincial programs vary in subsidy, loan amount and potential client group. Program types range from those oriented towards low income senior citizens who need minor repairs and small loans to large scale programs which encompass entire urban centres offering large sums of money at varying interest rates. At least one provincial program permits applicants living in NIP areas to obtain a grant portion from the province to be applied to the federal loan funds. In this manner a low income family may obtain sufficient rehabilitation funding in the form of grants to enable it to undertake all or most of the necessary repair work without taking on a new debt.

### (b) Neighbourhood Improvement

No Province has a improvement program similar to NIP. However, they participate in NIP by covering a certain percentage of the municipal NIP costs through Provincial grants.

The larger municipalities have tended to develop neighbourhood improvement strategies, identifying those neighbourhoods requiring improvements and building the required expenditures into the annual municipal budget. NIP has complemented these directions and expanded the range of improvements that the municipality can afford.

## 4 NIP AND RRAP ASSISTANCE COMPONENTS

### (A) NIP

The program provides funds to the Municipality through the Province for the selection of NIP areas in a Municipality, the planning of a NIP area once selected, and for the implementation of the NIP improvement plan.

CMHC provides grants as follows:

- (i) 50% grants for the selection of the neediest NIP areas in a municipality;
- (ii) 50% grants for the planning of a NIP improvement plan; and
- (iii) 50% grants to add or rehabilitate required social/recreational amenities, to remove blighting land use, to acquire land for social housing purposes, and to develop municipal housing by-law standards;
- (iv) 25% grants for the improvement of municipal services; and
- (v) 25% grants to remove blighting land use.

CMHC also provides loans to the municipalities of up to 75% of the remaining NIP project cost after deducting Federal and provincial contributions.

### (B) RRAP

Under current regulations, the Corporation may lend homeowners, landlords or non-profit corporations up to \$10,000 per family housing unit. Homeowners whose income is less than \$11,000, after being adjusted for such factors as dependent children, are eligible to have up to \$3,750 of the loans forgiven. The specific amount forgiven depends upon the combination of the adjusted income and rehabilitation costs in each case. Landlords automatically have the first \$2,500 of rehabilitation costs forgiven per family housing unit and, depending upon total costs, may

have up to \$3,750 forgiven per unit. Landlords must agree to charge fair market rents for the period during which forgiveness is being earned.

The forgivable component of each loan must be earned over a period of time. Homeowners earn forgiveness at a rate of \$750 a year, landlords at a rate which varies between \$250 and \$375 a year per unit, again depending on the total costs of repair. Homeowners whose income after adjustment is greater than \$11,000 may borrow monies to repair their units but are ineligible to receive a forgivable component.

The Corporation makes loan funds available at the current interest rate of 10 1/2% per annum; however, borrowers who qualify (landlords, non-profit corporations, homeowners whose adjusted income is less than \$11,000) will receive a monthly grant from the federal government which lowers the effective annual interest rate to 8%.

Program funds are to be used to ensure that the unit is brought up to minimum standards of safety and health. Priority will be given to the repair of the four basic elements of the unit; plumbing, wiring, heating and structure. However, in order that residential rehabilitation may contribute visibly to neighbourhood improvement, limited additional work will be eligible so as to improve the external appearance of the unit and its immediate surroundings. Increasing emphasis is also being given to rehabilitation which improves the thermal efficiency of the unit.

## 5 DELIVERY PROCESS FOR NIP AND RRAP

### (A) NIP DELIVERY PROCESS

The delivery process may be divided up into two main components: the Annual NIP Agreement and Municipal Application.

#### (a) Annual Federal-Provincial Agreements

The program is operated on the basis of annual agreements between CMHC and each Province. Each agreement contains a provincial allocation of federal contributions, and loans for re-allocation amongst municipalities selected by the Province and accepted by CMHC, criteria for neighbourhood eligibility, indication of the manner in which a project is approved, and a description of the process by which disbursements may be made.

### (b) Municipal Application

Depending on arrangements negotiated between CMHC and a Province and as set out in the annual agreement, municipal applications may be made through the Province or directly to CMHC for each of the successive stages of the program operation as follows:

- (1) selection of neighbourhoods
- (2) neighbourhood planning
- (3) implementation

Upon application, the local CMHC manager will issue a commitment to the municipality representing CMHC's maximum commitment of contributions together with a Certificate of Eligibility for the stage of the program to which the application relates.

