

**Evaluation of the
1996 On-Reserve Housing Policy**

Report

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Introduction

Indian and Northern Affairs Canada (INAC) is considering developing new options to reach the objectives of the Housing policy introduced in 1996. In particular, there was an interest in exploring options to support good governance of on-reserve housing programs within the parameter of the on-reserve housing policy introduced in 1996. Evaluation research on the implementation of the on-reserve housing policy was required and planned as part of this process.

The scope of this evaluation is thus limited to high level policy issues. More thorough empirical research on the housing activities of the Department is planned for 2008-2009, when the \$295 million of investments in First Nations housing on-reserve included in Budget 2005 will be evaluated by INAC and the Canada Mortgage and Housing Corporation (CMHC).

The next section will present the approach and background information for this evaluation. Section II will present the evaluation findings, including a review of available statistical information and previous evaluative work. Section III will present conclusions, options and recommendations.

Evaluation Approach

The objective of this evaluation is to assess the implementation of the on-reserve housing policy and to identify conditions for the successful implementation of strategies to help meet current on-reserve housing needs.

Evaluation issues

Terms of reference for the evaluation included the following three questions:

- To what extent are First Nations developing housing policies and plans, and implementing their community-based housing plans?
- What portion of communities have:

- Semi-independent housing governance and/or management regimes (e.g. housing authorities)
 - Multi-year housing plans
 - Maintenance and inspection regimes
 - Shelter and/or service charges
 - Market-based housing
 - Housing-related employment and business creation
- What factors contributed to or inhibited the successful implementation of these aspects?

Lines of inquiry

In the absence of a documented performance measurement strategy and systematically collected performance data for the Policy, and to comply with the Socio-Economic Policy and Regional Offices Sector’s initial timeframe, the data gathering was limited to the following research methods:

- A review of background documentation, studies, analyses, etc. A list of references is attached as Annex 1 to this report.
- Questionnaires completed by housing officials from Regional Offices. The questionnaire is provided in Annex 2.
- Interviews with INAC regional housing officials to supplement the information provided in response to the questionnaires.
- Interviews with INAC Headquarters staff in Policy, Housing Operations and Social Programs Reform.
- A consolidated written response to the interview questions from CMHC’s policy and research, and Aboriginal housing divisions.

- Interviews with two representatives from the Assembly of First Nations working in the housing area, one representative from the First Nations National Housing Managers Association, and one representative from the First Nations National Building Officers Association.

- Interviews with First Nations that have successful housing policies and programs, and those that are struggling to make changes. A total of 10 First Nations were interviewed from four regions – British Columbia, Saskatchewan, Quebec and the Atlantic. The interviewees included both Chiefs and housing managers or administrators. None of them were remote or isolated communities and they were all south of the 60° latitude. Registered populations – both on and off reserve – ranged greatly from less than 300 to more than 2,000. The number of household dwellings on reserve also ranged greatly from less than 50 to more than 1,000.

The evaluation was conducted from mid-October 2007 to mid-January 2008.

Scope and Limitations

The evaluation methodology relied to some extent on quantitative information from the INAC Regional Offices. However, INAC regional housing officials did not have the information required to respond to most of the questionnaire. Quantitative data was therefore also drawn from other sources such as Statistics Canada, CMHC, and INAC's National Housing and Infrastructure Assets Management Inventory. In the case of the latter database, there were questions raised about the quality and comprehensiveness of the data.

The evaluation relied to a greater extent on qualitative information provided by informants within INAC, stakeholders, and from a limited and non-representative sample of First Nations, supplemented by documents reviewed.

Background

The Government of Canada supports First Nations in providing safe and affordable housing on reserve. The provision and management of housing on reserve lands is the responsibility of First Nations (First Nations and individual members). In addition to Government of Canada's support, First Nations are expected to identify funding from other sources for their housing needs including shelter charges and loans. It should be noted that there are a number of First Nations or First Nation members who view housing as a treaty right – the “treaty right to housing” - and therefore maintain that it is the responsibility or fiduciary obligation of the Government of Canada to provide housing on reserve for all status Indians.¹

In the 1960s, INAC introduced a housing program to assist in the construction and renovation of housing on reserves. The program provided subsidies for new residential construction and the renovation and rehabilitation of existing houses. In 1982, this subsidy program was evaluated and a position paper was set out which further clarified the roles of First Nations and of the federal government, stating that the government's role in the delivery of houses was by then ‘residual.’² A major evaluation of the program was undertaken which did conclude that housing on reserve was seriously inadequate.³

The 1996 On-reserve Housing Policy⁴

In 1996, the on-reserve housing policy was introduced in order to provide greater flexibility and more control to First Nations over their housing policies or programs. The Policy is based on four elements:

1 - This right has not been tested in the courts and is not currently the subject of any treaty negotiations that we are aware of.

2 - Ekos Research Associates Inc., *Assessment of the On-Reserve Housing Program*, Ottawa, February 1982, page 4.

3 - Ekos Research Associates Inc., *Technical Report of the Study of On-Reserve Housing Conditions*, Ottawa, March 21st 1986.

4 - It should be noted that the document that was presented to the evaluators as the “1996 Housing Policy” was in the *Guidelines for the Development of First Nations Housing Proposals*.

- First Nation control (community-based housing programs)
- First Nation expertise (capacity development)
- Shared responsibility (shelter charges and ownership options)
- Better access to private capital (debt financing)

First Nations were given the choice of opting into the policy or not. If they opt in, they are given the flexibility to use INAC's housing funds in support of the implementation of their community-based housing plans, which may include elements such as maintenance and insurance, debt charges, training, management and supports to establish housing authorities. In the first five years after the introduction of the Policy, an estimated \$160 million⁵ in additional funds was also provided to those First Nations that opted into the Policy.

In order to be eligible for the more flexible funding arrangement, First Nations were required to establish a set of housing policies, housing programs and a multi-year housing plan. The housing plan was required to have three components: a work plan covering maintenance, insurance, renovation, building, and management; a resource plan; and links between housing activities and training, job creation and business development initiatives.

A practical guide was published to assist First Nations in developing these policies, programs and plans (Guidelines, 1996). According to the Guidelines, multi-year housing plans will allow First Nations to:

- Protect and extend the life of existing houses and ensure that housing meets minimum national standards, through maintenance, insurance and renovation programs;

5 - Canada, Indian and Northern Affairs Canada (INAC), *Report on Plans and Priorities for the period ending March 31st 1997*, Ottawa, 1997. <http://www.tbs-sct.gc.ca/rma/dpr/96-97/2INAC96e.pdf>.

- Construct quality affordable new housing, designed to respond to the variety of housing needs within the community;
- Support individual pride and responsibility through community involvement, home ownership incentives and private market investment; and
- Link housing activities to training, job creation and business development.

The multi-year housing plans were therefore the main tools for achieving the policy goals. The initial incentive for developing the plans was the additional capital funding. The incentive over the longer-term was the more flexible funding arrangement. Overall, the Policy does not include mechanisms or procedures to address non-compliance or defaults in the implementation of the plans.

