

Aboriginal Housing

Background Paper

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1. Why Housing Matters

Adequate¹, suitable² and affordable³ housing is essential to individual health and well-being. The design, construction and maintenance of homes have a direct influence on occupants' health. The use of appropriate building materials, and heating and ventilation systems, are critical to ensuring healthy indoor air quality. The financial asset of housing through home ownership provides a means for economic prosperity and longer-term financial security. In addition, housing supports the stability and permanence of location that facilitates opportunities for obtaining and maintaining employment, accessing public and private services such as health and education, and participating in community activities.

Aboriginal Context:

The Aboriginal population is growing at a faster rate and is increasingly younger than the overall population in Canada. In 2001, the Aboriginal population reached close to 1 million and had grown by 22% from 1996, while the non-Aboriginal population grew by only 3.4%. The Aboriginal population is younger than the non-Aboriginal population with a median age of 24.7 years compared to 37.7 years for non-Aboriginals. (*Statistics Canada, Census 2001*). The increasing size and young average age of the Aboriginal population contribute to the increase in new household formations that creates the need for more housing.

In examining Aboriginal housing, it is important to recognize the distinct requirements of Aboriginal households that influence both household composition and housing conditions. For example, some Aboriginal households include more than one generation as well as extended family members. This influences the size and design requirements for Aboriginal dwellings.

Among the Aboriginal population, housing requirements also vary by region. For example, on-reserve and northern and remote communities lack conventional housing markets. In the far north, the remote location and climate mean higher infrastructure needs and costs. Urban Aboriginal people living in largely non-Aboriginal communities face socio-economic challenges such as relatively low

¹ **Adequate** dwellings are those reported by their residents as not requiring any major repairs. Major repairs refer to repair of defective plumbing or electrical wiring, structural repairs to walls, floors, or ceilings, etc.

² **Suitable** dwellings have enough bedrooms for the size and make-up of resident households, according to National Occupancy Standard (NOS) requirements. NOS stipulates one bedroom for each cohabitating adult couple; unattached household member 18 years of age and over; same-sex pair of children under age 18 years; two opposite sex siblings under 5 years of age. A household of one individual can occupy a bachelor unit with no bedroom.

³ **Affordable** dwellings cost less than 30% of before-tax household income. For renters, shelter costs include rent and utility payments, and for owners, shelter costs include mortgage payments, property taxes, condominium fees and utility payments.

income and discrimination that affect their access to affordable, adequate and suitable housing.

2. Current Aboriginal Housing Situation

The Royal Commission on Aboriginal People (RCAP) concluded in its 1996 report that Aboriginal housing was substandard. While federal efforts have worked towards improvements to Aboriginal housing conditions, the continued disparity between the housing conditions of Aboriginal versus non-Aboriginal households demonstrates the need for new mechanisms and additional investments to close the gap.

On-Reserve Housing

Housing need on reserve is considerable. Many First Nations live in substandard and overcrowded housing and face a large housing backlog. This unmet housing need is a significant hurdle to First Nations, many of whom live in rural or remote locations and experience poor socio-economic conditions.

In 2001, 22.5% of on-reserve Aboriginal households were living in inadequate housing and in core housing need⁴ compared to 2.5% of non-Aboriginal households and 10.3% of on-reserve Aboriginal households were living in crowded conditions and in core housing need compared to 1.4% of non-Aboriginal households (*CMHC housing indicators based on 2001 Census data*).

As of March 2004, INAC reported a total of 95,479 dwelling units on reserve, of which 16,878 required major repairs and 5,199 needed replacement. On-reserve housing shortages are currently estimated at 20,000 units⁵, with an additional 4,500 new units needed annually to meet the requirements of new households.

Off-Reserve Housing

In non-reserve areas, a disproportionate share of Aboriginal households is in core housing need (that is, their housing falls below at least one of adequacy, suitability or affordability standards and they would have to spend 30% or more of their before-tax income to pay the median rent of alternative local housing to meet all three standards). In 2001, nearly 25% of non-reserve Aboriginal households were in core housing need, compared to 16% of non-Aboriginal households (*CMHC housing indicators based on 2001 Census data*).

For the majority of non-reserve Aboriginal households, affordability is the primary housing difficulty, and, as long as their incomes lag, Aboriginal households will

⁴ Failed to meet the adequacy or the suitability standard (alone or in combination), and could not afford acceptable housing.