A brief description of the three stages follows.

#### Stage 1 - Selection

Following the provincial selection of municipalities and the establishment of funding ceilings for the municipality in that year, the municipality applies for funds to select eligible NIP areas, which must satisfy Federal criteria. The municipality may take 6 months and may utilize up to 2% of the total Federal contribution to that municipality. The output of this stage is a list of eligible NIP areas in a municipality in order of need, and the selection of one or more NIP areas to be assisted that year.

#### Stage 2 - NIP Area Planning

Following the selection of one or more neighbourhoods, a municipality then applies for up to 8% of the total Federal contribution allocated to the neighbourhood. The objective is for the municipality and neighbourhood residents to produce a preliminary neighbourhood improvement plan, preferably within six months, which would permit implementation to proceed while further planning is carried out.

### Stage 3 - Implementation

Once a concept plan for the area has been developed, the municipality applies for the remaining balance of the Federal amount allocated to the neighbourhood. The municipality then commences implementation.

CMHC expects the municipality to complete the Selection, Planning and Implementation stages within 4 years.

#### (B) RRAP DELIVERY PROCESS

It is intended that administration of the program locally be a municipal responsibility, with federal and provincial participation limited, in the main, to establishing priorities and funding within predetermined budgetary limits. Separate agreements between the Corporation, the Province, and/or the municipalities involved are negotiated for the purpose of establishing administrative procedures with respect to program operation.

In the event that some municipalities may be unwilling or unable to undertake the full operational load, it may be that the services of the Corporation's offices will be required in one way or another to assist these municipalities. Perhaps the most appropriate administering agencies, in different situations, may be provincial housing corporations or regional planning boards or the Corporation's local offices themselves.

In any event, local offices of the Corporation have close involvement in the early stages of the program as particular local situations dictate.

For those municipalities or other agencies who undertake to deliver RRAP a maximum fee of \$300 per loan is payable by CMHC to the administering agency. The fee is under continuous reassessment.

#### (a) The Preliminary Application

The program administrator explains the program to the applicant, calculates his adjusted income, estimates his available forgiveness, authorizes an inspection of the property in question. At the time the applicant signs the application form, he agrees to a check of his credit and verification of his income. Landlords agree to provide a statement of rental revenue and operating expenditures.

### (b) The Inspection

The municipal housing inspector or property standards officer makes a complete inspection of the dwelling unit, noting all violations of the local maintainance and occupancy by-law. The inspector discusses these problems with the owner and lists any additional allowable work that the client wishes to be done.

### (c) Specification/Bid Packaging

The inspector must specify exactly what work is to be done on each unit, must state materials to be used and should include sketches where necessary. Bid packaging includes taking all the bids the applicant receives and deciding which should be accepted, as well as which items may be dropped in the event of excessive costs.

### (d) The Final Application

This includes determining the client's forgivable/repayable loan components, arranging for additional financing, counselling the client on financial matters, determining his ability to repay the loan, arranging for the signing of the promissory note or mortgage, arranging for the signing by the landlord applicant of a rental control agreement, and finally the signing of the final application form.

### (e) Progress Inspections

These inspections are carried out during the actual rehabilitation work to ensure that all work being done meets local standards as well as those of CMHC.

## 6

## MONITORING AND EVALUATION

Monitoring and evaluation are essential components of program management, with each function serving specific purposes. Monitoring helps ensure that the program is being implemented as intended and evaluation helps improve the efficiency of the program in meetings its

objectives and assess the continuing relevance of the objectives to meet contemporary housing needs. The two functions are closely related in that monitoring assists evaluation through the provision of data and by identifying critical topics for evaluation.

Both monitoring and evaluation exhibit certain characteristics that are common to systems developed for both NIP and RRAP. Among these characteristics are:

- a) a series of pre-identified questions: In order to utilize staff and resources most efficiently, the questions that need be answered are asked before data collection commences;
- b) continuous flow of information: This is needed to ensure a continuous picture of the critical components of the programs;
- c) standardized data: This ensures that data collected from different sources is comparable and avoids unnecessary duplication;
- d) different data types: Both programs employ both numerical and non-numerical data as equally important components. Very often, the opinions and observations of field personnel prove as important as numbers.