If First Nations choose not to opt into the Policy, they continue to operate under the provisions of the housing subsidy program; their housing capital funding can only be used for construction, rehabilitation or renovation; and the funds are released on a project by project basis rather than as a lump sum. Other funding may also be available to these communities for advisory services and program support related to housing management, housing planning, technical assistance, training, housing inspections, maintenance management and fire safety. The additional funding provided when the 1996 Policy was introduced is no longer available to these First Nations should they decide to opt in.

Other Housing Programs or Initiatives

Other programs and policies contribute to the overall approach of the Government of Canada to support on-reserve housing.

Since the adoption of the Policy, additional funds for housing were provided in Budget 2005 with an emphasis on home ownership, lot servicing and renovation. Funds were also provided in Budget 2007 for the creation of a First Nations Market Housing Fund. These initiatives support some of the same goals as the 1996 Policy and provide opportunities for First Nations in the future.

CMHC's programs

CMHC provides funding in support of the construction, acquisition, rehabilitation and renovation of social housing on-reserve through the On-Reserve Non-profit Rental Housing Program (Section 95). CMHC also provides funding to repair existing homes through the Residential Rehabilitation Assistance Program (RRAP), minor home modification for seniors through the Home Adaptations for Seniors' Independence (HASI) program, and renovation or construction/acquisition for shelters for victims of family violence under the Shelter Enhancement Program (SEP). First Nation capacity building and other housing-related activities are also supported by CMHC. Since 1997, the Section 95 program provides full subsidies to cover the difference between eligible project costs and project revenues. Direct lending is offered to all existing Section 95 projects to help reduce loan costs.

CMHC also supports home ownership on-reserve through loan insurance. This includes two products: 1) CMHC Loan Insurance Program On-Reserve with Ministerial Loan Guarantee; and 2) CMHC On-Reserve Homeownership Pilot Product which makes it possible for people living on-reserve to buy a home financed by a CMHC-insured mortgage without a Ministerial Loan Guarantee.

Budget 2005 Funds

In Budget 2005, the Government announced the investment of an additional \$295 million over five years through INAC and CMHC for housing construction, renovation, and lot servicing on-reserve. INAC's portion of Budget 2005 funds were to be spent by March 2008 – CMHC's portion was committed by March 2007.

First Nations Market Housing Fund

In Budget 2007, the Government set aside \$300 million for a First Nations Market Housing Fund. The First Nations Market Housing Fund's Credit Enhancement Facility provides a backstop to a First Nation's housing loan guarantees made to financial institutions. In the event that a borrower defaults on an eligible housing loan, the lender will seek compensation from the First Nation in its capacity as guarantor of the loan.

Should the First Nation be unable to meet its obligations as guarantor, the lender will be able to turn to the Fund for compensation up to the amount of Credit Enhancement which the financial institution has accumulated for loans in the community. First Nations will need to have been assessed and qualified under the Fund's Access Criteria in order to be eligible for the Fund's Credit Enhancement Facility.

The Fund will initially be administered by CMHC and directed by a board of nine Trustees drawn from a publicly advertised call for interest. Three Trustees will be drawn from First Nations communities and will be appointed by the Minister of INAC in consultation with the Minister of HRSD (the Minister responsible for CMHC), and the AFN. Of the remaining six Trustees, three will be drawn from the private sector finance community and three will be drawn from the federal government community, and appointed by the Minister of HRSD in consultation with the Minister of INAC.

First Nations will have to qualify in order to access the Fund's credit enhancement amount. The access criteria are currently being developed. According to CMHC, it has been suggested that the criteria may include:

- Community support for home ownership
- Sufficient demand for home ownership
- Strong First Nation housing management
- First Nation financial capacity
- Strong First Nation financial and loan management
- First Nation capacity to ensure that quality housing is constructed in the community.

For those First Nations that apply to the fund and are not able to meet all access criteria, supports will be considered to strengthen the way they manage housing so that they can qualify in the future. Access to capacity building, the level of funding for capacity

building, and approaches to building capacity are still under development. The Fund is expected to be operational by April 2008.

Shelter Allowances

Shelter allowances are paid by INAC to income assistance recipients based on financial benefit rates and eligibility criteria set by the provinces. Maximum shelter rates are based on family unit size and include rent, utilities and other allowable shelter costs. Among other conditions set out in the interim shelter policy,⁶ evidence of actual costs in the form of receipts, billings, or rental agreements is required; the community must customarily collect rent for the house; and the amount of rent must be reasonable in terms of household needs, size, the condition of housing, and prevailing community rental practice. These criteria effectively mean that the First Nation must establish a rental regime in order to qualify for shelter allowances.

The Auditor General (2003) noted that the interim policy on shelter allowances was not being applied consistently across the regions and that some regions could not pay shelter allowances to all individuals who were potentially eligible for assistance because of insufficient funds. This affected the Prairies and parts of the Atlantic Region in particular.

The Auditor General's update (2006) indicated that INAC had completed an evaluation of its interim shelter allowance policy in April 2005 and that the Department was developing a national strategy on shelter allowances based on the outcome of this evaluation.

6 - The policy was drafted in 1990 as an interim policy to address certain on-reserve housing conditions, pending the introduction of a new housing policy. It has not yet been updated (Canada, Office of the Auditor General of Canada, 2003 and 2006).

Findings

This section presents evaluation findings related to the evaluation questions. First, it presents an overview of the trends in on-reserve housing based on available statistical information; then, previous evaluation research is reviewed; and, finally, findings from the interviews and document review are presented.

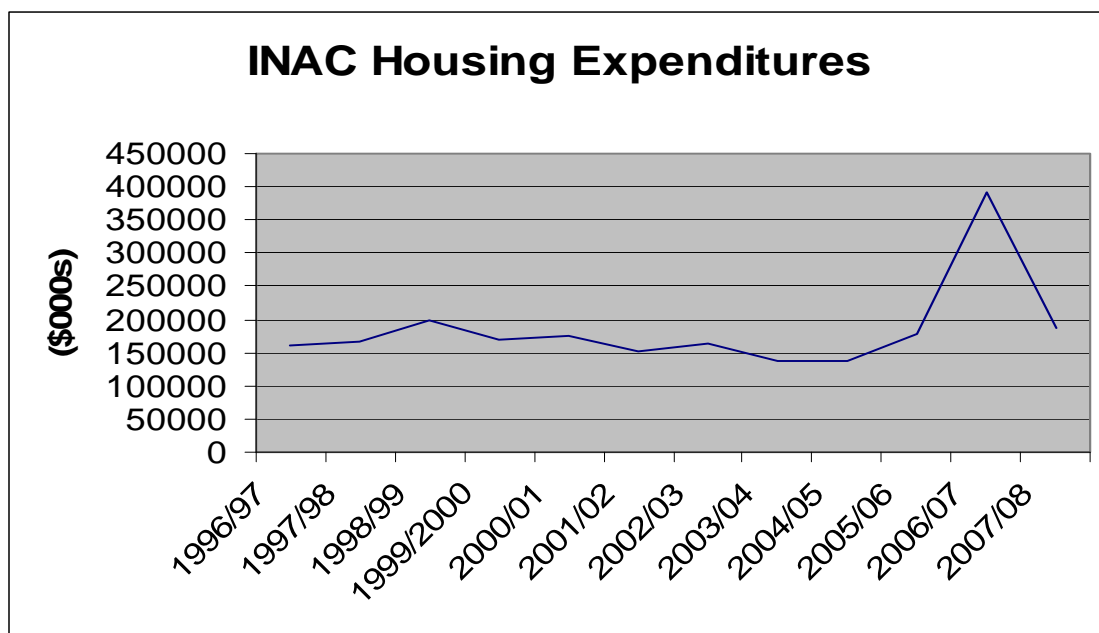
Recent trends

There is sufficient quantitative and statistical information available to present a summary analysis of the recent trends in terms of INAC's housing expenditures, availability and adequacy of on-reserve housing as well as home ownership.

