

Annex

Policy Reform Framework

Toward a First Nations Housing and Infrastructure Strategy

Co-development Team

Assembly of First Nations and Chiefs Committee on Housing and Infrastructure
Indigenous and Northern Affairs Canada

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EXECUTIVE SUMMARY

First Nations and the Government of Canada are working towards a renewed nation-to-nation relationship and reconciliation to address the legacies of colonization, the barriers presented by the *Indian Act* and the lost opportunities resulting from previous top-down federal approaches in housing and infrastructure. Federally driven and designed approaches have not resulted in sustainable housing stocks or reliable community infrastructure. This approach has resulted in debilitating social, economic and health outcomes for First Nations.

The gap between the living conditions on First Nations and in the rest of Canada is well documented. In recent years, Canada has ranked between 6th and 8th on the UN Human Development Index while First Nations fall between 63rd and 78th. Further, the federal government's Community Well-Being Index shows that the gap has not reduced since 1981. This gap is clearly visible as shown in the housing conditions in First Nations communities and the higher proportion of Indigenous homeless people in Canada.

As a critical step towards reconciliation and to acknowledge the Crown's fiduciary relationship with First Nations; the Assembly of First Nations, First Nations and federal partners have co-developed this policy framework to lay the ground work for fundamental reform to federal housing and infrastructure programming.

Sufficient resources are required to transition to First Nations care, control and management, and would need to take into consideration both the government's fiduciary responsibility and compensation for the devastating housing and infrastructure delivery system and its past effects on First Nations. The development of housing and infrastructure delivery models should include adequate government funding support and resources.

First Nations fall along a 'reconciliation continuum' where some First Nation communities are ready to take on care, control and management of housing and infrastructure while other communities may want to first address the issues of the legacy of federal programs and clarify their treaty relationships.

In accordance with the spirit and intent of the Treaties entered into with the Imperial Crown, the Government of Canada has the fiduciary responsibility to honor the Nation to Nation relationship. In order to meet a community's need effectively, a Strategy must include a treaty perspective and treaty right to shelter. These are important considerations which need to be included in any upcoming housing policy development as First Nations exercise their Inherent Right and Treaty Right to Shelter.

A phased approach to housing and infrastructure reform is required where First Nations must lead the transition at a pace that suits them. First Nations require the opportunity to determine their own needs, how to meet these needs and the way forward to accommodate their various levels of readiness.

This transformative change must be envisioned from a First Nations perspective in order to transition to true First Nations care, control and management of housing and infrastructure. Safe, healthy, accessible, suitable and affordable housing and adequate community infrastructure are fundamental building blocks of a thriving community. Immediate housing and infrastructure reform must happen simultaneously.

First Nations leadership and their representatives must take a lead role on the development of a strategy. A successful strategy will be dependent on the Federal Government's commitment to provide adequate time and resources for First Nations to establish short, medium and long-term strategies. The scope of the Strategy will need to ensure off-reserve housing is included to address the needs of First Nations community members living away from home.

Considerations to Support the First Nations Housing and Infrastructure Strategy Development:

- Engage with First Nations leadership, communities, technical experts, regional organizations, and underrepresented groups, etc., on strategic considerations of what incremental steps can be taken now, during and after transition;
- Acquire standardized data and confirm existing data on physical housing and infrastructure stock, population-based needs and projections, and on the skills and capacity gaps to inform planning efforts;
- Develop new models for funding self-sufficiency in housing and infrastructure which will increase financial, human resources and organizational capacity for First Nations in order to meet the continuum of housing and relevant infrastructure needs;
- Review a range of governance models to support the establishment of self-determined governance systems that are sustainable and effective in managing housing and infrastructure;
- Consider the development of First Nations led organizations to build and mobilize skills and capacity, and to provide coordination and oversight for existing services to support home occupants, housing and infrastructure personnel and larger community groups and Tribal Councils;
- Explore innovative and alternative First Nations' financial instruments to leverage investments and First Nations community's own source revenue;
- Explore the potential economic benefits of housing and infrastructure; and
- Establish relationships with urban housing providers to ensure seamless delivery of housing services to First Nations living away from home.

