

# FIRST NATIONS HOUSING ACTION PLAN



MAY 31, 2005

## VISION

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First Nations are seeking a nation to nation and government to government relationship wherein First Nations have the capacity to improve their quality of life through long term, sustainable funding to fulfill the Government of Canada's treaty, aboriginal, and fiduciary obligations in the area of housing and infrastructure. This will allow First Nations to build a sufficient number of houses to deal with the housing backlog, and the future needs for adequate shelter for First Nations.

The goal is a First Nations controlled and sustainable housing and infrastructure system that adopts a holistic, culturally appropriate approach. This system will respond to the need for shelter and substantial infrastructure developments in First Nations communities while creating opportunities for ownership, employment and economic development at the local, regional and national levels.

While strategic investments are required immediately to relieve the crisis that many First Nations communities are facing, our vision articulates a shift in focus from dependence to a sustainable continuum of First Nation housing and infrastructure systems to respond to the need for social housing and create opportunities for home ownership, employment and economic development.

In order to achieve this vision, First Nations must be effectively and meaningfully engaged at the local, regional and national levels, including meaningful participation at the upcoming Federal Cabinet Retreat and First Ministers Meeting.

## FIRST NATIONS' PERSPECTIVES ON HOUSING

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First Nations housing and infrastructure is in crisis. When compared with the non-aboriginal population, First Nations communities are at an extreme disadvantage.<sup>1</sup> In fact, they are at such a disadvantage that the housing and infrastructure conditions in First Nations communities have been compared to those in the third world. Numerous studies over the decades have catalogued the serious problems with housing and infrastructure for First Nations: shortages leading to severe overcrowding; lack of plumbing; no electricity; poor insulation; toxic mould; substandard construction; and, an overabundance of units in need of major repair.<sup>2</sup> Due to these factors, many families have a cycle of stress and sickness that is never-ending, placing an additional burden on the already strained health care system.

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<sup>1</sup> For example according to the 2001 census, density rates - an indication of crowding - are approximately twice as high on reserves as they are for the rest of Canada (4.75 vs. 2.5)

<sup>2</sup> Including: April 2003 Report of the Auditor General of Canada to the House of Commons, Chapter 6 - Government of Canada Support to First Nations - Housing On Reserves <http://www.oag-bvg.gc.ca/domino/reports.nsf/html/20030406ce.html>; and Statistics Canada Aboriginal Peoples Survey: Well-being of the non-reserve Aboriginal population, 2001 89-589-XIE <http://www.statcan.ca:8096/bsolc/english/bsolc?catno=89-589-XWE>

In addition, to these serious problems, there are significant demographic factors placing even more pressure on the existing housing stock. The First Nation population is young and rapidly growing, which is placing increased demands on existing family housing units and will increase demand for housing in the future as young people move out and start households of their own. In addition, the reinstatement of the registered Indian status of many First Nation citizens, including a large percentage of women and their children, through Bill C-31 has resulted in a substantial increase in the demand for on-reserve housing, without a corresponding increase in supply.<sup>3</sup> This increase in demand, coupled with the poor conditions of existing units provides another incentive for the migration of First Nation Citizens to urban areas.

This housing and infrastructure crisis is occurring despite the fact that First Nations peoples possess Inherent, Treaty and Aboriginal Rights defined in section 35 of the Canadian Constitution. First Nations are adamant that any approach to coordinating services must support First Nations self-governing authorities with targeted and consolidated funding, as well as new integration and partnership models to improve the efficiency and effectiveness of housing and infrastructure delivery. Moreover, as reflected in *Corbiere* (1999), First Nations jurisdiction does not end at the reserve borders, but extends wherever First Nations citizens are living, including rural, northern and urban areas. First Nation communities want to help their off-reserve and urban citizens acquire and maintain adequate living conditions wherever they live and view this as a key element of transformative change.

Housing has always been considered a fundamental issue, one that is critical to the day-to-day well being of First Nations people as it is a key link to education, health, economic opportunities and employment outcomes. Maintaining the status quo will have long term effects on the level of support required for areas such as health, education and policing. Study after study has shown that communities with adequate housing and infrastructure have healthier, better educated, and safer communities. Moreover, poor housing and infrastructure translates into a poor start in life leading to increased difficulties and the need for increased interventions later in life. Children living in substandard housing, contaminated with toxic mould or lacking safe drinking water, will not have a fair chance to reach their potential and play a meaningful role in their community.