⁵ In 2000, housing shortages were estimated at 8,500 units, increasing at 2,200 units per year after government programs. INAC estimates the current shortage at close to 20,000.

continue to be more susceptible to housing need. In 2001, 21% of non-reserve Aboriginal households were experiencing affordability problems and in core housing need, compared to 14% of non-Aboriginal households (*CMHC housing indicators based on 2001 Census*).

In 2001, 7% of Aboriginal households lived in inadequate homes (homes that required major repairs) compared to close to 3% of non-Aboriginal households. On housing suitability, close to 5% of Aboriginal households lived in crowded conditions compared to a little over 1% of non-Aboriginal households (*CMHC housing indicators based on 2001 Census data*).

In terms of homelessness, Aboriginal people are over-represented in the homeless population in every major city where statistics are available. For example, in Hamilton, Aboriginal people represent 2% of the city's population, yet make up 20% of the homeless population⁶. In Edmonton, Aboriginal people made up 43% of the homeless population (based on a city count in 2002) while accounting for only about 6% of the overall population (2001 census).

3. Challenges

On-Reserve Housing

- **Housing Shortage:** Housing shortages on reserve are currently estimated at 20,000 housing units. Further to this, there is an annual housing production shortfall of 2,200 units to meeting the estimated need
- **Housing Conditions:** Renovations fall well below housing repair needs. Currently, 16,878 units require major renovations (INAC).
- **Housing Quality:** The overcrowded conditions resulting from housing shortages contribute to the rapid deterioration of housing and to problems such as mold contamination, which has a direct impact on health.
- **Governance:** Any transfer of authority in housing to First Nations, outside of the On-Reserve Housing Policy, remains in early development.
- **Construction Costs:** The remote location of many First Nations communities contributes to higher costs for construction material, labour and utilities.
- **Land Tenure and Financing:** Due to the legal nature of land tenure of First Nations land administered through the *Indian Act*, it is difficult for First Nations to obtain financing for housing construction and acquisition.

⁶ Hamilton's Report Card on Homelessness. April 2002.

- Capacity: First Nations need to exercise more control over their housing in order to benefit from investments. To do so, First Nations need to increase their capacity to implement and manage housing programs.
- Rights to the Matrimonial Home: In the event of marriage dissolution, provincial courts have no jurisdiction to award an interest in the family home which is usually in the legal possession of the husband. This often results in women having to leave the reserve, especially where communities do not have housing policies that address such situations.

Off-Reserve Housing

- Jurisdiction: There is intergovernmental disagreement over the responsibility for urban Aboriginal policy. As a result, there are varying degrees of Aboriginal policy and programming by both federal and provincial governments.
- Socio-economic Challenges: The socio-economic conditions of the Aboriginal population fall well below the overall population average in areas such as education levels, employment rates, income levels, and health status.
- Housing Affordability: Limited supply of affordable housing constrains many Aboriginal people with low-incomes to living in temporary housing situations with family or friends often resulting in frequent moves from one temporary housing situation to another, placing them at risk of homelessness.
- High Residential Mobility: The Aboriginal population has a high residential mobility rate that presents additional challenges to obtaining and maintaining educational, employment and health service opportunities.
- Homelessness: Despite community efforts to address Aboriginal needs, many Aboriginal people become homeless each year. Greater efforts need to be made to ensure that housing is more affordable to the working poor and that supportive housing is made available to the chronic homeless population.
- Women Specific Service Needs: In addition, Aboriginal women are more likely to live in lone-parent households, relative to non-Aboriginal females. Lone parent households rely on a single income, and are more likely to be in core housing need.

Inuit Housing

- Housing Stock: Inuit in northern and remote areas rely heavily on social housing units due to socio-economic factors such as low employment and income. The low supply of housing and few new units added to the existing housing stock each year has resulted in significant overcrowding.

- **Climate Conditions:** The remote location of Inuit communities contributes to high transportation costs for building materials. Ongoing maintenance and operation of adequate electricity, heating, water and wastewater services for rural and remote housing are technically demanding and expensive.
- **Skills and Employment:** Employment opportunities and skills development in the north has been limited.
- **Lack of Alternatives for Women:** The remote location and inadequate housing supply present obstacles for Inuit women wishing to leave relationships.

People of other Aboriginal identities living in northern and remote areas also face housing conditions similar to the challenges described for the Inuit population.

