

## **Section 61 Program (1973–1978)**

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### **Program Objectives**

- to provide modest, affordable housing appropriate to the needs of low- and moderate-income families and individuals
- to house mainly families whose incomes may be too high for public housing but who cannot compete in the open market for housing
- to encourage the integration of families and individuals of varying income.

### **Program Features**

- unilateral federal program
- income-mixing
- 100 per cent preferred financing directly from CMHC
- eight per cent mortgage loan with 50-year term and amortization period
- ten per cent capital grant from CMHC or the province earned over time
- subsidy/surcharge system to balance mix of incomes (incomes verified at least once every 30 months)
- a minimum percentage of households, fixed by each operating agreement, must be subsidized
- rent supplements available for a proportion of units (typically 25 per cent) under separate federal/provincial cost-shared rent supplement program (certain provinces only).

### **CMHC Authority Under Co-op Operating Agreement**

- right to approve changes to co-op's occupancy charges and surcharges (requirement suspended)
- right to inspect co-op's books, records and accounts
- right of access to co-op at any reasonable time to audit co-op or obtain statistical or other information on operation of co-op
- right to inspect property
- right to call loan or raise interest rate to current CMHC lending rate in event of breach of agreement
- right to approve any contract for management services
- may require co-op to make such annual or other reports to CMHC in such form and containing such particulars as CMHC may require
- may require co-op to supply such information as CMHC may require for statistical purposes
- co-op may not mortgage or encumber property without CMHC's approval
- co-op may not sell or otherwise dispose of all or part of property without CMHC's approval
- co-op may not lend co-op funds or guarantee obligations of third parties without CMHC's approval.

## **Accountability Framework**

- operating agreement
- annual audited financial statement
- approval of housing charges (requirement suspended)
- co-op fully responsible for operating results.