A one size fits all approach will not work but rather it needs to incorporate a suite of local and regional approaches that each community can tailor to improve their housing and infrastructure. For example, in northern and remote communities specific challenges exist such as high costs of transportation and building materials.

First Nations community members should have equal access to financial opportunities as provided to those living off-reserve, as an example, access to mortgages and financial loans. In order for First Nations to achieve their housing and infrastructure goals, the Strategy will need to address the lack of financial opportunities for First Nations community members on-reserve.

Overall, the legacy of the *Indian Act* and colonization has created challenges for First Nations. These challenges must be addressed immediately and in the longer term as First Nations do not want to inherit the entrenched dysfunctional legacy of federal housing and infrastructure programs and services. This Policy Framework for reform is a first step to reversing the past direction of colonial policies. It's time to move towards building housing and infrastructure successes in First Nations communities, including off-reserve housing.

Rationale: Why do we need Housing and Infrastructure Reform?

The Legacy of Colonization

As discussed in the Truth and Reconciliation Commission's final report, this legacy includes the fact that "for over a century, the goals of Canada's Aboriginal Policy were to eliminate Aboriginal Governments; ignore Aboriginal Rights; Terminate Treaties; and through a process of assimilation, cause Aboriginal People to cease to exist as distinct legal, social, cultural, religious and racial entities in Canada." These actions have caused an upheaval of Indigenous People that has its legacy entrenched in federal policies. Families have been disrupted to such an extent that cultural values and identity from one generation to the next have been profoundly impacted.

Nowhere can this legacy be seen more strikingly than in the case of First Nations housing. Housing is, in large measure, linked to the cause of poverty in First Nations communities. It is also linked to poorer health conditions, poor educational outcomes, loss of children to residential schools and foster homes, domestic violence, addictions, high rate of house fires and ultimately shortened life spans and reduced quality of life.

Current federal housing programs have left a legacy of underfunding. According to INAC's 2013 Report on Cost Drivers and Pressures, the infrastructure gap in First Nations communities is estimated to be \$9.7 billion by 2018.

The 2016 Evaluation for INAC's On-Reserve Housing, states that the formulae used to determine funding allocations are not reflective of needs and the current data requested from INAC does not provide a sufficient view of needs, priorities or performance. This legacy can only be addressed with new additional funding and financial arrangements.

Persistent Substandard Living Conditions

First Nations housing and infrastructure fall far below the standard that prevail elsewhere in Canada and continues to be detrimental to the health and wellbeing of First Nations. The inadequacy of these services is visible evidence of the poverty and marginalization experienced disproportionately by First Nations.

As noted in the 2015 report by the Senate Standing Committee on Aboriginal Peoples, "Too many First Nations people across the country live in housing which is woefully inadequate, and still others face barriers which prevent them from having the full range of housing choices available off-reserve...The poor quality of housing and the overcrowding in many communities is a distressing situation...Witnesses across the country outlined the crisis in housing in many First Nation communities in Canada, even referring to the situation as a state of emergency."

The Community Well-Being Index shows that socio-economic gaps between First Nations compared to the general Canadian population have not been significantly reduced over the last 30 years. The CWB Index is measured using Statistics Canada's Census of Population (1981-2006) and National Household Survey (2011). In addition to lower education, income and employment rates, First Nations experience poverty in the form of higher rates of food insecurity, poor health, substandard electricity services, and unsafe drinking water. According to 2016 census¹ figures, 44.2 percent of on-reserve housing was below adequate standards, compared to 14.2 percent of housing off-reserve. Despite efforts to improve First Nations community well-being, the gap continues to widen.