Housing Expenditure

The profile of INAC's funding for housing from 1996/97 to 2007/08 is provided in the following chart. The chart reflects the increase in funding after the on-reserve housing policy was introduced and the more substantial increase following Budget 2005.

Figure 1: INAC Housing expenditures



Source: Figures provided by INAC's Housing Operations.

In fiscal year 2006/07, CMHC spent some \$134 million for on-reserve housing. This included spending on renovation programs, Housing Internship Initiative for First Nation and Inuit Youth (HIIFNIY), capacity development and for ongoing subsidies for the existing portfolio of assisted housing.

Availability of Housing On Reserve

Over the past ten years there has been improvement in terms of the number of housing units on reserve; the proportion of people per housing unit; and the proportion of people in crowded dwellings. Researchers were not able to confirm a causal relation between these improvements and the 1996 Policy. Improvements also took place over the course of the previous decade – 1986 to 1996 – when the Policy was not in place, and the rate of improvement in some cases was higher than that from 1996 to 2006.

According to INAC's Housing and Infrastructure Assets Inventory (HIAI), the total number of housing units on-reserve has increased from 80,443 in 1996/97 to 99,939 in 2006/07. Although the population on reserve has increased during the same time period from 341,975 to 392,776, the average population per housing unit has decreased from 4.25 people/housing unit in 1996/97 to 3.93 people/housing unit in 2006/07.

Statistics Canada reports that the percentage of First Nations living in crowded dwellings⁷ on reserve has decreased over the past decade from 33% to 26% - still much higher than the 3% of the non-Aboriginal population in Canada that lives in crowded dwellings. Improvement in on-reserve conditions was observed in all provinces and territories but was more pronounced in Ontario and Quebec than in the Prairie provinces. In Manitoba, about 37% of on-reserve First Nations people in 2006 lived in a home with more than one person per room; 36% in Saskatchewan; and 31% in Alberta. In Quebec, the proportion was 23% and in Ontario, 19%.

7 - "Crowding" is defined as more than one person per room, not counting bathrooms, halls, vestibules and rooms used solely for business purposes. Statistics Canada, 2008, Table 21, page 46.

Adequacy of Housing

The adequacy of housing on-reserve can be measured in different ways. By one measure, the adequacy of housing has gotten worse over the past decade. According to Statistics Canada, in 1996, 36% of First Nations on reserve lived in dwellings in need of major repair.⁸ By 2006, this had increased to 44% - compared to 7% of the non-Aboriginal population. The proportion was considerably higher in the three Prairie Provinces – 54% in Saskatchewan, 53% in Manitoba and 52% in Alberta. The proportion was lower in Ontario (41%) and British Columbia (39%).

By another measure, the adequacy of houses has only marginally improved. According to HIAI, the proportion of houses that are adequate⁹ only increased from 52.07% of the total number of housing units in 1996/97 to 52.99% of the total number of housing units in 2003/04. In Alberta and the Atlantic Region, there was actually a decline in the proportion of houses that were adequate, although not the absolute number of houses that were adequate.

Table 1: Proportion of adequate housing on reserve, 1996/97 – 2003-2004

Region	% Total Adequate	
	1996-97	2003-04
ATLANTIC	55.96%	45.63%
QUEBEC	73.95%	76.52%
ONTARIO	50.77%	53.80%
MANITOBA	45.45%	50.78%
SASKATCHEWAN	42.91%	46.11%

8 - Dwellings in need of “major repairs” are those that, in the judgment of the respondent, require major repairs to such things as defective plumbing or electrical wiring, and/or structural repairs to walls, floors or ceilings, etc.

9 - An "Adequate" dwelling is defined as one that does not require major renovations or replacement and possesses basic plumbing facilities. This information is provided by the First Nation. The definition of adequacy was changed in 2004/05 and as a result there was a substantial jump in the number of houses that were considered adequate. Only comparative data up to 2003/04 is therefore available.

ALBERTA	56.81%	45.09%
YUKON	33.30%	54.58%
BRITISH COLUMBIA	50.78%	54.86%
CANADA	52.07%	52.99%

Source: Regional Summary, Housing and Infrastructure Assets Inventory

Home Ownership

A majority of Aboriginal households on reserve reported in 2001 living in band-owned (58.8%) or rental (12.7%) housing; and 28.4% reported owning their home.¹⁰ This is in contrast to home ownership among non-Aboriginal Canadians which was 67.4% in 2001. Rates of home ownership on reserve are quite low in the Prairie Provinces and higher in Quebec, Ontario and BC.¹¹

While the proportion of owners among Aboriginal households on reserve increased slightly from 1996 to 2001, with the highest increases in Ontario, Manitoba and Yukon regions, those in Saskatchewan and Alberta actually declined in that period. Census data from 2006 has not yet been analyzed in terms of tenure on reserve.

Table 2: Change in Ownership of Aboriginal Households On Reserve

Region	1996		2001	
	No. of Owners	% of Total	No. of Owners	% of Total
Atlantic	995	25.0%	1,385	28.4%
Quebec	2,195	34.2%	2,995	35.2%
Ontario	2,995	33.1%	5,205	40.9%
Manitoba	855	7.7%	1,270	10.1%

10 - CMHC, adapted from Statistics Canada (Census of Canada).

11 - See Annex 3: Aboriginal Households in Canada, by Aboriginal Identity, Location and Tenure, Canada, Provinces and Territories, 2001.

Saskatchewan	625	7.2%	665	6.5%
Alberta	1,380	20.6%	1,425	15.5%
BC	6,350	50.3%	7,790	51.9%
Yukon	40	28.6%	55	35.5%
Canada (including NWT)	15,440	26.3%	20,855	28.4%

Source: CMHC, adapted from Statistics Canada (Census of Canada) 1996 and 2001

Preliminary findings from a draft 2007 study of Aboriginal housing conditions and needs sponsored by INAC and CMHC found that the rate of homeownership among Aboriginal households on reserve was positively associated with household income.¹² Households with higher incomes were also much less likely to live in dwellings requiring major repair, regardless of tenure.

An analysis as of September 2006 indicates that almost 86% of First Nations are using Ministerial Loan Guarantees.¹³ The majority (almost 77%) of housing units being constructed, acquired or renovated with the loans were associated with CMHC's Section 95 Non-Profit Social Housing Program. First Nation-sponsored projects accounted for 18% of the houses and individual loans for just over 5%. CMHC is the major lender of the amounts guaranteed (almost 44%); the five major banks hold almost 38%; and First Nations-controlled financial institutions almost 10% of the amount.