Monitoring and evaluation for NIP incorporate ten major report areas. Among these are: field office program delivery reports, monthly monitoring reports, reports on field trips, and monthly allocation/commitment summaries.

The RRAP program utilizes some sixteen major reporting areas including: Constraints to Program Delivery, Monthly Monitoring Report, Monthly Commitment Report, Field Trip Reports, reports from the Branch and Regional Offices, and spot checks in the Municipality to ensure that the work undertaken is eligible and the quality adequate.



These reports enable staff in the Division to compare information with established yardsticks for program delivery, identify meaningful deviations and their significance and finally to initiate action to explain and overcome these deviations.

In the same manner, certain trends may be indicated in these reports. These trends are analyzed further for their significance and appropriate action then taken to counteract or to reinforce such trends.

## 7 REHABILITATION STANDARDS

It is required that a municipality, before being approved for a Neighbourhood Improvement Program, advise Central Mortgage and Housing Corporation of the manner in which occupancy and building maintenance standards will be enforced. In addition, the Act requires that no RRAP loan may be made unless the Province or the Municipality in which the family housing unit is located has adopted occupancy and building maintenance standards satisfactory to the Corporation. To aid the municipalities and to assist homeowners in determining items that are and are not eligible for assistance, a set of rehabilitation standards were devised.

These standards should not be confused with a local minimum maintenance and occupancy by-law, from which they differ in several respects, as follows:

- a) A minimum maintenance and occupancy by-law establishes a minimum level of maintenance which must be adhered to as a matter of law. In contrast, CMHC standards refer to the types or repairs which can be funded with RRAP.
- b) A minimum maintenance and occupancy by-law would not contain recommended standards. The decision as to exactly which recommended items are to be mandatory depends on the local maintenance and occupancy by-law, and on other legislation requiring higher standards. CMHC standards treat as mandatory those elements relating to structural integrity, fire safety, heating, plumbing and electrical work. These are the basic elements of any effective maintenance and occupancy by-law.

- c) CMHC standards contain no administrative provisions, essential to a minimum maintenance and occupancy by-law.
- d) CMHC standards likewise contain no occupancy standards as some by-laws do.

It is emphasized to applicants that repairs under the program must bring the unit to the standards of the municipal occupancy and building maintenance by-law, are not to be of a "patch-up" nature, but should contribute to increasing the life-expectancy of the building by at least 15-20 years. On the other hand, funds are not available for such projects as additions to buildings, or for work not deemed to be necessary rehabilitation work. Funds are only advanced as inspections of completed work by Municipal, Provincial or Central Mortgage and Housing Corporation inspectors are made, ensuring that required rehabilitation work has been carried out to specification.

## 8 REHABILITATION INDUSTRY

The ability of RRAP to meet the rehabilitation need in Canada will depend, in large part, upon the capability and response of the contracting industry. During the first full year of RRAP operation, the industry responded to improve some 4,000 units. The concern is, however, whether the industry will be able to handle the volume of demand that is anticipated as the program gains momentum.

In large urban areas, the building industry is finding ample opportunities for new construction. Moreover, the increasing size of many construction firms makes it increasingly difficult for them to respond to the retail nature and scale of home rehabilitation jobs. In contrast, in certain small and no-growth areas, skilled manpower has moved away. The so-called "home-improvement" contractors are not as good an alternative as might appear, because of the level of profit often expected by these firms and the fact that they are often more interested in selling a specific "product" (kitchen cabinets, aluminum siding etc) rather than rehabilitating the basic house.

C.M.H.C.'s Neighbourhood and Residential Improvement Division sees the development of a rehabilitation industry as a priority activity. It has already recommended certain modifications to the RRAP delivery procedures designed to facilitate better participation by contractors, and proposes to develop a more comprehensive strategy for industry involvement during 1976.

The municipalities which have been most successful in delivering RRAP have generally been those who have seen the stimulation of contractor interest as a basic part of their jobs, either through having a special contractor/liaison person on their staff or through simply recognizing that the task of contractor liaison requires a substantial amount of the RRAP administrator's time.