INAC commissioned Four Directions Project Consultants (Clatworthy Report March 2016) to provide an update on INAC's estimates of current and future housing needs on reserve. The Clatworthy Report identified the need for an annual incremental investment of \$800 million over the course of the 25 year period from 2012 to 2036. There are 99,581 new dwellings needed to accommodate projected growth for households and families, and an additional 5,836 new dwellings is required to replace existing units, and approximately 12,492 units requiring major repairs. However, some First Nations led reports indicate that these numbers are higher than reported in Clatworthy Report.

¹ <http://www12.statcan.gc.ca/census-recensement/2016/as-sa/98-200-x/2016021/98-200-x2016021-eng.cfm>

Standards of housing available for First Nations families remains measurably below what is required for basic health, safety, accessibility and sustainability. This has resulted in issues of overcrowding, mould, and high incidence of health conditions such as tuberculosis. As early as 1991, these challenges were documented in the Aboriginal Peoples Survey (APS), the first comprehensive study of Aboriginal Housing and Living conditions on reserve undertaken by Statistics Canada. This was confirmed again in 1994 for registered Indians living on reserves by the Department of Indian Affairs and Northern Development (DIAND).

First Nations are the fastest growing demographic in Canada, and the current investments and housing programs administered by the federal government are not meeting the housing needs nor are they decreasing the current backlog of housing in First Nations communities. Any improvements in housing will have beneficial effects in other areas of society, for example, health, education and other social and economic outcomes.

The Right to Self-Determined Housing and Infrastructure

The right to housing is well recognized in Canada, and has been emphasized in the international sphere. The International Covenant on Economic, Social and Cultural Rights calls for the progressive realization of a right to housing through continuous improvement of housing conditions.

The United Nations Declaration on the Rights of Indigenous Peoples further emphasizes the importance of housing, and states in Article 21, that “Indigenous peoples have the right, without discrimination, to the improvement of their economic and social conditions, including...housing.”

Article 23 gives a mandate to ensure Indigenous peoples drive the realization of this right through program design, by stating that “Indigenous peoples have the right to determine and develop priorities and strategies for exercising their right to development” and “to be actively involved in developing and determining health, housing and other economic and social programmes affecting them and, as far as possible, to administer such programmes through their own institutions.”

It is widely accepted that housing choice is a basic human requirement if a person is to thrive. However, housing programs, largely controlled by government, have for generations reassigned critical housing decisions from First Nations individuals and communities to federal government agents. Consequently the responsibility for housing has become a confusing and contentious issue. Active involvement by individuals and communities must be reinstated if housing improvement is to be achieved.

Failed Government Programs

The federal government provides support for on-reserve housing as a matter of social policy as is the case off-reserve. Federal funding is not intended to cover the full cost of housing, and First Nations are expected to secure funding from other sources for their housing needs, such as through shelter charges and loans. Most First Nation members do not have access to housing loans or access to credit, such as mortgages as one would have living off-reserve.

Under Indigenous and Northern Affairs Canada (INAC) on-reserve federal housing programming, the majority of funding agreements with First Nations fall under the 1996 *On-Reserve Housing Policy*, which states that on-reserve housing, is intended to be a shared responsibility between the federal government and First Nations. The transition to shared responsibility continues to be a problem affecting First Nations, as the on-reserve federal housing programming does not address the housing needs of First Nations or provide adequate opportunity for First Nations people to house themselves. Annual funding based on population and remoteness is provided to over 400 First Nations that opted into this policy. First Nations use these funds at their discretion for a wide range of housing-related activities that include construction, renovation, insurance and salary for housing managers. All First Nations in British Columbia and 20 First Nations in Ontario chose not to opt into the 1996 policy and operate instead under the Housing Subsidy Program, which provides proposal-based subsidies for construction and renovation.

Current programming forces communities to plan based on year-over-year federal fiscal cycles driven by INAC, CMHC and others rather than long-term planning cycles centered on the needs and priorities of the community and individual homeowners. Proposal and application-based processes condition communities to be skilled at applying for funding, not for managing housing and infrastructure in the context of a comprehensive community planning and multi-year delivery approach. INAC's project approval process does not take into consideration meeting construction season demands resulting in additional costs to the First Nation as they cannot build during their normal construction season.

