23. Aboriginal Housing in Canada

GEORGE DEVINE

No study of housing in Canada can overlook the particular question of housing for Aboriginal people, both on and off reserves. In a country where the average Canadian lives in safe, affordable housing, the contrast with the Aboriginal population is shocking. Among Aboriginal communities, both on and off reserve, a very large proportion of Aboriginal people live in overcrowded conditions and in housing that is in need of major repair. Aboriginal people are 25 percent more likely to be homeless than other Canadians.

Indian and Northern Affairs Canada (INAC) estimates that of the more than 90,000 houses on reserves across Canada in 2001, 44 percent were in need of renovation. Canada Mortgage & Housing Corporation (CMHC) estimated in 1998 that between 50 and 54 percent of off-reserve Aboriginal households occupy dwellings that fall below one or more core housing need standards.[1]

Over 70 percent of Aboriginal people,[2] or just under 700,000, now live off-reserve in urban and rural areas, forming just under 158,000 households,[3] yet there are fewer than 19,000 housing units[4] across Canada specifically funded and targeted for them. A recent study[5] by the National Aboriginal Housing Association (NAHA) found that off-reserve Aboriginal renter households are at a serious disadvantage compared to non-Aboriginal renter households. Some 16.5 percent of Aboriginal household live in units in need of major repair compared to only 9 percent for non-Aboriginal. Aboriginal households have a higher incidence of affordability problems than do non-Aboriginals, with 37 per-

cent spending more than the norm of 30 percent for rent; while 15 percent (one in every six) experience a severe rent burden, paying greater than 50 percent of income for shelter. The off-reserve Aboriginal population has a lower income than non-Aboriginals; 87 percent that of non-Aboriginal households.

In central and western Canadian cities, Aboriginal men, women, and youth are disproportionately represented within the homeless population and the most identifiable segment of street homeless and shelter users.

How do we explain this situation after over 30 years of public involvement and financial investment in Aboriginal housing?

This chapter outlines federal Aboriginal housing policy initiatives and some of the issues those policies have failed to address, and summarizes recent recommendations made by both the Assembly of First Nations (AFN) and NAHA to improve the housing situation of Canada's Aboriginal peoples.

On-reserve housing

INAC developed the first on-reserve housing subsidy program in the 1960s, providing funding for building and renovating housing. Assistance was in the form of capital grants for construction. Band councils were responsible for establishing housing management regimes which mostly consisted of allocating units to band households. There was no funding for ongoing maintenance, nor were band councils encouraged or supported in developing a property management capability. In most instances, occupants were not required to pay rent and had security of tenure only as long as they continued to live on the reserve and did not abandon the unit.

Many of the conventional Canadian approaches to housing, such as homeownership, do not apply to on-reserve housing. Because most of the land is owned by the Crown, band households are precluded from outright ownership and land title, and from obtaining mortgage financing to repair or upgrade their housing unit. As well, since about 65 percent of the housing is in rural, remote, or special-access areas,[6] there is little or no "market" for on-reserve housing. The consequences of this inability to own the housing unit, the exclusion of securing financing,

and the lack of a re-sale market have acted as major disincentives for band households to invest their own scarce financial resources in maintaining band housing.

Given the lack of financial resources on the part of the band council to maintain the housing, and the disincentive for the household to invest in the unit, it was only a matter of time before the housing stock would deteriorate seriously.

A second major policy initiative was launched in the late 1970s, when CMHC became involved in on-reserve housing, mainly through the Non-Profit Rental Housing Program.

Under this program, which was originally designed to be delivered and managed by private non-profit groups in Canada's cities and towns, band councils received a combination of loan financing and operating subsidies to build and operate housing units. The operating subsidies, however, were insufficient to maintain the unit and also repay the federal loan financing. The program required a secure rental revenue stream to ensure housing project viability.

In addition, band councils were required to adhere to a series of operating policies that were culturally insensitive and hard to implement. The most significant of these was the requirement to adopt a national rental scale and definition of income.

Given the fact that the majority of other band households were not required to pay rent for their housing, many bands objected to charging rents under the CMHC program. The disparity in the treatment of band council housing was a legitimate concern, especially in small communities, where most people are related, or know their neighbours well. As a result, the band council either fell into arrears on their federal housing loans, or used other revenue streams to keep the loans current, which meant other band services were neglected.