4. Current Federal Response

Current federal programs and initiatives seek to address some of the challenges and reflect past recommendations on Aboriginal housing (see Appendix A, B).

On-Reserve Housing

Estimated on-reserve housing expenditures in 2002/2003 totalled \$269 million (\$163 million through INAC and close to \$106 million through CMHC). Federal investments in housing repair and construction support the construction of 2,300 housing units and the renovation of about 3,300 existing units per year at this funding level.

The introduction of the On-Reserve Housing Policy in 1996, accompanied by one-time funding through INAC, has given First Nations that have voluntarily adopted the policy (over 500 communities, approximately 80% of First Nations) greater flexibility and control over housing policies and programs in their communities.

A number of First Nations have implemented very successful housing policies and management regimes, including the use of housing authorities that are separate from Chief and Council. Others are exploring options to create more home ownership opportunities for their members, while some are looking at innovative means for accessing private capital, including alternate forms of land tenure, and the establishment of public private partnerships.

INAC provided funding in 2003-2004 to First Nations and First Nation organizations for a series of special initiatives to explore different ways to resolve their housing needs. These special initiatives included new ways to administer housing, for example, through the establishment of a housing authority at an aggregate level that effectively “depoliticizes” housing allocation decisions and that brings more of a business approach to the housing portfolio. Other

examples of innovative housing include measures to access private capital markets, for example, by designating land and issuing leasehold interests that are capable of being mortgaged.

Currently, the federal government's efforts to promote more effective land management, including individual property interests, focus on strengthening and promoting the use of leases, and on the self-government process.

The *First Nations Land Management Act* (FNLMA) allows more flexibility in the land tenure and Matrimonial Real Property (MRP) challenges than those presented under the *Indian Act*. FNLMA gives First Nations that have signed Agreements under this Act, authority to exercise control over their lands and resources for the use and the benefit of their members.

Ministerial Loan Guarantees are available to First Nations seeking loan financing for housing. This mechanism facilitates the provision of housing financing and loans for First Nations.

CMHC provides funding through its On-Reserve Non-Profit Housing Program and several renovation programs that assist in the building and renovation of homes and shelters on reserve (Appendix B).

CMHC coordinates the facilitation of housing related workshops and training to First Nations under its capacity development initiative. The federal government has been supportive of efforts of First Nation communities and Aboriginal organizations to develop institutions, which will improve planning, delivery, financing and administration of housing. For example, the First Nations National Building Officers' Association developed with support from CMHC, supports the development of Aboriginal technical skills and knowledge in housing design, construction, inspection and maintenance.

In response to the 20th Report of the Standing Committee of Public Accounts (SCOPA) following the 2003 Report of the Auditor General of Canada regarding on-reserve housing, CMHC and INAC have tabled a joint action plan with SCOPA to address each of the report's 10 recommendations. These recommendations include improvements to program delivery and support, addressing program performance, roles and responsibilities, reporting, and access to financing.

Since the early 1990s, federal on-reserve housing budgets have remained relatively constant in nominal terms, despite a significant population increase. Although federal funding was never intended to cover the full cost of on-reserve housing, current funding levels are completely inadequate to address the existing backlog, estimated at around 20,000 units. Not only is there a need to increase funding levels, there is also a need to address some of the prevailing attitudes in communities that on-reserve housing is a treaty obligation, that occupants do not

have a responsibility to maintain their housing units, and that communities themselves do not have the overall responsibility for meeting their own housing needs. Changing these attitudes will be critical to achieving sustainable on-reserve housing.

Off-Reserve Housing

Since 2001, the Government of Canada has committed more \$2 billion to housing over 6 years. This includes \$1 billion for the Affordable Housing Initiative to increase the supply of housing, more than \$500 million for housing renovation programs, and \$665 million for the National Homelessness Initiative. A small portion of these funds is specifically directed to Aboriginal people. However, renovation programs have focused increasingly on those in greatest need of assistance, and in particular, Aboriginal people. As well, the federal Minister encouraged the provinces to direct a portion of the \$320 million investment in the second stage of the \$1 billion Affordable Housing Program towards urban Aboriginal households.

In addition to these investments, almost \$2 billion in federal funding is provided annually to support approximately 636,000 existing social housing units. Included in this total are almost 11,000 units under the Urban Native Non-Profit Housing Program, which targets urban Aboriginal households, and provides subsidized rental housing. In addition, the existing portfolio includes some 23,000 units delivered under the Rural and Native Housing program, which provides housing to Aboriginals and other inhabitants of rural areas on a home ownership, lease-to-purchase and rental basis.