The Evaluation of On-Reserve Housing released January 2017 stated: "INAC's residual role in providing funding, while technically appropriate, is ineffective in that its reactive approach to housing crises has not led to improvements. Despite significant investments, INAC's approach has not resulted in desired outcomes being met nationally, and its approach has not been cost-effective because it does not address the underlying capacity and resource challenges in First Nations communities necessary to facilitate long-term change in capacity and sustainability. A proactive approach is required wherein INAC supports First Nations and conglomerate organisations to

articulate their needs and capacities and improve their governance and management of housing, supporting self-determination and innovation.”

The Section 95 On-Reserve Non-Profit Housing Program, (available on reserve since the late 70s) instituted by the Canada Mortgage and Housing Corporation through the National Housing Act, an off-reserve legislation, augments Indigenous and Northern Affairs Canada On-Reserve Housing program. The Section 95 program provides subsidized loans to First Nations on 25-year repayment plans for the construction or purchase and rehabilitation of rental housing projects on reserve. First Nations are expected to generate revenue, typically through rental regimes, for loan repayment and maintenance needs. Communities are expected to manage large housing and infrastructure portfolios and often do not have the resources or expertise required to reasonably achieve this expectation. The heavy administrative and financial burden associated with this program has resulted in enormous debt particularly in small First Nation communities.

A June 2015 Senate Committee on Aboriginal Peoples report entitled: On-Reserve Housing and Infrastructure: Recommendations for Change: stated that section 95 was inadequately funded and requires greater flexibility to be effective on-reserve.

There is also the matter of the infrastructure required to support new units. For example, roads, lot servicing, sanitary sewer systems, water systems and community facilities will all need to be enhanced to support the new housing. In some cases First Nations have no land base left and additions to reserves need to be created.

As stated in the 2017 Ontario First Nations Technical Services Report: First Nations/Municipalities (Operations and Maintenance) Cost Comparison, “First Nations’ actual O&M expenditures exceed INAC’s net funding requirements for most asset types. Current O&M funding formulas are antiquated.”

The current approach and programming for First Nations housing and infrastructure has failed to achieve sustainable long-term positive outcomes. Billions of dollars have been spent building new, renovating existing housing and delivering programs. The proportion of expenditures spent on the public service internal operations is not clear, e.g., salaries and travel, nor is the proportion, allocation or predictability of funding for programs. The current federal system further restricts housing to timelines and eligibility criteria which do not enable flexibility for First Nations to invest in their own priorities.

The Senate Committee’s February 2015 Interim Report states that “the poor quality of housing and the overcrowding in many communities is a distressing situation. At the same time, the Committee has been inspired by the innovative approaches taken by creative individuals in so many communities across the country. Indeed, innovation has

been where big strides have been made by First Nations – in financing mechanisms, land use and building materials.”

Need for New Financial Mechanisms

The current cash-based housing and infrastructure system is problematic because it fails to account for inflation or changes in the cost of construction, transportation and materials over time. This pay-as-you-go system fails to capitalize on housing investments and has turned First Nations housing into a competition for limited resources rather than an opportunity for building wealth as in other Canadian jurisdictions. Proposal-based, time-limited, non-predictable and unstable funding present significant cash flow challenges for First Nations to manage their housing stock needs and also contributes to lost value and sustainability of the investments over time. The current federal program model does not provide First Nations with the opportunity to fully participate in the Canadian economy.

Governments’ Agenda and Priorities

In National Chief Perry Bellegarde’s address at the AFN 2016 Housing and Infrastructure Forum he stated that...“Every First Nation family and individual, no matter where they live, deserves to live in a healthy home that is safe, dry, and free of overcrowding...They deserve clean drinking water and communities with essential government services including infrastructure facilities. We must make this a priority as we eliminate the social and economic gap between Indigenous peoples and others in Canada...Our people live the reality of the housing and infrastructure deficit everyday...We do have the expertise and the experience to develop the right solutions and we invite partners in government, industry and the public to work with us.”