Where band councils were willing to implement a rental payment system, they were further thwarted by the requirement to use the national definition of income as the bases for determining household income. The definition was designed to reflect the average low-income urban household, in which, for instance, the "head of household" was generally accepted as the major financial breadwinner. In most Aboriginal households, the "head" is the oldest member of the extended family

and may not be the principal wage earner. The definition also did not take into account extended family households (which should be included in determining gross household income), or the seasonal and migratory income patterns of many Aboriginal households. As a result, it was virtually impossible for band councils, even if they were willing to do so, to use the definition as a guide for determining household income and setting the percentage of income for monthly rent.

As with the INAC housing, there was no incentive for the household to invest any of its scarce resources in maintaining the unit. Consequently, the program was unpopular among band councils and the housing, like the INAC-funded housing, suffered from deferred maintenance.

Although no serious comparisons have ever been done between Canada's approach to housing its low-income urban populations using the federal-provincial public housing programs of the 1970s and 1980s, and housing its low-income Aboriginal populations during the same period, some serious disparities are obvious. Technically, the rent scale was the same. The low-income household was required to pay a percentage of its income for rent. But the most significant difference was that under the public housing schemes, there was massive public financial investment in the ongoing administration and maintenance of the housing. This was never the situation for on-reserve housing.

Despite the shortcomings in the on-reserve housing programs, there were successes, such as that of the Cree in northern Quebec, where the bands were financially stable, primarily due to the James Bay land settlement, and created meaningful and culturally sensitive housing management regimes. They were able to build up operating reserves, which allowed the local councils to keep the housing in good repair.

These programs remained largely unaltered until 1996, when the federal government approved $140 million in new funding and a new policy for on-reserve housing, intended to give reserve communities more flexibility and control in managing housing funds. The Assembly of First Nations estimated, however, a need for $750 million a year to deal with the ongoing needs of the on-reserve population, and another $2.5 billion to deal with the shortage backlog of adequate housing.

The new policy requires band councils to prepare and implement multi-year, community-based housing programs. As of March 2001,

about 400 communities had done so. The remaining communities continued to operate under the pre-1996 policies.

The new policy was the subject of a review carried out for INAC in 2000 and one by the Auditor General of Canada in 2003.

The first review[7] stated that the new program was working and had increased the amount of adequate housing by 7 percent over two years. However, the report also noted the backlog of substandard housing stock. It also highlighted the problem of overcrowding caused by the high growth rate on reserves and to an extent, the number of people who had returned to the reserves after regaining their status rights under Bill C-31. The report recommended additional funding for the program, clarification of the policies on shelter allowances, the dedication of additional staff resources, and the dissemination of successful case studies among Aboriginal communities.[8]

Significantly, it recognized the same patterns which have existed in on-reserve housing policies since the 1960s and recommended the use of incentives to help households adjust to a different approach to creating and managing housing:

> Money alone will not help First Nations to complete the turn. For many, the concepts of debt financing or having individuals pay for their own housing through rents or mortgages remains outside the community norms. Incentives are required to help them introduce these concepts to their communities: incentives for implementing home-ownership initiatives; incentives for implementing community-wide shelter charge regimes; incentives that will lead to the development of local housing subtrade businesses; and incentives that will directly address overcrowding.[9]

The Auditor General's report focused on the roles of INAC and CMHC. In addition to reporting on the financial management of the program, and recommending additional financial controls, the report noted that the roles and responsibilities of the two bodies were unclear, and recommended streamlining the program, which was considered unnecessarily complex. It highlighted the problem of contamination of housing by mould, and recommended a comprehensive strategy, involving Health Canada, to remedy this situation.

Both reports emphasized that much more needed to be done to ensure adequate housing for on-reserve communities and that decent housing was a prerequisite for healthy and productive communities.

In late 2003, the AFN, which represents Canada's reserves, asked the federal government to transfer all responsibility for housing into a new First Nations–run entity that would handle mortgages on reserves and buy housing in urban centres. The AFN recognized that housing on reserves would be in better shape if band members could own their own homes. Under the $300-million proposal, on-reserve housing responsibilities at INAC and CMHC would be folded into the new entity. The AFN calls for housing markets to be set up on reserves so that homeowners would have a larger stake in home maintenance.