The Urban Aboriginal Strategy (UAS), with its objective of improving socio-economic conditions among urban Aboriginal people, has encouraged greater collaboration of initiatives among federal, provincial, and municipal governments and local Aboriginal organizations. Pilot project funding in the amount of \$25 million has been allocated to eight communities and additional \$25 million was announced in 2004 to expand the Strategy, including adding up to six additional communities. Of the eight current UAS pilot project communities, four identified housing and homeless as one of their priorities.

In recognition of the severity of urban Aboriginal homelessness, the National Homelessness Initiative (NHI) has supplemented, since its inception in 1999, general Supporting Communities Partnership Initiative (SCPI) funding with targeted funding to address urban Aboriginal homelessness. The extended \$405 million NHI (2003-2006) allocates \$45 million to the Urban Aboriginal Homelessness (UAH) component, which has fostered community planning, decision-making and capacity building.

Inuit Housing

In addition to long term funding for existing housing in the territories, Québec, and Newfoundland and Labrador, the Government of Canada provides \$10 million annually for the construction of housing units in Nunavik and Québec provides another \$10 million annually for operating expenses. In Nunavut, Canada has approved a one-time contribution of \$20 million for the construction of social housing through the Canadian Strategic Infrastructure Fund.

5. Aboriginal Perspective

The National Aboriginal Organizations, Aboriginal people, and most provinces maintain that the Government of Canada is responsible for programming for all Aboriginal people, including Aboriginal people living off reserve. First Nations maintain that they have a treaty right to housing.

The Native Women's Association of Canada (NWAC) is calling for gender perspectives in Aboriginal policy and program development.

The Assembly of First Nations' (AFN) housing objectives include: a shift from dependence to a sustainable housing model controlled by First Nations that will respond to the need for social housing; and create, through housing, opportunities for employment and economic development.

The AFN has indicated that the creation of on-reserve housing markets should be encouraged. Furthermore, the AFN supports the transfer of responsibility of housing to First Nations and has developed a proposal and workplan to achieve this objective (Appendix D). The AFN's proposal calls for an enhanced working relationship with the federal government based on nation to nation and government to government relationships.

The Métis National Council (MNC) is calling for the implementation of new social housing initiatives for the Métis, in partnership with Métis. MNC is calling for the development of a Métis housing strategy to improve Métis housing conditions.

The Congress of Aboriginal Peoples (CAP) is advocating a new pan-Aboriginal federal Ministry and recommends that the Federal Interlocutor for Métis and Non-Status Indians work with CAP on the New Deal for Cities in order to address the Aboriginal dimensions of the agenda. The New Deal includes a \$7 billion federal commitment over 10 years to assist municipalities in enhancing quality of life.

The National Aboriginal Housing Association (NAHA) is calling for a national Aboriginal housing strategy and proposes that all levels of government commit a target of 7.5% of the Affordable Housing budget to the non-reserve Aboriginal community. Their proposal calls for a dedicated allocation of \$75 million (with matched cost-sharing from provincial and territorial governments) for the construction of 2,200 units annually for 10 years. This would total to \$750 million

in federal spending for 22,000 housing units over 10 years. (See Appendix E: Recommendations of NAHA.)

The Inuit Tapiriit Kanatami (ITK) is calling for an integrated Inuit-specific approach to socio-economic development policy that addresses health, employment, education and housing. ITK is advocating for training, procurement and employment opportunities as well as home ownership opportunities for low-income Inuit.

ITK recommends that all levels of government work with Inuit land Claim organizations and regional institutions to develop strategies and programs. The Nunavut Housing Corporation and Nunavut Tunngavik Incorporated have prepared a draft action plan for housing in Nunavut for a ten-year period. The plan calls for federal funding to create 500-700 new units per year and to support the ongoing operations and maintenance of existing housing stock.

6. Federal Perspective

The Government of Canada does not recognize a universal entitlement to government-financed housing as either a treaty or an Aboriginal right, on or off reserve. However, housing challenges faced by Aboriginal people greatly exceed those experienced by other Canadians. Consequently, the federal government has an interest in improving the socio-economic conditions for all Aboriginal people regardless of location.