In Prime Minister Justin Trudeau’s Address to 72th Session of the United Nations General Assembly, September 21, 2017 he stated that...“We are working closely with Indigenous Peoples in Canada to better respond to their priorities, to better understand how they see and define self-determination, and to support their work of nation rebuilding...Over time, programs and services will increasingly be delivered by Indigenous Peoples, as part of their move toward true self-government, and the full implementation of the United Nations Declaration on the Rights of Indigenous Peoples...The time has come to forge new paths together...To move beyond the limitations of old and outdated colonial structures, and to create in their place something new, something that respects the inherent right of Indigenous Peoples to self-govern, and to determine their own future.... Indigenous Peoples will decide how they wish to represent and organize themselves....Our efforts to build a better relationship with Indigenous Peoples in Canada are not only about righting historical wrongs....They are about listening, and learning, and working together. They are also about concrete action for the future.”

Reconciliation with Indigenous Peoples as a priority of the Government of Canada was emphasized in the Prime Minister's 2015 Departmental mandate letters to all Ministers, and re-affirmed in Ministers Philpott and Bennett new Mandate "...it is time for a renewed, nation-to-nation relationship with Indigenous Peoples, based on recognition of rights, respect, co-operation, and partnership."

A December 2016 Cabinet directive following the National Housing Strategy Memorandum to Cabinet mandated the Minister of INAC to engage with Indigenous partners to develop distinctions-based First Nations, Métis and Inuit housing strategies and return to Cabinet in late 2017-18 with proposed options.

The 2015 Indigenous and Northern Affairs Canada mandate letter directed the Minister to work with Indigenous Peoples to rebuild and reconstitute their nations, advancing self-determination, and, for First Nations, facilitating the transition away from the *Indian Act* and toward self-government. Subsequently, the 2017 mandate letters direct Indigenous and Northern Affairs Canada to work in consultation with First Nations and federal departments to improve essential physical infrastructure for First Nation communities, including improving housing outcomes, and to modernize institutional and governance structures to build capacity that supports First Nations in the implementation of their vision of self-determination.

Recommended Approaches to Support the First Nations Housing and Infrastructure Strategy Development

1. Data Capture, Ongoing Engagement and Planning

Support for community engagement, planning, and the collection, standardization and validation of data on physical housing and infrastructure stock, population-based needs and projections, and on the skills and capacity gap are critical precursors to guide the development of custom frameworks and program direction. Data exists on First Nations housing, but not in an aggregated and standardized form. First Nations are seeking access to their own information bank for historical knowledge, resourcing and procurement, information technology, and infrastructure, skills and capacity needs assessments. A reliable base of First Nation-owned data alongside communities' priorities and planning will allow First Nations to better communicate, make decisions and alert their communities, leaders as well as the governments of ongoing and emerging priorities.

RECOMMENDATIONS:

- Conduct a skills and capacity gap analysis at community, organizational and regional levels to fully understand the scope and need with which to provide important insights to help shape the direction of skills and capacity and address training needs. Information is needed to identify the gaps in funding and financing

mechanisms to support necessary housing and infrastructure needs, and to make projections to support community planning over the long term. Analysis on what currently exists for skills and capacity, including the organizations, services delivered and needs at all levels is critical to inform the path forward.

- Plans can be developed based on priorities and existing strengths after completing a skills and capacity gap analysis. Individual communities, territorial governments, territorial and regional organizations and treaty organizations must plan the way forward and identify their unique needs. Regardless of the delivery mechanism, community conversations to develop housing and infrastructure plans must be encouraged to ensure buy-in and identify priorities, needs and a path forward.
- A discussion on the transformative approach will take time, requiring ongoing support and resources in which to engage First Nations (i.e. technical experts, communities, leadership, underrepresented groups) in strategic consideration of what incremental steps can be taken now, during and after transformation.