The usage of MLGs varied across the regions from a high of 95.7% of First Nations in Saskatchewan to a low of 69% of First Nations in the Yukon. About one-third of First Nations had used MLGs for individual loans, with the highest proportion in the Atlantic and the lowest proportion in Manitoba.¹⁴

12 - Stewart Clatworthy, *Aboriginal Housing Conditions and Needs On Reserve* (Draft, May 2007).

13 - 'Report on Indian and Northern Affairs Canada's Ministerial Loan Guarantee Program,' Prepared for the Community Development Branch, June 2007.

14 - Ibid, p. 5.

Table 3: Percentage of First Nations Using the Three Types of Loans by Region

Region	Percentage of First Nations Using Sct.95	Percentage of First Nations Using First Nation Loans	Percentage of First Nations Using Individual Loans
Atlantic	87.9%	48.5%	66.7%
Quebec	74.4%	84.6%	51.3%
Ontario	73.0%	4.0%	21.4%
Manitoba	93.7%	28.6%	9.5%
Saskatchewan	94.3%	48.6%	12.9%
Alberta	81.8%	65.9%	43.2%
British Columbia	83.3%	38.9%	48.0%
Yukon	62.5%	31.3%	18.8%
National	82.5%	36.8%	34.1%

Source: Report on INAC MLG Program, June 2007, p. 26.

A number of First Nations have also developed alternative securitization vehicles with lending institutions with different arrangements. In other instances, some First Nations have securitized loans through lease arrangements for members or non-native parties.¹⁵

Previous Evaluations Results

A formative evaluation of the on-reserve housing policy and a series of community case studies on housing were conducted in 2000.

15 - Report on INAC MLG Program, p. 42-43.

Evaluation of the 1996 On-Reserve Housing Policy (2000)

An evaluation of the on-reserve housing policy was conducted in 2000.¹⁶ At that time, 61.5% of First Nations had opted into the Policy but only 22.7% or 133 had been under the policy for at least two years. The evaluation focused on those 133 First Nations.

The evaluation indicated that First Nations felt they had more flexibility and control over their housing funds and decisions. Housing conditions had also improved in the 133 First Nations that had been under the Policy for at least two years. The evaluation looked at the adequacy of houses in the 133 First Nations in 1997 and 2000 and directly attributed any improvement to the flexibility and control provided under the Policy. This conclusion is questionable. Based on the information provided in the evaluation, improvement could also be attributable to increased funds that were made available when a FN opted into the Policy, thereby increasing the total number of housing units and decreasing the proportion of the total that required major repairs.

The evaluation also found that some First Nations were not following through with their housing plans. It was noted that “if INAC does not follow up with First Nations on the requirement to submit annual reports with revised housing plans, First Nations will not be encouraged to operate according to an overall plan.”¹⁷

The biggest challenge identified in the evaluation was convincing members to accept the concept of contributing individually towards the cost of their housing. In most cases, it found that only those living in non-profit rental housing (Section 95 housing) were being charged rents, and most of those rents were being covered by shelter allowances received through social assistance. The evaluation recommended that INAC encourage the implementation of community-wide shelter charge regimes by providing additional funding for Shelter Allowance payments to eligible households and by disseminating case studies on First Nations which had turned around the thinking of their membership

16 - Norbert Koeck, 'On-Reserve Housing Policy Impact Assessment 1996-2000,' October 2000.

17 - Ibid, p. 3.

on this issue and thereby accelerated the improvement of housing conditions in their communities.¹⁸

Community Case Studies

A series of community case studies was also conducted in 2000. The information for the report was collected from First Nations communities that were considered successful by the INAC Regional Offices and from other sources on housing including information from the United States. The report identified a number of success factors including housing governance and management.¹⁹ However, the methodology used for that evaluation as well as the scope of information on which it relies severely limit the validity of its conclusions.

Evaluation Results

As of 2007, all First Nations in Alberta, Saskatchewan, Manitoba and Quebec have opted into the Policy; 91% of the First Nations in the Atlantic have opted in; 80% of the First Nations in Ontario have opted in; and in British Columbia some First Nations may have implemented some aspects of the Policy, but the Region has not enforced or tracked this as it does not fund a minor capital component.²⁰

The primary reason given by regional officials for First Nations not opting in was the small size of the community and related lack of capacity.

18 - Ibid, p. 14-15.

19 - Daniel J. Brant, 'Successful Housing in First Nation Communities: A Report on Community Case Studies,' October 2000.

20 - In the BC Region, an estimated 80% of First Nations opted into the 1996 Policy when it was first introduced, developed community housing plans, received an additional capital allocation and reported for five years on the implementation and updating of their plans. However, the BC Regional Office decided to continue funding housing under the old subsidy program because of the large number of First Nations in that region and the allocation process under the new Policy. If the Policy had been implemented with a minor capital allocation, many First Nations would not have had enough money to build even one house.

Table 4: Proportion First Nations Opting into the 1996 On-Reserve Housing Policy

Region	No. of FN	FN Opted In	% Opted in
British Columbia	198	0	0%
Alberta	44	44	100%
Saskatchewan	70	70	100%
Manitoba	63	63	100%
Ontario	127	102	80%
Quebec	40	40	100%
Atlantic	33	30	91%

Source: Response to Questionnaire from INAC Regional Offices.

Note: The Yukon Regional Office did not complete the questionnaire.

Community housing plans

The housing plans were required to have three components: a work plan covering maintenance, insurance, renovation, building, and management; a resource plan; and links between housing activities and training, job creation and business development initiatives. They were to be the main tools for coordinating resources, measuring progress, and strengthening accountability to the government and the community. They were also to provide a basis for supporting federal funding.²¹

Implementation of the plans

Five types of funding agreements are used by INAC to transfer funds to First Nations. These agreements (excluding the one for self-governing First Nations) require that First Nations that have opted into the on-reserve housing policy have multi-year community-

21 - Auditor General of Canada, Chapter 6, April 2003, p. 8.

based housing plans in place consistent with the Guidelines. The Council is also required to provide annual updates to the community-based housing plan.²²

According to the questionnaire responses and interviews with housing officials, the situation in the regions with regard to community housing plans varies considerably. In some regions, plans are not being submitted to the regional office, not being updated or not being implemented. For example, in Manitoba, answers to the evaluation questionnaire show that although all of the 63 First Nations have opted in the policy, none of them have submitted the multi-year housing plan. In Quebec, housing plans were submitted in 1996. Since then, First Nations housing plans / projections have been integrated into their 5 year capital plans. In the Atlantic Region, it was mentioned that not all plans are current or complete and that often they do not have a resource plan.

A lack of capacity in First Nations was cited by regional housing officials as the main reason for not preparing or updating community housing plans, and insufficient staff in INAC's regional offices was cited as the main reason for not following up on reporting. Some regional offices also cited their own lack of capacity to follow-up on the plans. In other regions, the regional office is following up on the submission of plans and the majority of First Nations in the region are considered to take implementation of their plans seriously.

From the perspective of the ten First Nations interviewed, the planning and reporting requirements of INAC are considered to be unclear, inconsistent or onerous. They also mentioned a considerable variation among the regions in terms of the format for reporting on plans and the degree to which plans are reviewed and assessed by regional staff.

