

To: His Worship the Mayor  
and Members of City Council

From: S. A. Ward, City Manager

Date: March 27, 1969

Subject: Loan Fund for Former Africville Residents

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On March 12th, City Council approved a resolution containing six items relating to a proposal to give that further assistance which is required to meet the responsibility to the former residents of Africville. Three of these items involved the loan fund, namely, the amount of the fund, the appointment of a Board of Directors and the seeking of legislation to enable the Board to act as a cooperative body in the administration of the fund.

While looking at the appropriate legislation that would be required, it was realized that legislation was already in effect in the form of the Credit Union Act. This particular Act contains all the requirements needed to provide good financial control and it was therefore felt that action should proceed along these lines. Meetings were held with officials of the Nova Scotia Credit Union League, John Wrin being on the executive of the League, and their assistance resulted in the tentative formation of the Seaview Credit Union.

Membership in the Credit Union will include the following persons:

		<u>Position</u>
S. A. Ward	City Manager	Supervisory Committee
H. D. Crowell	Social Planner	Director
R. L. Towler	Director of Finance	Supervisory Committee
Mrs. A. McDonough	Social Planning Staff	Credit Committee
J. Wrin	Deputy Chief of Police	Representative from the N.S. Credit Union League on Board of Directors
George Cooper	Solicitor (McInnes, Cooper & Robertson)	Credit Committee
Eleven ex-Africville residents		Directors and on Credit and Supervisory Committees

Protection in the issuing of loans is obtained by the fact that they can only be approved when a majority of the Credit Committee is present and unanimous approval is given.

The Supervisory Committee has to make an examination of the affairs of the Credit Union not less frequently than quarterly and with the representatives from the City, as indicated above, there should be good control available.

Since the idea of a loan fund germinated over five months ago, the needs of the individuals have become progressively greater. As a result, it was decided to apply to the Registrar of Credit Unions immediately, because it can take up to thirty days for the Charter to be granted. This application for registration, of course, can be cancelled at any time.

It is recommended that City Council approve the method of appointments as noted on the foregoing page, to enable the Credit Union to proceed as soon as registration is effected.

A copy of the proposed Supplemental By-Laws is attached for your information.

Respectfully submitted,

A handwritten signature in cursive script, appearing to read 'S. A. Ward', written in black ink.

S. A. WARD  
City Manager

SAW/H.  
Attachment

Minutes Re: Housing Authority Meeting

January 29, 1971 9:00 a.m.

A meeting of the Africville housing committee was held January 29, 1971. Present at the meeting were Arthur Dixon, Lloyd Farrell, Yvone Carvery, Mr. Crowell, Paul Leger and Bob Grant.

The major part of this meeting was spent in defining goals and objectives of this committee. It was finally felt that this committee was to represent the original Africville re-locatees who were property owners at the time of relocation.

It was agreed that copies of the list of original re-locatees would be sent to Yvonne Carvery, Lloyd Farrell, and Arthur Dixon.

It also was agreed that the next meeting will commence with defining who the people are, who are in need of housing as well as those people who this committee represents.

Mr. Dixon also agreed to contact me regarding a time for the next meeting.

Respectfully submitted,

Paul Leger.

PL:bmb

Mr. Art Dixon,  
Canada Manpower Centre,  
5450 Cornwallis Street,  
Halifax, Nova Scotia.

February 19, 1971.

Dear Mr. Dixon:

Our office is very much interested in the progress you have made thus far in defining the original Africville relocatees who would be eligible for housing.

As you will recall the agreement made after our last meeting was that you would look into this matter.

If for any reason, you have run into difficulty in this matter our office would be prepared to make an input of time, in assisting you in any manner acceptable to your group.

I am looking forward to meeting you at our next meeting, however, if we can assist you, please do not hesitate to contact me.

Yours truly,

Paul Leger

PL:bmb

Re: Africville Follow Up  
Housing Committee

Minutes Re: Housing Authority Meeting

January 29, 1971 10:00 a.m.

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Paul Leger.

PL:bmb

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*file*

NHA 5041 (Provisional)

LOANS FOR LOW-RENTAL HOUSING  
UNDER SECTION  
16

Canada's National Housing Act offers a variety of forms of financial assistance designed to encourage public and private efforts in the provision of low-rental housing accommodation.

Under Section 16 of the Act, 95% loans are available to any organization, corporation or individual wishing to undertake low-rental projects either through new construction or the purchase and improvement of existing buildings.