## 9 ENERGY CONSERVATION

As worldwide energy costs increase, the conservation of energy becomes more important. Many items that are eligible rehabilitation costs under the RRAP program are directly responsible for such conservation. Among these items are: the use of aluminum siding to replace an outdated or inefficient exterior shell; the availability of insulation materials for walls and floors, conversion of older, inefficient heating systems to more modern, cost-saving furnaces, and installation of storm windows and doors.

Energy conservation is a national concern and a number of public and private organizations are at work seeking better ways to cool and heat homes. The Corporation has initiated a committee titled "CMHC Thermal Efficiency Policy Group" consisting of members from various program and support Divisions whose mandate requires the formulation of policies and standards for new residential construction as well as guidelines for a greater degree of efficiency in existing units. There will be increasing emphasis on this kind of work and much stress will be placed on the money that can be saved by rehabilitation of these elements.

## 10 HISTORIC PRESERVATION

Since 1970, an inventory of heritage buildings has been undertaken by the National Historic Parks and Sites Branch of the Department of Indian and Northern Affairs. The exterior features of 200,000 of these buildings have been catalogued and computerized. Detailed drawings and photographs have been produced for 1800 interiors and architectural details for each will also be computerized.

Heritage Canada is successfully sensitizing the public to the heritage value of our environment and motivating private groups and governments in promoting the preservation of areas, either through recycling buildings or the maintenance of occupied dwellings.

CMHC is in the process of developing an approach to heritage sensitive rehabilitation. Its Neighbourhood and Residential Improvement Division proposes to conduct research, during 1976, on the design quality of rehabilitation work which would develop such a policy, would test the hypothesis that heritage-sensitive rehabilitation need not always be more expensive than ordinary rehabilitation, and would explore the degree to which heritage and aesthetically-sensitive rehabilitation can increase the degree of viability restored to neighbourhoods through the NIP process. A product of this research would be specific guidance materials for property owners and program administrators.

## 11 RESIDENT PARTICIPATION

### (A) NIP

The legislation which outlines the Neighbourhood Improvement Program requires that the Corporation must be informed of the manner in which residents of the NIP area will participate in the planning and implementation of the program. The definition of the nature and extent of participation is therefore a municipal initiative, and this has led to a wide variety of interpretations across the country. The approach has therefore been one of encouraging a voluntary local acceptance of the principle, through the example of cases where participation has proven to be beneficial to both the municipality and the residents.

## (B) RRAP

Participation by area residents is the key to success of the RRAP program. CMHC supplies the municipalities with a brochure which, along with a map of the area and a letter, is distributed to each house in the area. Additional, more formal brochures are available at every CMHC office, describing all National Housing Act programs including RRAP. When beginning their program, a number of municipalities have chosen to have a "model" rehabilitation home which when completed will excite interest and encourage area residents to apply for assistance for their own homes.

## 12 PROGRAM TAKE-UP/TRENDS

## (A) NIP

The effectiveness of NIP will be reviewed by Parliament in 1978, at which time a decision will be made as to how the program will be continued.

NIP areas will be selected over four years, from 1974 to 1977. No new NIP areas will be selected in 1978 unless the program is continued.

During these four years, approximately 450 NIP areas will have been selected. (This may be compared with the 105 projects which resulted from the previous Urban Renewal Program). Some 1,250,000 people living in 400,000 dwellings will be affected. It is further anticipated that approximately 100,000 - 150,000 dwellings will be rehabilitated as a result.

The NIP areas selected to date have an average project cost of \$1,200,000 to which the Federal contribution has been 42% or \$500,000, the Provincial contribution 20% or \$240,000 and the Municipal share 38% or \$460,000. The average NIP population is 2,600, occupying 880 dwellings of which approximately 250 units require rehabilitation. The average NIP area size is 200 acres of which 60% is residential land use. The average 1971 annual income of NIP residents was \$7,000.

The distribution of 191 projects selected as of January 1976, municipal size is as follows:

Municipal Size	No. NIP	% of NIP
	<u>Areas Selected</u>	<u>Areas Selected</u>
Below 2,500	30	16
2,500- 9,999	48	25
10,000- 29,999	41	21
10,000- 99,999	41	21
100,000-	31	16
TOTAL	<u>191</u>	<u>100%</u>

In 1975, a strong trend emerged toward selecting a greater number of communities under 2,500.