The AFN's national chief, Phil Fontaine, acknowledged that creating housing markets from scratch will not be easy. "We're dealing with a pretty complex matter here," he said. "It's clear that the way our people are able to access capital for their housing needs is not doing the job. We need to be more innovative."[10]

INAC has estimated a need for an additional 8,500 houses to accommodate the growing on-reserve population. The need is especially acute, since the Aboriginal growth rate is twice the Canadian average.[11] While current federal policies support the creation of 2,600 houses a year, and the renovation of an additional 3,300 houses, new on-reserve households are being formed at the rate of about 4,500 a year. Combined with the massive backlog in deferred maintenance in the existing housing stock, and flawed federal programs, new solutions, which build on self-determination and self-governance are needed. Increased home ownership is one important component. Another is to invest financial resources to put band councils on the same footing as municipal housing management entities. Most of all, it is important that housing policy makers listen to First Nations band councils and political organizations.

Urban Aboriginal Housing

Public policy intervention in urban Aboriginal housing goes back over 30 years. In 1970, the federal government launched a $200-million demonstration housing program, primarily to find better solutions to housing

Canada's inner-city low-income households. One project that managed to get demonstration funds was sponsored by the Native Friendship Centre in Winnipeg. This project consisted of acquiring and renovating 10 existing units for Aboriginal housing.

Although Aboriginal communities were not part of the original targets under the demonstration funding, it was not surprising that other requests to support urban Aboriginal housing projects were received. Friendship Centres were one of the first Aboriginal services created to respond to the early migration of Aboriginal people from rural and remote reserves into cities. They were also the front line for newly arrived Aboriginal families trying to find suitable and affordable housing. With the support of Friendship Centres, Metis and non-status Aboriginal groups across Canada, five additional non-profit housing corporations were created between 1972 and 1975.

The federal response through CMHC was to make loans available under the new Non-Profit Housing Program established in 1973. Intended primarily for private, charitable non-profits, it provided 100 percent capital financing, and a fixed long-term mortgage interest rate. There were no operating subsidies and the rental project had to generate at least an economic rent to repay the loan and maintain the units. All of the sponsors used the Winnipeg model of acquiring older existing housing and doing only modest renovations.

In addition, the federal government in 1972, through CMHC, created the Rural and Native Housing Program (RNH) to serve the housing needs of both Aboriginal and non-Aboriginal households in communities of less than 2,000 population. Because the RNH program was not limited to households of Aboriginal ancestry, a large percentage of the units in some provinces are occupied by non-Aboriginals. In the early 1990s, CMHC took steps to transfer management of the RNH portfolio to Aboriginal management groups. When this program was transferred to the provinces and territories after 1996, there was no requirement on the part of the provinces or territories to continue this arrangement.

Because the urban non-profit program still relied on rental revenue, and because, as now, urban Aboriginal household incomes were substantially below the Canadian average, sustainability could not be achieved, since most of the households paid only a minimum monthly

rent. As a result, the housing providers had to rely upon additional federal "research" funds to operate. In 1974, CMHC urged provinces to use cost-shared funding under the former *National Housing Act* Section 44, to provide deeper shelter subsidies, thus ensuring a modest degree of financial stability. But provincial take-up was spotty.

In 1977, under pressure from national Aboriginal organizations, CMHC agreed to set aside a specific target: 400 units a year or 10 percent of the 1978 social housing allocation, for urban Aboriginal housing. Once again, the federal government adopted the new non-profit housing program to deliver the units. Under the new program, the federal government provided mortgage interest assistance in the form of nonrepayable subsidies over the life of the mortgage, usually set at 35 years.

The shortcomings in this program were similar to those of the previous program: given the substantially lower household income, it was difficult to achieve sustainability with a capped subsidy and low rental revenue potential. Housing providers continued to acquire older existing units and undertake only modest repairs. Nevertheless, the Aboriginal portfolio continued to increase in response to demand, as more and more Aboriginal people migrated to cities and towns. But the portfolio was plagued with operating deficits.

In 1983, the federal government approved increased funding for 1,000 existing units, guaranteeing that tenants of native ancestry would pay no more than 25 percent of their income on shelter. This new assistance bridged the gap between operating costs and operating income. This was the first housing response that recognized the reality of the urban Aboriginal community.