Current federal investments in housing are intended to assist with, rather than cover the entire, cost of housing. The federal role in housing is only one share of the partnership needed to develop housing options. Community solutions require community involvement and stewardship. Aboriginal organizations, other levels of government, and community partners play key roles in housing for Aboriginal people.

On-Reserve Housing

On the issue of governance, there is recognition that First Nations should have control over program delivery, and will require the necessary housing institutions, which will have appropriate accountability measures in place, to deliver those programs. In light of the significant legal gaps which exist given the dated nature of the *Indian Act*, there is also a need for legal mechanisms to be put in place to govern the landlord and tenant relationship, and to allow housing authorities and communities to take measures required to operate in market-like conditions (e.g. to garnishee wages in the event of non-payment of rents). These, and other measures, will help communities to more fully exploit the existing possibilities of using long-term leases, that are capable of being mortgaged, to establish on-reserve housing markets and more private “ownership” of the family home.

Off-Reserve Housing

The federal housing strategy includes funding to support the increase of affordable housing, renovation of substandard housing and assistance to prevent and reduce homelessness. The Government of Canada maintains that provinces and territories have primary responsibility for housing in non-reserve areas, including services for Aboriginal people. With this in mind, federal housing initiatives have been developed to complement and accommodate existing provincial and territorial housing measures and priorities with regard to increasing the supply of affordable housing and improving housing conditions.

On homelessness, provinces and territories have been generally supportive of the National Homelessness Initiative (NHI), including its efforts to address urban Aboriginal homelessness. NHI supports an inclusive community-based approach, involving a wide range of partners and service providers, and hence has not granted requests from National Aboriginal Organizations (NAOs) for carve-out funding. However, NAOs and their local affiliates and institutions are invited to participate in NHI community-led planning and decision-making processes, including community tables that focus on urban Aboriginal homelessness.

Priorities:

Housing priorities identified by federal officials for Aboriginal housing on and off reserve include:

1. Increasing supply and access to affordable housing
2. Improving the adequacy of housing
3. Increasing Aboriginal capacity
4. Contributing to the prevention and reduction of homelessness

7. Desired Outcomes

The overall strategic outcome in the area of housing is to increase Aboriginal access to adequate, suitable and affordable housing. Housing approaches must recognize the distinct needs of Aboriginal populations such as First Nations, Inuit and Métis as appropriate. Aboriginal organizations recommend that federal policy and programs reflect cultural, language and geographic realities in order to meet Aboriginal community needs effectively.

Short-term Outcomes

In order to halt acceleration of the housing problem, current initiatives could be directed towards:

- Increasing housing supply and related infrastructure;
- Preserving and maintaining the existing housing stock;
- Clarifying roles, responsibilities and outcomes for on-reserve housing;

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- Enhancing information on Aboriginal housing and homelessness;
- Increasing local capacity to address Aboriginal housing and homelessness;
- Coordinating efforts among federal, provincial, territorial, and municipal governments and Aboriginal community groups.

Intermediate Outcomes

In an effort to reduce the backlog of housing need over the medium term, initiatives could be undertaken to:

- Support development of sustainable housing systems and Aboriginal institutions;
- Improve access to capital and innovative tenure options on reserve;
- Facilitate Aboriginal access to private market housing off-reserve;
- Enhance supports and services available to meet the needs of homeless Aboriginal people and those at risk of homelessness;
- Increase understanding of Aboriginal housing and homelessness; and
- Broaden the engagement of partners to ensure a coordinated response to address Aboriginal housing and homelessness.

Long-term Outcomes

The long-term vision could include:

- Improving Aboriginal access to adequate, suitable and affordable housing;
- Narrowing the gap between Aboriginal and non-Aboriginal housing conditions;
- Encouraging and supporting development of market-like housing conditions in Aboriginal communities;
- Increasing Aboriginal capacity to meet their own housing needs;
- Transferring control over housing to Aboriginal communities; and
- Establishing a comprehensive continuum of supports to prevent those at-risk from falling into homelessness and help homeless Aboriginal people to move out of the cycle of homelessness.

Indicators

Three indicators could be used to measure housing progress off reserve including: affordability, suitability and adequacy, which are derived from the census every five years (see definitions on page 1).

Engagement and Partnerships

The roundtable process will provide for the early involvement of Aboriginal organizations in policy development discussions and in establishing accountability measures. Engaging provinces, territories and municipalities (P/T/M) as stronger partners in Aboriginal housing will be key to any renewed Government of Canada effort on housing and homelessness.