Evaluators learned of an effort underway in the Manitoba region to more clearly define what is expected in the plans and to provide guidance on how to improve planning. There have also been a variety of guidelines, tools and capacity building provided at a

22 - INAC, First Nations Reporting Guide National Template (2006-2007).

national or regional level to assist communities with planning, but these did not appear to be widely known by the First Nation interviewees and regional housing officials.

Staffing

Housing management and administration is staffed differently among First Nations. In some cases, the Chief or a Councillor is managing the program. In other cases there is a dedicated housing manager or housing coordinator, either full-time or part-time, with or without support staff.

Many interviewees reported that the skills and experience of housing staff varied widely, and identified the need for financial management expertise. In some First Nations, staffs are paid from rent collection, in others from housing funds, and in others from general band support. Turnover among staff was high in many of the First Nations.

Capacity Building

In the interviews, evaluators heard about a number of efforts to improve the capacity of Chiefs and Councils, community members, housing owners and occupants, housing managers, building inspectors, etc. There was a clear consensus that building the capacity of all of these stakeholders was still a critical need. INAC's capacity building activities are managed at the regional level with considerable variation.

CMHC undertakes on-reserve capacity development activities with an annual budget of \$1.75 million. Activities include the *Housing Quality Matters* series of information and training sessions, as well as support for First Nations housing-focused organizations. The Assembly of First Nations provides technical support and coordination among First Nations Housing Technicians as well as other support. The establishment of associations for housing managers and building inspectors has been supported by INAC and CMHC, but no core funding is available for either association.

Research conducted for CMHC and published in 2004 regarding the training needs of First Nations housing managers found that housing management training specifically aimed at First Nations was very limited.²³ Workshops and conferences at the regional or First Nation level were appreciated by some of the First Nations interviewed, but they were also criticized for focussing too much on Chiefs rather than housing managers or coordinators and for not being relevant to the problems that they were facing on the ground. Because of the high turnover among housing staff on some reserves, capacity building provided to them was not being retained in the community. It was also mentioned by regional housing officials and First Nation interviewees that some training sessions for community members were very poorly attended - or not attended at all.

Maintenance regime

The portion of First Nations with an effective maintenance regime²⁴ was not known by some of the regional offices because they do not track that kind of information. Of those that expressed an opinion, there was a range from most First Nations meeting all or some of the requirements, to no First Nations meeting the requirements. Factors that contributed to effective maintenance regimes that were cited included: maintenance plans, regular building inspections, occupant training, and the establishment of reserve funds for maintenance.

Among the ten First Nations interviewed, the more successful ones had devolved a large part of the responsibility for maintenance to individual owners or occupants and the condition of houses on the reserve was considered to be good. Rent-to-own schemes helped because it encouraged members to maintain their homes better. In less successful cases, it was reported that there were occupants who expected maintenance from the band office at the band's expense, regardless of who was responsible for the damage.

23 - CMHC written response to questions.

24 - An effective maintenance regime provides for the completion of essential repairs and routine work and protects housing stock and prevents premature deterioration.

Inspection regime

The Government of Canada's position is that the First Nation is responsible for ensuring that all housing units on reserves meet the National Building Code as a minimum and that inspections are conducted by qualified inspectors at various stages. This responsibility is mentioned in the various financing agreements in order to extend the useful life of houses, protect the health and safety of occupants, and help to ensure that operating costs are reasonable.

The approach taken has been to support and encourage compliance rather than enforce it. INAC provides funding to Tribal Councils and First Nations technical services to provide technical support, including house inspections. CMHC's Native Inspection Services Initiative provides training, support and job opportunities to strengthen First Nations inspection capacity at the First Nation, regional and national level.

Evaluators were not able to determine what portion of First Nations has an adequate inspection regime. INAC's regional offices do not track inspections consistently. The Auditor General reported in 2003 that there was little assurance that all new construction that INAC and CMHC funded met the National Building Code standards. In a follow up report (2006), however, based on an examination of files in two regions, the Auditor General found that the appropriate codes and standards were being met including those in the National Building Code.

Housing Related Employment and Business Creation

Many of the regional offices do not track training, job creation or business development programs related to housing on reserve. The most common practice mentioned was the hiring of First Nation labour for construction. According to CMHC officials, the potential for increasing the local economic impact of residential construction on reserves was great, but the lack of funding for construction, the lack of training and education

opportunities, and small reserve size and remoteness were constraints to realizing this potential.²⁵

The more successful First Nations that we spoke to had used funding from HRSDC to provide skills training – two mentioned hiring trades people to “work themselves out of a job” by passing their skills on to First Nation members. Eventually, trained construction workers progressed to become maintenance workers and then inspectors. However, it can be a problem to retain skilled trades people on reserve, particularly in the West at the moment. Some of the factors inhibiting the use of First Nation labour were time pressures, quality concerns and resistance from trade unions.

Some First Nation members have set themselves up as independent contractors in construction or the trades. There were reports of First Nations that had set up businesses under a separate corporation to provide housing-related services. In some cases, businesses had to close because they could not find a market for their product.

Governance of First Nations housing programs

Evaluators were also asked to examine some specific elements of good governance of housing programs. There is a strong view among stakeholders that on-reserve housing should be run like a business and not a social program; it provides a variety of housing options, institutes a rental regime, promotes private ownership, emphasizes individual responsibility, accesses financing from a variety of sources and implements a sound maintenance and inspection regime.

Therefore, evaluators were asked to examine elements such as semi-independent housing authorities, shelter and services charges, market-based housing, and individual home-ownership.

25 - CMHC input in response to questions from IOG.

Housing authorities

The questionnaire responses related to governance and management are summarized below.

Table 5: On-reserve housing governance and management regime

Region	Chief & Council*	Separate legal entity**
British Columbia	198	0
Alberta	22+/23 Rest unknown (of total of 44 FNs)	Some have authorities however decisions are made by Chief & Council
Saskatchewan	70/70	0
Manitoba	63/63	0
Ontario	38/42 (South Region)	1/42 (South Region)
Quebec	36/40	0
Atlantic	32/33	1

* Chief and Council – as a whole or through a Housing Committee or portfolio system or other arrangement.

** Separate legal entity such as a Housing Board or Authority

The responses indicate that in most First Nations, housing is managed by Chief and Council – as a whole or through a Housing Committee or portfolio system or other arrangement. Among the ten First Nations interviewed, only one had a semi-independent housing authority. However, several were however interested in establishing a housing authority but were uncertain how to go about it. Similarly, the regional offices could only identify one example in their region where housing authorities existed but were working with a few First Nations to set them up.

Political interference in housing was identified as a major problem. There were reports from the First Nations interviewed about Councils elected on a platform of free housing for all; Chiefs or Councils overturning decisions on the allocation of housing or evictions;

and Chiefs and councillors themselves being in arrears. Regional staff also received complaints from First Nation members about the allocation of housing.