Two years later, the federal government formalized this approach with a distinct Urban Native Housing Program. In addition to the deeper subsidies, the new program addressed many of the lingering grievances with the older programs. CMHC agreed to the need for tenant counselling, additional administration expenses, and consideration of non-traditional households in the treatment of household income.

But the agreement to allocate 10 percent of the annual units to urban Aboriginals never materialized, and between 1970 and 1993, when the federal government terminated delivery of new housing, less than 11,000 units were produced.[12]

Overall, urban Aboriginal leaders consider the program a success, especially as it emerged after 1985. Today's portfolio is managed, at the community level, by 110 non-profit Aboriginal corporations and provides housing for about 35,000 individuals of status, non-status, Metis, and Inuit ancestry.

Given the program constraints and a public policy bias that urban Aboriginals should be "integrated" into lower-income communities, a very high percentage of the stock (especially compared to the non-Aboriginal non-profit and co-operative housing) consists of older units, in lower-income, inner-city neighbourhoods. Because of the age of the stock, maintenance costs are higher than those of other forms of publicly assisted housing. CMHC data indicates that in 1995, just over 3 percent of the projects in the portfolio failed to meet the NHA Minimum Property Standards. NAHA believes that this estimate is low, and that in terms of individual units, a much higher percentage would fall below the standards. The average cost of deferred repairs was estimated by CMHC to be approximately $2,200 per unit.

When, in 1993, the federal government, as part of its fiscal restraint policy, halted all new spending for housing, the Aboriginal community fully expected a return to normalcy once the government got its fiscal house in order. Instead of a return to normalcy, with new unit allocations, the federal government announced in its 1996 federal budget that future responsibility for urban Aboriginal housing was being transferred to the provinces and territories. It meant that in the future, provinces and territories would assume the responsibility for the existing portfolio, as well as any new housing for Aboriginal people who lived off reserve, regardless of their status. The federal government would continue to transfer the annual subsidy to the provinces, but this was capped at the 1996 level.

Particularly upsetting to the community leaders who had worked with the federal government to build a success story, the transfer was executed without any consultation.[13] Federal officials and politicians steadfastly refused to invite Aboriginal representatives to its bilateral discussions with provinces and territories. Nor were they ready to enter into any bilateral discussions with Aboriginal organizations on the future management of the programs.

The transfer, which has now occurred in most provinces, has created uncertainty and a serious policy vacuum. Seven years later, no province has yet accepted the new responsibility. There are no urban Aboriginal set-asides in the current federal Affordable Rental Housing Initiative, and no requirement on the part of provinces participating in the initiative to target any new housing to the Aboriginal community.

In addition to the lack of new housing, Aboriginal housing providers fear that the existing portfolio, and the successes it has achieved will be eroded over time under provincial jurisdiction. There is a lack of protection in the bilateral transfer agreements, for maintaining the "Aboriginal character" of housing, including funding for tenant counsellors, a key management tool, and culturally sensitive management regimes. As well, they fear that as provinces set up portfolio-wide benchmarks for operating expenses, including maintenance, that the historically higher maintenance costs in the Aboriginal portfolio will be squeezed.

NAHA, which represents urban Aboriginal housing and shelter providers across Canada has called for *a national non-reserve Aboriginal housing strategy* that sets out a framework for future federal housing initiatives. NAHA believes that individual Aboriginal communities in Canada, such as the Metis, the Inuit, and First Nations must be able to achieve specific goals under any existing and future program. Working with its national Aboriginal political organizations and its members, NAHA launched the new strategy at its national conference in Vancouver March 29th.

In addition to setting out housing production targets and the level of capital construction assistance required in major market areas, the strategy sets out guiding principles that all levels of government will be asked to endorse in any future housing initiatives. These guiding principles address issues of federal fiduciary responsibility, self-determination, and the need for consultation. They also address the need for program policies and procedures to foster culturally sensitive management regimes, and provide adequate resources to maintain the housing once it is built.

NAHA recognizes that the future of urban Aboriginal peoples is tied to the future of Canada's cities and towns, and that new models of creating housing must ensure that the Aboriginal community partici-

pates in the larger urban economic life. Like the AFN proposals relating to homeownership and new financial and policy instruments, urban Aboriginal organization such as NAHA are speaking with a more confident voice and taking a leadership role in the national policy debate on housing.