Accommodation so provided is intended to serve those families and individuals including elderly persons whose incomes are inadequate to meet current rentals on the open market.

The accommodation provided may take the form of individual housing units, self-contained apartments, or hostel beds.

Reduced rentals are made possible through the special terms of the NHA loan which is at a preferred rate of interest and for an extended amortization period.

Loans of this type may be arranged through any local office of the Federal housing agency, Central Mortgage and Housing Corporation.

Loan Amount

Loans for low-rental housing projects may be up to 95% of the lending value of the development subject to the following maximums:

Houses	\$25,000 per unit
Apartments, (Self-contained)	18,000 per unit
Hostels, shared facilities	7,000 per person housed

Lending Value

"Lending value" is the value of the project for mortgage purposes as established by CMHC and may be equal to or less than the borrower's estimate of total cost.

Loan Term

The loan may be for a term up to 50 years.

Equity and Security Requirements

The borrower must provide the difference between the NHA loan amount and the total cost of the development. This equity may be in the form of cash, capitalized construction profits, land, services, or any combination of these elements.

Security may be in the form of a first mortgage on the project in favor of the Corporation or such other security as the Corporation considers adequate for the protection of its interests.

### Interest Rate

The interest rate for loans for low-rental housing projects is considerably lower than the usual rate for insured lending under the NHA. This rate is reviewed periodically and established by the Governor in Council. Details regarding the current charges may be obtained from the nearest CMHC office.

### Rentals

Maximum rentals for the project are set out in the contract agreement between the borrower and the Corporation. They may not be changed without Corporation consent. They take into account the size of the various units, the extent of services provided and normal market rents in the vicinity. These rents, in turn, determine the maximum income limits of tenants for occupancy of units in the development.

Where there is a change in the operating costs of the project, the maximum rentals may be altered with the approval of CMHC

### Repayment of Loans

Repayment generally is made in equal monthly instalments which include payment of loan principal, interest, and one twelfth of the estimated annual municipal taxes. Monthly instalments may vary from time to time in order to cater to changes in municipal tax charges.

### Application for Loan

Before submitting a formal application it is recommended that the sponsor of a low-rental project discuss the proposed development with the manager of the local CMHC office. This will enable the Corporation to indicate its preliminary views concerning the project without unnecessary expense being incurred by the applicant. For purposes of discussion, the prospective borrower must present specific evidence that conditions of shortage, overcrowding or substandard housing for low-income individuals or families exist in the district. Evidence of adequate planning must also be presented together with a guarantee that municipal services such as roads, sidewalks, street lighting, sewer and water lines are or will be available on completion of the project.

The borrower will also be required to satisfy CMHC that he has the necessary organizational and managerial experience to administer the planning, construction and operation of the proposed project.

He must also be able to prove that he has funds sufficient, when added to the loan, to pay the entire cost of construction and ensure the completion of the project.

### Application fee

The actual application is made by completing the form CMHC 301 which is to be submitted to the Corporation together with an application fee of \$35.00 for each unit or, for hostels, \$17.50 per person accommodated in the project. No application fee will be required for a project that is sponsored by a non-profit corporation.

### Plans

Two copies each of the plans, specifications and plot plan for the project must accompany the application. These may be preliminary plans.

### Working Drawings

Prior to any mortgage advance it will be necessary for the borrower to submit two copies each of the working drawings and specifications including structural, mechanical and electrical detail of the project.

### Loan Advances

The first loan advance from CMHC is made available when warranted by construction progress, providing the conditions of loan approval have been met. These conditions require the execution of a mortgage and operating agreement and the presentation of acceptable working drawings including structural, mechanical and electrical details of the project.

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Advances are then made periodically throughout the course of construction. To keep construction progressing without interruption, the borrower must have temporary building funds available that are somewhat greater than the actual initial equity necessary.

### Inspections

CMHC will make a number of construction inspections while the project is being built. These are not architectural, engineering or supervisory inspections but are made to ensure the development is built in reasonable conformity with the approved plans and specifications and the housing standards prescribed by CMHC. They also serve to check construction progress for the purpose of loan advances.

Provincial Assistance

Dependent upon the purpose for which a project is being provided the borrower may be entitled to financial assistance from provincial governments. Sponsors should contact the appropriate provincial authorities in order to ascertain whether or not their undertaking qualifies for such assistance.