Minimizing political interference was not linked by interviewees to a particular governance structure such as a housing authority, but rather to political will. Research by CMHC indicated that “an essential component of community development and quality of life is a vision by the political leadership of a housing service.”²⁶ The research also stated that leadership needs to be willing to move housing functions to an arm’s-length body and keep them there, but structure is only one dimension of autonomy, and depending on the relationships, significant or operational autonomy can be granted to any structure through policy and practice, including a First Nation Housing Department.²⁷

First Nations, First Nation stakeholders, and some regional housing officials interviewed for this evaluation reported the example of some communities that had turned the housing situation around, developed a vision in consultation with their communities, reduced or eliminated political interference, established policies and implemented them, and set up a redress mechanism. The key to the turnaround was perceived by the interviewees to be political leadership. However, evaluators were told about a couple of cases where First Nations had made the turnaround after a long and painful journey but due to a change in leadership or management, they had quickly reverted back to their old ways. To many interviewees, the issue of sustainability in changes to governance was critical.

Shelter charges

Many informants referred to the resistance from Chief and Council or community members to the payment of rent. The reasons cited for this were many and included:

- Political expediency;
- No culture or history in the community of paying rent;

26 - “Establishing On-Reserve Housing Authorities”, p.1.

27 - Ibid, p. 2.

- A culture of entitlement to housing or “treaty right to housing” – although First Nation interviewees indicated that this is diminishing and more prevalent among older members in the community;
- A perception that INAC or CMHC owns the house;
- Poor quality of housing that is available;
- No enforcement of eviction notices.

Affordability of housing was also mentioned but was not considered a major barrier to establishing a rental regime since rents can be adjusted to income. The lack of sufficient fiscal resources from INAC to implement shelter allowances was raised in the Prairies and the Atlantic region, but all three of the First Nations in the Prairies reported that they were collecting rent from income assistance recipients.

Regional housing officials and First Nation interviewees spoke about ways to get around these barriers – by involving Chief and Council and community members; by making them understand the importance of putting housing on a sustainable footing; by ensuring that housing policies were known, applied and enforced consistently and that there was a redress mechanism; by phasing in payment for certain groups or types of houses over time; by providing a mix of housing; by upgrading the quality of houses; by withholding repairs or renovations for those that were not in good standing on their rent payments; etc. These changes took anywhere from ten to twenty years to take root. Stability of competent political leadership and management was critical. Geographic location, access to employment, and economic development also helped.

Section 95 On-Reserve Non-Profit Housing requires replacement reserves and a revenue stream. Prior to 1997, the operating agreements required rental payments from individual households. As of 1997, First Nations have the latitude to establish actual occupancy charges in the terms of their Agreement for Section 95. The First Nation agrees to fund a

Minimum Revenue Contribution on an annual basis either through the collection of occupancy charges, other First Nation funds, or a combination of both.²⁸

Service Charges

The portion of First Nation communities charging fees for services such as water and electricity was either not known by the regional housing officials or considered to be very few. Among the ten First Nations that we interviewed, there were two that mentioned charging for services – one also charged for garbage removal and one had property taxes for home owners.

First Nations receive varying allocations from INAC, depending on the asset category, for operating and maintenance costs for capital infrastructure. For potable water systems they receive 80% of the estimated O&M costs and are expected to pay the remaining 20% from their own funds. If they are not receiving these funds from the occupants of houses, then it was assumed that they are covering them from other sources of revenue or are not operating and maintaining the infrastructure to the required standard.

Market-Based Housing

The portion of First Nations with some form of individual home ownership²⁹ was not tracked consistently by the regional offices. The Ontario South, Quebec and Atlantic regions mentioned that 60% or more of First Nations had some form of individual home ownership, whereas the proportion in the Prairies was considered by the regional housing officials there to be negligible or nil. A few First Nations had a large number of individually owned homes, and in one First Nation, all of the homes were privately owned. It was also noted that there was an increasing awareness of the benefits of home ownership.

28 - Written input from CMHC.

29 - For example, lease-to-purchase assisted home ownership, self-build, direct loan and loan guarantee programs.

The use of MLGs for individual loans by region is reported in the previous section. The extent of access to private sector funds for housing without a MLG is not tracked and was not known by most of the regional offices. Some First Nations use band trust funds for housing loans. Others use revenue from economic development initiatives or property or consumption taxes.

The default rate on MLGs is very low - estimated at 0.8%.³⁰ However, a number of First Nations reported some financial difficulties that they got into on the repayment of loans, even resulting in third party intervention. This led to either a turnaround in the management of the housing portfolio, or to chronic debt and a cutback in a number of programs and capital expenditures.

A common form of individual home ownership that was mentioned by both FN and INAC regional housing officials was renting to own which included social housing by income assistance recipients. In some cases, no rent was charged but occupants were expected to pay and arrange for maintenance and after the First Nation had repaid the loan, the occupant acquired ownership of the house. The advantage for the First Nation of this type of arrangement was that they did not have to incur additional liabilities for individual loans, and they had access to funds that would have otherwise been used for maintenance.

Informants reported that some First Nations were a bit apprehensive about the First Nations Market Housing Fund, which is to begin in April 2008 and that concerns exist about the qualification process to be implemented. On the other hand, some of the First Nations we spoke to were enthusiastic about the Fund. In the estimation of one First Nation expert, up to 30% of First Nations could take advantage of the Fund.

One of the major barriers to home ownership mentioned was the *Indian Act*. Because it is impossible for private financial institutions to seize reserve land, loans cannot be secured by conventional mortgages making it difficult for First Nations to obtain financing for

30 - Report on INAC MLG Program, p. 5.

housing construction and acquisition.³¹ Appropriate land tenure regimes and land registry systems were also mentioned.

In terms of individual First Nation members, some of the barriers referred to were:

- Unemployment, low income and high cost of housing. About 37% of all Aboriginal households on reserve reported incomes in 2000 under \$20,000, another 32% reported incomes between \$20,000 and \$39,999. Households with incomes of \$60,000 or more formed only 14% of all Aboriginal households on reserve. Low household incomes were most common in the Atlantic Region and the Prairie provinces.³²
- High personal debt, no established credit rating or a poor rating.
- Limited understanding of home ownership, mortgages, debt management, budgeting, etc.
- Low market value placed on housing.

On the other hand, we heard about an increasing demand for home ownership, particularly among those who had lived off reserve, professionals working for the First Nation on reserve, those who wanted to create a legacy for their children or to retire to the reserve, those who wanted to bypass the long waiting list for housing, and those who wanted to have more flexibility in terms of the type of house they live in or the location within the reserve.

31 - CMHC written response to questions.

32 - Aboriginal Housing Conditions and Needs on Reserve, p. viii.

Conclusions and Recommendations

This evaluation has not revealed anything radically new or startling with regard to the 1996 on-reserve housing policy. The data to answer most of the evaluation questions with any precision were not available. Given the limited scope of this evaluation, it would not have been possible to collect such data. However, based on qualitative information and the review of existing quantitative information, evaluators can suggest some conclusions and options.

Conclusions

Evaluation findings show that:

- The situation of housing on reserve continues to be worse than that off reserve, but some progress has been made. INAC's funding for housing has been relatively stable for most of the period from 1996/97 to 2005/06 - around \$140 million annually. CMHC has provided about \$123 million per year. Over the same period, the number of housing units has increased, the average number of people per housing unit has decreased, and the percentage of people living in crowded dwellings has decreased. Crowding is still a significant problem, however, and is particularly acute in the Prairies and better in Quebec and Ontario. In addition, the adequacy of housing on reserve has not improved over the past decade. One estimate suggests that more than half of First Nations on reserve in the Prairies live in housing in need of major repair, although the proportion is lower in Ontario and British Columbia.
- The on-reserve housing policy introduced more flexibility and control to First Nations over their housing policies or programs. Implementation of the 1996 housing policy was based on the preparation of a multi-year community-based housing plan and additional capital funds were provided in the initial period as an incentive to develop such a plan. The 2000 evaluation of the Policy indicated that the greater control and flexibility was appreciated by First Nations. However,

there is no credible demonstration that this greater flexibility led to the results achieved for on-reserve housing.