Urban homelessness among the Aboriginal population

A common theme runs through most analyses of the homelessness crisis in Canada. You are more likely to be homeless, or at risk of being homeless, if you are a younger Aboriginal male or teen mother, than if you belong to any other segment of Canada's population. The reasons are many: lack of income and education, lack of affordable housing, lack of job skills, social dysfunction, and illness. But there are other causes, which affect the Aboriginal population particularly acutely. These include discrimination and lack of a network of community supports.

Discrimination and the denial of access to rooming houses and other low-income housing options is for Aboriginal people who are new to a city or town, and have little or no income. The lack of a well-developed network of support agencies and services further contributes to the spiral that leads to the young man or woman being forced to live on the street or in an emergency shelter.

One of the most detailed studies of homelessness and the Aboriginal population was conducted for the City of Toronto Mayor's Action Task Force on Homelessness in 1999.[14] Its report, *Taking Responsibility for Homelessness: An Action Plan for Toronto*, noted that Aboriginal people made up a disproportionate part of Toronto's homeless population, representing about 15 percent of the total homeless, or about 4,000 people in 1996. Another 8,000 were at risk of becoming homeless.

The Task Force made 10 recommendations relating to Aboriginal homelessness, including the recommendation to create an Aboriginal Homelessness Steering Committee, which reported to the city in 2001 on health, housing, and employment among this community. The report also stated that because Aboriginal people are more comfortable using services specifically designed for Aboriginal people, new programs to combat homelessness should be run by Aboriginal organizations.

The federal government responded in 1999 to the homelessness crisis by appointing a Minister to co-ordinate efforts and allocating $760 million over three years for projects to combat the causes of homelessness and to construct or expand emergency shelters and support services. As part of this effort, the federal government developed the National Homelessness Initiative (NHI) to foster community-based action on homelessness. The NHI included $59 million in targeted funding for an Urban Aboriginal Strategy for Homelessness to increase services and support mechanisms for urban Aboriginal people who are homeless or at risk of becoming homeless. In addition, the Aboriginal community was eligible to seek funding for projects under the larger Supporting Community Partnership Initiative (SCPI). The federal government has renewed funding, but at reduced levels under both initiatives.

Consistent with federal housing policy thrusts, the homelessness initiatives were not carefully thought-out with respect to the Aboriginal community and its needs. Delivery of the NHI was initially assigned to Aboriginal *regional management boards*, which had been a highly successful bilateral arrangement between Human Resources Development Canada (HRDC) and Aboriginal communities to deliver job training. The *boards* had little experience in the housing area, nor did they have the type of networks they could rely upon to give sound housing-related advice and direction. The fact that they succeeded at all is attributable more to the commitment of the *boards* than to good program design. HRDC is moving away from this approach and are using, in some instances, Aboriginal housing providers such as Lu'Ma Native Housing in Vancouver, to deliver homelessness funding.

The SCPI initiative was delivered through municipalities, and although urban Aboriginal groups were eligible to apply for grants, and did participate, there was no requirement for the participating cities to work with the Aboriginal communities in developing community plans and funding priorities. More fundamentally, the federal government failed to address the need for capacity-building within the urban Aboriginal community to ensure that it was an equal partner with non-Aboriginal homelessness service providers. As a result, initial take-up by the Aboriginal community was slow.

Learning to compete with large, well-staffed and highly professional non-Aboriginal service providers at a municipal level and through the competitive Request for Proposal mechanism was often a frustrating and discouraging exercise. Reinventing the wheel each time a new Aboriginal provider proposed a project and a city had a call for proposals, was a waste of valuable and limited resources. Setting aside funds for developing best practices and capacity-building by working through existing Metis, Inuit, and First Nation housing organizations would have resulted in a greater take-up under the first SCPI round of funding.

It is a tribute to the urban Aboriginal communities' maturing view of itself and its accumulating business and professional acumen, that it succeeded, in spite of the obstacles, in developing new shelters and support services across Canada. These include the construction or renovation of emergency shelters, transitional and supportive housing facilities, and the creation of housing services, information-referral/follow-up agencies, training, and employment counselling.