2. A New Model for Funding Self-Sufficiency

The long-term goal is to eliminate the gap in housing and infrastructure, and increase financial, human resource and organizational capacity of First Nations to meet the range of housing and relevant infrastructure needs along the housing continuum, for example, shelters, social housing, housing for disabled community members, seniors' housing, rental units and rent to own, market-based and private home ownership.

A lack of standardized data does not prevent partners from acting on areas of consensus, such as the immediate need for significant investments in housing and infrastructure without delay to begin to reduce the accumulated backlog and mobilize skills and capacity. There is sufficient data to adequately inform additional investments immediately and during a transition period to begin to address the staggering housing and infrastructure problems plaguing First Nations.

RECOMMENDATIONS:

- At a minimum, address the infrastructure gap as identified in INAC's 2013 Report on Cost Drivers and Pressures, and account for inflation and current costs for construction.
- In the interim, during the transition period, maintain the current pace of investment that was started under Budget 2016, and revise the operations and maintenance funding levels to better reflect the real costs.
- Amend federal program authorities to allow for multi-year funding and monetization of federal transfers to extend purchasing power, give flexibility and time for communities to plan, and simplify processes to flow funds to First Nations more effectively.

- Establish a stable and predictable funding framework to support transition to First Nations' care, control and management of housing and infrastructure for the long term.

3. Building and Mobilizing Skills and Capacity

First Nations require investments in skills and capacity as well as the authority to direct where and how the funding should be used to better support the home owner, the housing and infrastructure personnel and larger community groups and Tribal Councils.

Capacity and skills investments are required to mobilize and build communities' knowledge and self-sufficiency. Funding and initiatives would support policy development, information management, human resources (i.e. recruitment, development, retention and replacement of employees) and other local needs such as access to trades and expertise.

There is a need for local, regional and/or national networks that can organize and create skills development, and an information archive that makes research readily accessible. Education will play a key role in the governance development of each community. Immediate work needs to be done to examine funding and delivery models as determined by First Nations.

RECOMMENDATIONS:

- Conduct a skills and capacity gap analysis at community, organizational and regional levels to fully understand the scope and need with which to provide important insights to help shape the direction of skills and capacity and to address training needs.
- Provide support for First Nations to create sound business models to establish a flexible delivery system for skills and capacity development.
- Provide direct funding to housing management positions as recommended in the 2015 Senate Committee Report.
- Restore and increase funding for Tribal Councils and technical organizations to provide support during the transition period.

4. Exploration of Governance Models

First Nations seek to establish self-determined governance systems that are sustainable and effective in managing housing and infrastructure. Planning and research will be needed at the local, regional, national and international levels to assess governance model opportunities and solutions.

The process of transition to First Nations self-determined governance systems cannot be a "devolution" exercise and will require sufficient financial resources, time and

capacity to be effective. The First Nations Housing and Infrastructure Strategy will support the establishment of a housing and infrastructure delivery framework that can be applicable regionally and nationally where and when First Nations communities are ready.

RECOMMENDATIONS:

- Research into existing First Nation-led governance models, international housing and infrastructure frameworks in general will support discussion amongst First Nations.
- Support a strategic, meaningful and respectful engagement process with First Nations communities for further discussion. Some First Nations are ready to explore options, but others will likely want more time under the current model of housing and infrastructure program delivery before making a transition.
- Territorial governments manage housing and infrastructure without consultation with First Nations. An in depth review of existing housing and infrastructure programming in the territories is required so that First Nations can provide input into the future direction of their housing and infrastructure within their territory. There is a need to initiate dialogue between territorial governments and First Nations.
- First Nations in the territories, Treaty and modern treaty, and self-government First Nations should have the opportunity to determine a strategy that meets their needs.

5. Alternative and Innovative First Nation Financial Instruments

First Nations access to new and current financial instruments is needed if the housing and infrastructure gap is to be closed. Further research is needed to identify effective ways to leverage investments, to leverage First Nations community's own source revenue, and to explore the potential economic benefits of housing and infrastructure.