Ultimately, transformative change will be judged to be successful not only when the back log is completely addressed and the gap in living conditions between First Nation communities and the rest of Canada is closed, but when the full transfer of jurisdiction for housing and infrastructure to First Nations has occurred. However, this process must be community driven and not imposed on First Nations communities. As such, broad-based consultation seeking local input and support will be critical. While the AFN will continue to develop, analyze and inform First Nations of possible options, any new approach must be flexible enough to allow First Nation communities

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<sup>3</sup> The number of reinstated First Nation citizens totaled over 95,000 in 1995; 60% of these were women.

to have an on-going choice of different options, adopt new options when they are ready, and be able to maintain current arrangements that are successful.

## **THE DIRECTION FORWARD**

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At the April 19, 2004 Canada-Aboriginal Peoples Roundtable, the Prime Minister of Canada proposed a new relationship built on a principle of collaboration and aimed at transformative change. First Nations are strongly encouraged by this call for a new partnership with Canada; in particular, the Assembly of First Nations (AFN) has accepted this proposal by creating a Senior Negotiating Table process as well as escalating the work under way in the National Chief's Office and the AFN Secretariat.

However, significant advancements in First Nations housing and infrastructure will only be achieved with a new mandate for change by the Government of Canada. The spring Cabinet Retreat on Aboriginal issues is an excellent starting point for discussion of a new mandate, which can be confirmed at the First Minister Meeting on Aboriginal issues in the fall. The National Chief has committed to full engagement in these events, with the caveat that full participation of First Nation governments is recognized and honoured and that these forums provide a focused dialogue backed up by serious commitments by all participants.

The AFN proposes to work with the Government of Canada to address immediate needs, including building additional housing units and related infrastructure and addressing renovation requirements, while at the same time working to develop the long-term sustainability of on-reserve housing and infrastructure. The AFN also proposes to work with provincial and territorial governments to ensure that the needs of First Nations people living off-reserve are met.

## **FULL ENGAGEMENT WITH FIRST MINISTERS ON HOUSING AND INFRASTRUCTURE**

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The Federal-Provincial-Territorial (FPT) Ministers responsible for Housing and Infrastructure, to date, have had minimal positive impact on First Nations housing and infrastructure, either on, or off reserve. A focused discussion by First Ministers on First Nations housing and infrastructure is needed to affirm their commitment to establish an Action Plan to address systemic inequities in housing and infrastructure conditions for First Nations as well as housing and infrastructure related health determinants experienced by First Nations. In order for this to occur, First Nations leaders must be fully involved in all negotiations that impact First Nations housing and infrastructure on and off reserve.

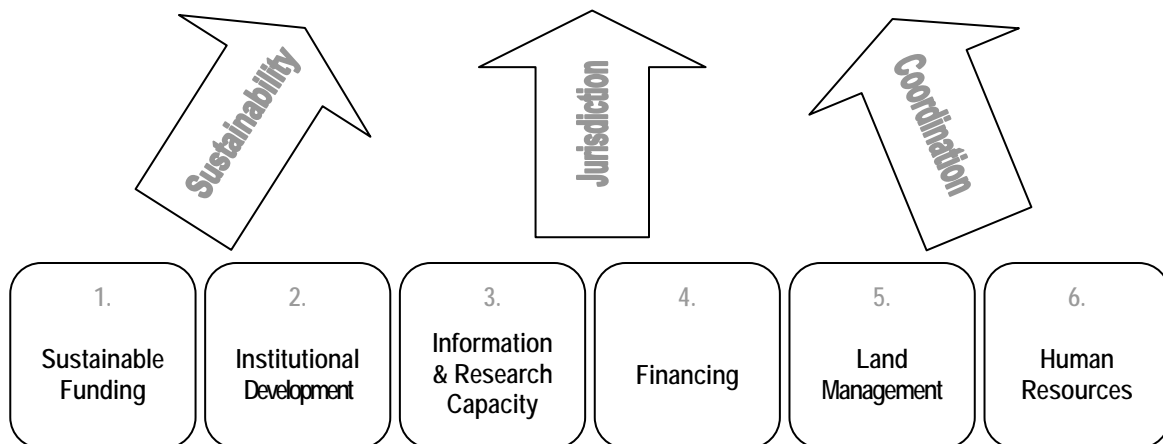
# THE FIRST NATIONS HOUSING POSITION PAPER

The First Nations Housing Position Paper provides a comprehensive outline to achieve transformative change in the longer term, as well as immediate improvement to the housing and infrastructure crisis currently experienced by First Nations communities.

## First Nations Housing Position Paper

### VISION:

First Nations are seeking a nation to nation and government to government relationship wherein First Nations have the capacity to improve their quality of life through long term, sustainable funding to fulfill the Government of Canada's treaty, aboriginal, and fiduciary obligations in the area of housing and infrastructure. This will allow First Nations to build a sufficient number of houses to deal with the housing backlog, and the future needs for adequate shelter for First Nations.