(B) RRAP

1975 represented the first full year of operation for RRAP in NIP and Specially Designated areas. Of the 3,665 units which were rehabilitated, 3,236 were in NIP areas and 429 were in Specially Designated Areas. Approximately \$10,500,000 was committed, with the average RRAP loan at \$2,865 of which approximately \$2,148 was a grant. The program gathered momentum over the year with approximately 45% of all commitments being made in the last quarter of 1975.

The average income of homeowner participants was \$5,286. As the year progressed, landlord activity increased from 29% of the units rehabilitated in January, 1975, to 54% of the units in December. Over the year, landlord units accounted for 40% of the activity.

Of particular interest has been the declining length of time necessary to place an average RRAP loan. From January, 1975, to December 31st, 1975, this time period decreased from 112 days to 68 days. This represents both increased municipal delivery efficiency and the increasing ease whereby homeowners and landlords obtain work estimates from rehabilitation contractors.

### 13 NIP/RRAP PROJECTS

Among the specific Canadian communities that have residential rehabilitation and neighbourhood improvement activity that might be of interest to foreign visitors are the following:

#### (a) Vancouver and Environs, B.C.

The Strathcona project in Vancouver was a demonstration neighbourhood/residential improvement program with strong participation on the part of its Chinese-Canadian residents, that is considered a prototype of the present NIP and RRAP programs. This project has been substantially completed.

A substantial amount of RRAP has been accomplished in Vancouver and some of its surrounding communities. Citizen participation in Vancouver's large Kitsilano area has been most active, there being a number of resident groups, many with conflicting views.

#### (b) Calgary, Alberta

In the Inglewood-Ramsay NIP area, not only has delivery of the RRAP program been deemed extremely effective, but effective use has been made of the neighbourhood association, which plays a strong role with respect to RRAP as well as NIP. Preliminary applications for RRAP, for example, are received through the neighbourhood association's centre.

Calgary has a system by which neighbourhood groups prepare "design briefs" for neighbourhood planning purposes. This feeds into the selection process for NIP areas, as well as the actual planning once the neighbourhood has been selected. Neighbourhood groups actually deliver a number of the City's recreational programs.

(c) Edmonton, Alberta

The Canora NIP area is an example of an smoothly-running NIP program with effective citizen participation.

(d) Winnipeg, Manitoba

Winnipeg's NIP programs display a high degree of linkage between NIP and a wide array of social and physical programs, as well as a substantial accomplishment with respect to RRAP. Outstanding use of low-rent, in-fill housing (Provincial).

(e) Toronto, Ontario

Toronto is interesting in that there is an active thrust to decentralize certain municipal government functions. There is a city-wide association of NIP residents' organizations.

In the rehabilitation area, the large-scale rehabilitation accomplished by a municipal non-profit corporation is of particular interest.

(f) St. Catharines/Niagara Falls Area, Ontario

Solid accomplishment with delivery of RRAP in St. Catharines, Niagara Falls and Grimsby illustrates potential for this Program in small communities as well as larger ones. In St. Catharines, resident groups are involved in the selection of NIP areas by the City's planning department, which invites such groups in potential NIP areas to submit proposals.

(g) Montreal, Quebec

(1) A number of very thorough, "gut", rehabilitation undertakings carried out through a combination of Sections 15 (Limited Dividend) and 34.1 (RRAP) of the N.H.A. Here, entrepreneurs have both purchased the buildings and themselves carried out the rehabilitation. An interesting side effect of this program is that some of these same, newly-developed, rehabilitation contractors then became available to carry out rehabilitation work for others who must rehabilitate buildings they already own.



(2) The City also operates its own rehabilitation assistance program, jointly funded by it and the Province, and shaped to its special circumstances. This includes, for example, special subsidies for removal of outbuildings and rebuilding of back porches and stairs.

(h) St. John's, Newfoundland

The first community to get started with RRAP, St. John's is now embarking on a NIP project with heritage overtones.

The above only constitutes a sampling of some of the more interesting rehabilitation and neighbourhood improvement activity throughout Canada. Foreign visitors interested in visiting such sites would be well advised to check with C.M.H.C.'s Neighbourhood and Residential Improvement Division for listings of others.