- INAC Regional Offices and Headquarters' staff do not systematically and uniformly monitor the implementation of the policy. There was only partial information available regarding the extent to which First Nations that opted in the Policy have been implementing their housing plans or maintenance and inspection regimes. INAC is not tracking the proportion of First Nations that are implementing some form of individual home ownership. There is also no precise information regarding the proportion of First Nations that implemented rental regimes. These findings suggest that an overall implementation and monitoring strategy for the on-reserve housing policy has been lacking and is necessary to provide for the basics of results-based management.
- Responses from regional offices to the questionnaire suggest that Community-based Housing Plans, including maintenance regimes and resource plans, are being very unevenly developed and implemented among regions and First Nations communities.
- Although the evaluators could not access or produce precise information regarding the extent to which rental regimes are being implemented on-reserve, it was very clear from the qualitative information that rent collection is a significant problem across the country, especially in the Prairie Provinces. The same difficulties were noted for the implementation of maintenance regimes, inspection and services charges.
- Evaluation findings suggest that the major flaw with the Department's approach was to assume that supporting the development of community-based housing plans would be sufficient to lead to long-term sustainable change in the way that housing was governed, managed and financed. Evaluators found that the three key factors that underlie a successful housing program are the political will and the support of the community as well as the development of managerial and technical capacity.

Based on these findings, evaluators have identified three options:

- The first option is to maintain the status quo, or a somewhat enhanced version of the policy.
 - It is likely that if no changes are made, the trends observed since the last decade will persist and the number of housing units available would gradually increase over time. The number of First Nations with good housing policies, plans, rental regimes, individual home ownership, etc. would also increase gradually. However, this might not be sufficient to address the current situation and evaluation findings suggest that the Policy is not being fully and effectively implemented. However, these findings are mostly based on qualitative and sometimes anecdotal information. More thorough research is needed for a credible assessment of the impact and continued relevance of the policy.
 - The Department could work to establish more controls, ensure compliance with policy requirements, monitor housing maintenance accounts, and provide funding for housing management linked to more stringent requirements for planning, staffing, policies and procedures. It could also revert to the subsidy program and a project-based capital management approach in cases of non-compliance. This approach might require more resources in INAC's Regional Offices.
- The second option would be to generalize the approach adopted in the Quebec Regional Office and integrate First Nations housing activities, including plans and projection, in their 5 year capital plan. Since there are no more additional funds available for First Nations who would opt in the Policy, the department could then remove the obligation to renew or monitor the community-based housing plan.
- A third approach would be to introduce additional incentives to achieve Policy objectives in communities where capacity exists. With the introduction of the First Nations Market Housing Fund, and potential changes in the shelter allowance policy, it could be an opportune time to clearly link some incentives (financial and others) to the existence of certain requirements on reserve such as establishing rental regimes or improving their financial and housing management. First Nations will already be trying to comply with the requirements of those initiatives. If those requirements were linked to the housing standards, several objectives could be achieved at the same time with fewer resources.

Recommendations

- 1) A comprehensive evaluation of the overall federal government approach to on-reserve housing that would address the issues of relevance, impact and cost-effectiveness should be conducted. INAC should explore the possibility of expanding the scope of the upcoming joint INAC-CMHC evaluation of *Budget 2005-2006 New Funding for On-Reserve Housing Programs* to conduct a comprehensive evaluation of housing in collaboration with CMHC.
- 2) To improve the management of the 1996 On-Reserve Housing Policy, the Department should:
 - a. Follow-up on the implementation of the existing community-based housing plans.
 - b. Monitor the following elements related to the policy:
 - i. The implementation of inspection regimes
 - ii. The various governance systems for on-reserve housing programs
 - iii. The implementation of rental regimes and service charges and the extent of market-based housing on reserve
 - iv. Housing-related employment and business creation
- 3) Future policy development regarding on-reserve housing at INAC should:
 - a. Consider the possibility of making access to financial and other incentives for on-reserve housing conditional upon such requirements as the establishment of rental and inspection regimes, or improvement to financial and housing management. The department should explore the possibility of aligning its policy with the *First Nations Market Housing Fund (FNMHF)*.
 - b. Take into account the results and conclusions of the evaluation of the *Budget 2005-2006 New Funding for On-Reserve Housing Programs*.

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Annex 2 - Questionnaire

QUESTIONNAIRE FOR INAC REGIONAL HOUSING OFFICIALS

EVALUATION OF THE 1996 ON RESERVE HOUSING POLICY

Name: _____

Region: _____

Date: _____

Please answer the following questions to the best of your knowledge or ability. Where exact figures are not known, please estimate the number. You may provide further information to explain your answer after each question if necessary.

1. How many First Nations are there in your region?

2.

Number _____

Comment: _____

3. How many First Nations have opted into the On-Reserve Housing Policy?

Number _____

Comment: _____

4. How many First Nations have the following types of housing governance and management regimes?

Chief and Council Number _____

(as a whole or through a Housing Committee or portfolio system or other arrangement)

Separate legal entity Number _____

(such as a Housing Board or Authority³⁴)

Comment: _____

5. How many First Nations have multi-year housing plans as defined in the Guidelines³⁵?

Number _____

Comment: _____

6. In your opinion, how many of those First Nations with multi-year housing plans are taking them seriously and implementing them?

Number _____

Comment: _____

34 - A separate nonprofit legal entity authorized by means of a band council resolution. It can be incorporated under either federal or provincial laws. Once chartered, it has the power to set by-laws governing its operations, to hire and manage staff, and to make financial decisions for providing services.

35 - Multi-year housing plans were to have three components: 1) a work plan for maintenance, insurance, renovation, construction, and management of the community housing program over five to ten years; 2) a resource plan detailing planned expenditure and source of revenue, and 3) links with training, job creation and business development initiatives.

7. In your opinion, how effective are First Nations' maintenance regimes in terms of completing essential repairs and routine work, protecting housing stock and preventing premature deterioration?

Meet all of the requirements Number _____

Meet some of the requirements Number _____

Do not meet any of the requirements Number _____

Comment: _____

8. How many First Nations have some form of individual home ownership³⁶?

Number _____

Comment: _____

9. How many First Nations charge members user fees for services (e.g. water, electricity)?

Number _____

Comment: _____

10. How many First Nations access private sector funds for housing with or without a Ministerial Loan Guarantee (MLG)?

Number accessing private sector funds with MLGs _____

Number accessing private sector funds without MLGs _____

36 - For example, lease-to-purchase, assisted home ownership, self-build, direct loan and loan guarantee programs.