To achieve the vision of a First Nations controlled housing and infrastructure system, the First Nation Housing Action plan is premised on three key concepts:

**Sustainability** requires real funding matched to population growth, and real cost drivers, as well as effective measures to monitor and track spending. This will ensure that funding results in real improvement to First Nation housing and infrastructure outcomes, not just today, but in the future. A first step towards sustainability is to end the discriminatory 2% increase cap on First Nation spending by the Government of Canada. In addition, sustainable housing will require sustainable economic development initiatives.

A system in crisis cannot be seen as sustainable. As such, immediate intervention is needed to end the crisis including immediate funding to address key issues of

overcrowding, backlog and sub-standard conditions that are endemic in First Nation communities; debt reduction initiatives; and assistance for third party management recovery.

**Jurisdiction and Control** requires the recognition and acceptance of First Nations' Inherent, Treaty and/or Aboriginal Rights to housing and shelter as defined in section 35 of the Canadian Constitution. This includes the recognition of complete First Nation jurisdiction in the area of housing and infrastructure and the acceptance of First Nations as equal partners in government to government based decision making processes related to housing and infrastructure.

The intent is for First Nations to assume complete control over all housing and infrastructure matters as a core area of self government jurisdiction<sup>4</sup>. Complete transfer of jurisdiction and control of housing and infrastructure activities and dollars from Indian and Northern Affairs Canada (INAC) and the Canadian Mortgage and Housing Corporation (CMHC) is essential to overcome some of the inefficiencies currently experienced by the present delivery model; inefficiencies that have created huge gaps between on and off reserve communities.

Not only does the status quo represent an enormous waste of money, but it represents an even greater waste of human potential. Self-government has been shown to be the critical factor in developing economic self-sufficiency and tackling social problems. Beyond these reasons for pursuing immediate investment in self-government structures and capacities, it is also a legal right and stated policy of the current Government of Canada of Canada.

First Nations acknowledge that a clear transition process needs to be implemented while alternative regimes are developed and ultimately agreed upon by Chiefs in Committee. However, interim measures must also be developed to immediately recognize FN authority in areas requiring short term action

**Coordination and Alignment** is required to overcome the myriad of on and off reserve housing and infrastructure programs directed at First Nations by the federal, provincial and municipal levels of government. Current gaps have created devastating impacts on the health and well being of First Nation citizens. The integration of housing and infrastructure programs and services across departments and jurisdictions will not only help ensure that these gaps are closed but also begin to create a new holistic framework for First Nation housing and infrastructure renewal.

These concepts need to take into consideration an examination of the critical interests of elder, women, disabled, low and fixed income, urban, remote and northern and youth populations. New options are required to address the unique situations of these populations and therefore, their engagement is a critical component of the successful implementation of this Action Plan.

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<sup>4</sup> *Royal Commission on Aboriginal Peoples, 1996*

## **ELEMENTS OF THE FIRST NATIONS HOUSING POSITION PAPER**

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In order to translate the above concepts into reality, First Nations have developed the following six point First Nations Housing plan. Commitments to action in each of these areas by all parties will set the stage for the renewal of First Nation housing and infrastructure systems in Canada.

### **1. SUSTAINABLE FUNDING**

Current funding levels for First Nation housing and infrastructure does not satisfy existing demand. First Nations are seeking a sustainable funding base that will allow First Nation communities to develop economically and to create housing and infrastructure that is sensitive and responsive to their needs. In the 2004 Pre Budget Submission, the AFN estimated that a sustainable financial base for First Nation housing and infrastructure services will require \$4.6 billion over 5 years to address the critical housing shortage and deplorable living conditions in First Nation communities, including an immediate crisis intervention investment of \$1 billion. An additional \$9 million in funding is required to implement a National Vermiculite Remediation Program. This funding must also take into account real cost drivers such as inflation and population pressures, including demographic growth and repatriation of members. To ensure that this funding translates into tangible results, a set number of new units must be guaranteed each year.

First Nations acknowledged that the estimated backlog and vermiculite contamination are probably far greater than that referenced in the Pre-Budget Submission, but the data is not yet available. As this information becomes available over the coming months, the need will be confirmed and the estimates are expected to rise significantly.<sup>5</sup>

During the transition to First Nation control, the current subsidy rates will need to be reviewed and increased from their current levels to match the real costs of building housing units. Moreover, the special circumstances of building houses in rural and remote communities as well as off-reserve need to be factored into allocation formulas. Finally, gender equality must be ensured in any allocation formula. As First Nation systems are developed over the longer term, appropriate transfer mechanisms must be negotiated based these factors.