Closing

Federal housing policies have not always been kind or generous to Aboriginal people. Despite more than 30 years of public intervention in Aboriginal housing, there continues to persist high levels of housing need among Canada's Aboriginal population, regardless of where they live. Some public programs have resulted in partnerships, which can be built upon in future initiatives. But the overwhelming shortage of affordable housing, persistent high levels of homelessness and the poor physical condition of much of the existing housing stock supports a continuing and significant societal equity rationale for public funding.

Canada needs a national strategy for dealing with Aboriginal housing and homelessness, which learns from the past, builds on success, and recognizes the inherent rights of Aboriginal people and the link between safe affordable housing and well-being. The creation of safe, healthy housing communities, where children have educational stability and a place to do their homework, from where young men and women can pursue higher education and job skills, and where the elderly can enjoy their declining years, is one of the keys to achieving federal objectives in Aboriginal health, early childhood development, and youth.

***George Devine**'s career in housing spans 35 years of Canadian Aboriginal housing policy. He worked on the earliest federal urban native housing programs in the 1970s, and later versions of the urban native programs, as well as the on-reserve and rural and native programs. After retiring from Canada Mortgage and Housing Corporation in 1997, he has worked for many Aboriginal housing providers on day-to-day housing operational issues, as well as with national Aboriginal organizations on housing policy. A former Director of the National Aboriginal Housing Association (NAHA), he became NAHA's Executive Director in 2002.*

Endnotes

1 *Core Housing Need Among Off-reserve Inuit, Metis, Status and Non-Status Indians in Canada,* Canada Mortgage and Housing Corporation, Ottawa, February 1998, Endnote 3, p. 49. A household is considered in core housing need if it meets one or more of the following tests: its housing units is in need of major repair or does not have functioning bathroom facilities; is overcrowded; or pays more than 30 percent of its household income for rent.

2 Of the 976,305 people reporting Aboriginal ancestry in Canada, 690,225 live off-reserve, compared to 286,080 who live on reserves. Of the off-reserve population, 28.4 percent live in rural area; 40.6 percent in urban census metropolitan areas; and 31 percent in urban non-census metropolitan areas (Source: Statistics Canada, 2001 Census).

3 Households based on Aboriginal identity, 2002 Census, from A New Beginning: The National Non-reserve Aboriginal Housing Strategy, published by the National Aboriginal Housing Association, March, 2004.

4 Of the 19,000 units, approximately 11,000 are in cities and towns, and another 9,000 are in rural and remote areas, but of these, less than 50 percent are occupied by households of Aboriginal ancestry.

5 *A New Beginning: The National Non-Reserve Aboriginal Housing Strategy*; March 2004; published by the National Aboriginal Housing Association; Ottawa.

6 *Report of the Auditor General to the House of Commons*, Ottawa: Office of the Auditor General, April 2003, chapter 6, p. 4.

7 Norbert Koeck, *On-Reserve Housing Policy Impact Assessment, 1996-2000*, Ottawa: Indian Affairs and Northern Development, n.d.

8 Daniel J. Brant, *Successful Housing in First Nation Communities: A Report on Community Case Studies*, offers a series of case studies of successful housing programs on reserves. Ottawa: Indian and Northern Affairs, 2000. (http://www.ainc-inac.gc.ca/ps/hsg/cih/hs/shf_e.html)

9 Koeck, p. 3.

10 *The National Post*, October 24, 2003, p. A8

11 *Report of the Auditor General*, p. 1.

[12] It has been estimated that had the federal government used the 10 percent allocation formula, it would have resulted in approximately 50,000 units over the same period. Instead, in addition to the 10,000 urban units, another 9,000 rural and Native Units were delivered, but most were not intended for households of native ancestry.

[13] Charles W. Hill, writing in *Canadian Housing,* notes that buried in the transfer was a major policy shift by the federal government towards non-reserve Aboriginal people. Hill questioned the basis for the federal decision, a decision, he noted, made only a few months before the final report of the government's Royal Commission on Aboriginal Peoples was tabled in the House of Commons, which was clear about the federal government's fiduciary responsibility to consult where the government makes policies that may affect communities in an adverse way. (See *Canadian Housing*, Fall 2003, vol. 20, no. 2, p. 26.) A challenge to the transfer is before the courts in Manitoba.

[14] A special report was commissioned for this study: Obonsawin-Irwin Consulting Inc., "A Planning Framework for Addressing Aboriginal Homelessness in the City of Toronto," October 1998.