Comment: _____

11. How many First Nations have revolving loan funds for housing?

Number _____

Comment: _____

12. How many First Nations have plans that link housing to training and job creation initiatives?

Number _____

Comment: _____

13. How many First Nations have businesses related to housing (either Band-owned or privately owned)?

Number _____

Comment: _____

Annex 3 – Aboriginal Households in Canada, by Aboriginal Identity, Location and Tenure, Canada, Provinces and Territories, 2001

	Aboriginal - Living On-reserve			
	Total	Owners	Renters	Band Housing
Canada				
All Aboriginal Households				
Number	73,315	20,855	9,280	43,125
As % of total Aboriginal households	100.0%	28.4%	12.7%	58.8%
Newfoundland and Labrador				
All Aboriginal Households				
Number	250	215	10	25
As % of total Aboriginal households	100.0%	86.0%	4.0%	10.0%
Prince Edward Island				
All Aboriginal Households				
Number	145	25	0	115
As % of total Aboriginal households	100%	17.2%	0.0%	79.3%
Nova Scotia				
All Aboriginal Households				
Number	2,280	415	250	1,615
As % of total Aboriginal households	100.0%	18.2%	11.0%	70.8%

New Brunswick				
All Aboriginal Households				
Number	2,195	730	355	1,105
As % of total Aboriginal households	100.0%	33.3%	16.2%	50.3%
Quebec				
All Aboriginal Households				
Number	8,510	2,995	1,465	4,050
As % of total Aboriginal households	100.0%	35.2%	17.2%	47.6%
Ontario				
All Aboriginal Households				
Number	12,725	5,205	1,805	5,710
As % of total Aboriginal households	100.0%	40.9%	14.2%	44.9%
Manitoba				
All Aboriginal Households				
Number	12,625	1,270	1,060	10,285
As % of total Aboriginal households	100.0%	10.1%	8.4%	81.5%
Saskatchewan				
All Aboriginal Households				
Number	10,155	665	760	8,720
As % of total Aboriginal households	100.0%	6.5%	7.5%	85.9%

Alberta				
All Aboriginal Households				
Number	9,195	1,425	645	7,125
As % of total Aboriginal households	100.0%	15.5%	7.0%	77.5%
	Total	Owners	Renters	Band Housing
British Columbia				
All Aboriginal Households				
Number	15,015	7,790	2,910	4,275
As % of total Aboriginal households	100.0%	51.9%	19.4%	28.5%
Yukon				
All Aboriginal Households				
Number	155	55	15	85
As % of total Aboriginal households	100.0%	35.5%	9.7%	54.8%
Northwest Territories				
All Aboriginal Households				
Number	70	60	0	15
As % of total Aboriginal households	100.0%	85.7%	0.0%	21.4%

Nunavut

All Aboriginal Households

Number

As % of total territorial households

Recommendations	Actions	Responsible Manager (Title)	Planned Implementation date
<p>1) INAC takes advantage of the upcoming joint INAC-CMHC evaluation of <i>Budget 2005-2006 New Funding for On-Reserve Housing Programs</i>, to undertake extensive field research to fully address the following questions:</p> <p>c. To what extent have the multi-year housing plans allowed First Nations to:</p> <ul style="list-style-type: none"> i. Protect and extend the life of existing houses and ensure that housing meets minimum national standards, through maintenance, insurance and renovation programs ii. Construct quality affordable new housing, designed to respond to the variety of housing needs within the community 	<p>INAC's Audit and Evaluation Sector will work with CMHC's Audit and Evaluation Services to expand the scope of the upcoming evaluation of <i>Budget 2005-2006 New Funding for On-Reserve Housing</i> to explore and consider alternatives to existing on-reserve housing programs.</p> <p>Terms of Reference for a joint INAC-CMHC summative evaluation will include:</p> <ul style="list-style-type: none"> • responses to questions stated in the recommendation; • a comprehensive review of INAC and CMHC's performance in First Nation housing, including analysis of the factors for success; and • review of social and community housing delivery 	<p>Head of Evaluation; Director General, Community Development</p>	<p>Summer 2008</p>

Recommendations	Actions	Responsible Manager (Title)	Planned Implementation date
<ul style="list-style-type: none"> iii. Support individual pride and responsibility through community involvement, home ownership incentives and private market investment; and iv. Link housing activities to training, job creation and business development. d. What factors contributed to or inhibited the successful development and implementation of First Nations community-based housing plans? e. Is the 1996 On-reserve Housing Policy still relevant? <p>It is understood that this evaluation will also address the specific accountability questions defined in planning documents for the <i>Budget 2005-2006 New Funding for On-Reserve Housing Programs</i>.</p>	<p>models being used in Canada and other countries, and their strengths and weaknesses as alternatives to current program models.</p>		

Recommendations	Actions	Responsible Manager (Title)	Planned Implementation date
<p>2) INAC should revise and improve the delivery and performance monitoring of its housing program.</p>	<p>To ensure uniformity, to improve housing program delivery, and to positively influence program implementation and compliance, INAC will develop a Housing Procedures Guide that will be implemented across all regions. Among other objectives, this procedures guide will:</p> <ul style="list-style-type: none"> • ensure that communities under the 1996 On-Reserve Housing Policy provide and implement community housing plans as a condition of funding, and other First Nations not under the policy comply with INAC's housing subsidy requirements; and • institute a program compliance regime which would outline both the incentives for compliance and the consequences of non-compliance. 	<p>Director General, Community Development</p>	<p>TBD</p>

Recommendations	Actions	Responsible Manager (Title)	Planned Implementation date
	<p>INAC will introduce the Integrated Capital Management System (ICMS) database in all Regions and FNs to streamline data collection and reporting, and to aid in measuring housing program outcomes and performance indicators.</p>		
<p>3) Future policy development regarding on-reserve housing at INAC should consider making access to financial and other incentives for on-reserve housing conditional upon such conditions as the establishment of rental and inspection regimes, or improvement to financial and housing management.</p> <p>To help communities to access the First Nations Market Housing Fund (FNMHF) the department should ensure that any housing policy is consistent with the accessibility criteria to be developed for the fund.</p>	<p>A review of INAC and CMHC's on-reserve housing programs (including engagement with First Nations) which will enable the development of policy alternatives to improve housing outcomes on reserve.</p> <p>The resulting new policy alternatives may include elements such as:</p> <ul style="list-style-type: none"> • a needs-based allocation of housing support; • program delivery models which are reflective of the capacity of the First Nation to manage housing programs; • promotion and development of rental regimes; 	<p>Director General, Community Development</p>	<p>TBD</p>

Recommendations	Actions	Responsible Manager (Title)	Planned Implementation date
	<ul style="list-style-type: none"> • implementation of inspection regimes to ensure compliance with the National Building Code; • inspection of homes by qualified building inspectors reducing the incidence of mould and improving the lifecycle of homes on reserve; • promotion of market housing opportunities, such as the First Nations Market Housing Fund (FNMHF); • adoption of alternative financing options for infrastructure to increase the supply of serviced lots; • consistent collection and reinvestment of shelter allowance payments for First Nations housing; • appropriate coordination of roles in First Nation housing between the main partners 		

Recommendations	Actions	Responsible Manager (Title)	Planned Implementation date
	<p>including First Nations, INAC, and CMHC); and</p> <ul style="list-style-type: none"> • review the role of Ministerial Loan Guarantees in improving housing outcomes. 		