The elimination of all housing related debt in First Nations without reducing funding to existing housing programs must also occur in an equitable and transparent manner. The current debt burden in many communities is stifling growth and the ability to meet the needs of their citizens.

There is also a severe lack of first (crisis) and second stage (healing) shelters for women seeking refuge from on or off reserve violence due to federal and provincial funding cuts. To this end, it is imperative that First Nation controlled funds be

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<sup>5</sup> Current First Nation estimates places the backlog at 80,000 units.

developed, in partnership with the federal and provincial/territorial governments, to providing adequate first and second stage shelter for women in crisis and later for healing.

## 2. INSTITUTIONAL DEVELOPMENT

While sustainable funding is a central element to the successful implementation of this Position Paper, it is only on part of the solution. Recognition and implementation of First Nations' jurisdiction, capacity development and long-term planning ability are also essential elements. As such, First Nations are seeking policy changes to support recognition of individual First Nation's jurisdiction over their housing and infrastructure, and the development of First Nation institutions to replace the existing government systems and processes. Through this Action Plan, we are seeking to outline a phased transfer of authority and resources from the Government of Canada to a First Nation mechanism of control and delivery that acknowledges individual First Nation jurisdiction over housing and a government-to-government relationship. Such mechanisms are to be developed through a clearly defined transfer process that will be outlined in a new framework agreement to be developed in close consultation with First Nation communities.

In line with the AFN's Pre-Budget Submission, First Nations are seeking a commitment of \$47.6 million a year in transformative investments to create new structures and support mechanisms for management and administrations of First Nation housing programs by Provincial and Territorial Organizations (PTOs), Tribal Councils, Bands, and the AFN. This includes the development of a series or regional entities empowered by First Nation governments, providing increased opportunity for engaging communities, maximizing funding, setting priorities, developing appropriate standards, ensuring inspections, maintaining quality control, improving skills development and training, and other related economic benefits for First Nation communities. It will also include a comprehensive community planning process to identify long term infrastructure and housing needs.

A key aspect of institutional development is the development of a participatory decision making process involving all segments of the First Nations' population, including elder, women, youth, disabled, low and fixed income, urban, and rural, remote and northern populations. This process should be incorporated at all levels of housing policy and programming, from the setting of priorities for new housing developments to the everyday governance of housing units.

There must also be work done towards ensuring that the Government of Canada is serious about addressing matrimonial real property on reserves. With respect to the division of on-reserve property upon marriage breakdown, a court is governed not by provincial family law but by the federal *Indian Act*, which contains no provisions for distribution of matrimonial property upon marriage breakdown. Since possession of on-reserve land is an important factor in an individual's ability to live on reserve,



denial of interest in family on-reserve properties upon dissolution of a marriage is a serious disadvantage to First Nation women.

Finally, options need to be developed to ensure that the needs of First Nation urban citizens, including citizens pursuing educational opportunities, are addressed. One option would be to develop First Nation Housing Co-operatives in cities that are supported by long-term funding agreements.

### 3. INFORMATION AND RESEARCH CAPACITY

A First Nations housing and infrastructure data base is needed provide First Nations with the ability to determine the real scope of the housing and infrastructure situation, identify core needs and pinpoint opportunities to increase returns on investments. It will also enable First Nation communities to improve transparency and equitability of housing and infrastructure investments, enhancing the accountability of housing and infrastructure initiatives. A database will create the foundation for a fair and equitable allocation formula for all participants in the initiative. As part of the database, an inventory needs to be done on existing funding levels as we are unaware of differences among regions. The current data provided by Statistics Canada is incomplete and often results in disagreements between First Nation communities and the Government of Canada in ascertaining real housing and infrastructure needs.

In order to develop an effective database, it will be necessary to undertake a comprehensive, national housing survey and inventory carried out at the community level. An inspection program should be implemented in order to accurately assess the current national backlog and anticipate future needs. Types of information that should be collected include an inventory of our housing stock, financial agreements, housing needs, rent geared to income, infrastructure costs, land base, financial resources, certificates of possession and the number of certified construction workers and skilled trades people.

In addition, a website should be developed to provide access to the data collected through this initiative, respecting the principles of First Nations' Ownership, Control, Access and Possession (OCAP) of the data. This website would serve as an information sharing network at the community, regional and sub-regional levels to share experiences and knowledge of topics such as: building codes, housing and occupancy standards, best practices, environmentally sustainable housing models, training opportunities and research publications. This resource will help to provide meaningful participation of communities in the construction of homes.

The cost of this National Housing Reporting System and Database is estimated at \$15.8 million a year. Initial work on the survey and inventory will be conducted by the AFN, with ultimate responsibility being transferred to local and/or regional First Nation Housing Authorities as they develop.

#### 4. FINANCING

A streamlining of the current funding system is needed to provide efficiencies and savings in the delivering of First Nation housing and infrastructure programs. Reducing the bureaucracy and creating a single funding stream will help increase the quantity and quality of housing and infrastructure that can be built with existing funds. As a starting point, a complete review of all of the resources flowing into INAC, CMHC, Infrastructure Canada (IC), and any other funding related to First Nation housing and infrastructure will be needed.

In addition to streamlining the existing flow of funding, First Nations are seeking more flexible options for access to, and use of, capital. This includes exploring the development of independent financial institutions (including the use of existing First Nation pension funds to invest in housing and the development of First Nation banks), market driven housing mechanisms and social housing options. To this end, a review of potential financial institutes available to First Nations needs to be completed, and guidelines need to be developed to ensure the overarching values of First Nation communities are maintained. Business Plans will be developed, and research on investment models will begin with final recommendations being made to the Assembly of Chiefs.

A third area of concern for First Nations are Ministerial loan guarantees under CHMC or any other financing scheme for housing that creates more debt for First Nations with no risk for the Banks or CMHC. It is the cause of some communities going into third party management and or Remedial Action Plans. Thus, Ministerial loan guarantees do not work for First Nation communities that lack an economic base to sustain regular repayment of those loans. Creating debt ultimately creates deficits in First Nation communities. Therefore, First Nations would like the government to pay off these loans and implement more sustainable practices in order to meet their housing and infrastructure needs.

Finally, to assist in the creation of leveraging opportunities, First Nations are seeking the creation of a new investment/innovation fund that is accessible by First Nations interested in developing transformative change options in keeping with the themes outlined in this Action Plan. A fund of \$1 billion dollars should be established immediately with terms and objectives guided by First Nation governments in support of sustainability and jurisdiction of First Nations' housing and infrastructure.

#### 5. LAND MANAGEMENT

The ability to define and control land regime and tenure issues is paramount to First Nations' prosperity. First Nation communities want to have more control over land matters as land tenure/management is an important tool for further housing development, from Certificates of Possession (CP's) for individual homeownership to multiple year leases to ensure that collectively owned land is not lost by the community. First Nation controlled land registries will provide the ability, currently

withheld from First Nation individuals, to buy and sell real estate. This will help provide stability and a measurable baseline for future investment.

In addition, long term community planning must be initiated and maintained if transfer of jurisdiction is to be successful. This process will provide the roadmap to the future and to the closure of self governance issues. As such, a clear understanding of each community's capacity level must be analyzed and support provided from the national level, as required.

Reserve expansion will also be a priority that could be addressed through land claims and settlements, additions to reserves, access to traditional territories, and negotiations with the provinces. Of specific interest is the need to understand the current on-reserve geography inequity, specifically as in terms of rural, remote, urban and regional disparities. Moreover, there are cases of Status Indian communities settling on crown lands owned by provinces for which no federal reserves have been designated. These communities want new reserves and struggle with governments to create them as the Government of Canada currently has a moratorium on new reserves. This policy must be overturned. Finally, investment pools and other market driven options leading to real estate transactions need to be closely examined.

## 6. HUMAN RESOURCES

A First Nation Housing and Infrastructure Human Resources Strategy is required, based on FPT/First Nation agreement and measurable targets. The intent of this strategy is to adequately prepare First Nation citizens to assume jurisdiction over housing and infrastructure. As such, First Nation controlled training and certification/ accreditation opportunities need to be increased and improved awareness of career options, including training programs and apprenticeships, developed. In addition, special training and employment programs for the increased participation of women in the construction and trade sectors are necessary to assist in reducing gender bias.

Increasing the number of First Nation certified workers allows for improved housing and infrastructure and broader First Nation economic development opportunities that will help stimulate economic growth. A firm commitment to increase funding to First Nations for this essential component of capacity development is needed.

A second part of this strategy should be directed at ensuring that currently trained First Nation personnel are identified and used more often. The inequity of isolation wage allowance applicable only to workers from south working in the north must also be addressed.

Finally, training plans for owners and tenants of First Nation housing units, both on and off-reserve need to be developed. Well educated owners and tenants are a key element in determining the sustainability and longevity of units in both on and off reserve housing. Well maintained homes require fewer repairs and, ultimately, less replacement.