RECOMMENDATIONS:

- Explore and research existing financial models in order to better address First Nations financial housing and infrastructure needs.
- Investigate home ownership options for both on and off reserve individuals who are interested in owning their own home.
- Invest in new research and pilot financing options for low resource and/or low capacity First Nations to ensure equitable access to tools, services and financing.
- Investigate potential economic benefits of a housing industry in First Nations communities.
- Investigate the terms and the mandate of the First Nations Market Housing Fund with the objective to transfer the management and administration of the Fund from CMHC to First Nations Control as per terms of the Indenture of Trust in March 26, 2008.

- Initiate discussion with appropriate Federal departments as directed by AFN Resolution 16/2013 on options and recommendations in regards to First Nations Market Housing Fund and honour the Government of Canada's intent to transfer the Fund to First Nation control.

Key Considerations and Risks

- Market-based housing and approaches assume First Nations have an economic base on which to build. The reality for many First Nations is that due to historic exclusion from resource wealth and the local economical context, many First Nations have a lack of own-source revenue and social housing is the default answer. One must be realistic and admit that the local economic context and other sources of wealth have an undeniable influence on the development of the continuum of housing. The goal of developing a "housing market" may be ambitious in the short, medium and even long term for First Nations who rely on social housing. It is more appropriate to focus on the development of incremental "individual home ownership" over a long period of time by focusing on considerations that go beyond resale value.
- Financing options for low resource and/or low capacity First Nations are limited. All options need to be critically explored and considered.
- There is a financial risk for First Nations if they take the care and control of housing and infrastructure without adequate financial support and capacity, and without financial recognition of the devastating legacy of housing and infrastructure programs. A needs and gap analysis are critically needed to determine the level of financial support required to achieve the expected results. Good practices exist at all levels among First Nations, and must be promoted.
- If the Government doesn't address the legacy of entrenched underfunding of housing and infrastructure programs then First Nations communities will not be successful. The massive injection of additional funds is an unavoidable necessity that is documented (even before conducting new gap analysis and needs analysis).
- Adopting main stream housing delivery systems without consideration for cultural, social and economic realities in First Nations communities will result in the same failed outcomes. Transferring existing programs or "tweaked" programs to First Nations is therefore not an option. An entirely new approach determined by and for First Nations is a promising avenue.
- Timing of the transition process is critical to achieve the desired outcomes of the Strategy. First Nations continuum of readiness has to be considered.
- There is a risk that it becomes a political issue for the federal government and First Nations leadership. Communication is an important part of next steps. A communication strategy needs to be developed (key messages, etc.). Risks at this level are likely to vary depending on the degree of transparency that is perceived by First Nations. Mutual commitment must be flawless.

- There is a need for federal government commitment to this transition process regardless of change in government. Certainty from the federal government is required for this transition process to succeed.
- The needs of the most vulnerable groups (women, elders, homeless, disabled, etc.) may not be addressed to an acceptable level. The reform must allow each First Nation to have access to the conditions that make it possible to develop a housing continuum adapted to their specific needs.

COMMUNICATIONS ANNEX

- A December 2016 Cabinet directive following the National Housing Strategy Memorandum to Cabinet mandated the Minister of INAC to engage with Indigenous partners to develop distinctions-based First Nations, Métis and Inuit housing strategies and return to Cabinet in late 2017-18 with proposed options. The 2015 Indigenous and Northern Affairs Canada mandate letter directed the Minister to work with Indigenous Peoples to rebuild and reconstitute their nations, advancing self-determination, and, for First Nations, facilitating the transition away from the *Indian Act* and toward self-government. Subsequently, the 2017 mandate letters direct INAC to work in consultation with First Nations and federal departments to improve essential physical infrastructure for First Nation communities, including improving housing outcomes, and to modernize institutional and governance structures to build capacity that supports First Nations in the implementation of their vision of self-determination.
- INAC is fully committed to working in collaboration with the AFN and the CCoHI to develop a First Nations Housing and Infrastructure Strategy as a critical step to transitioning to First Nations care, control and management of housing and infrastructure.
- AFN Resolution 27/2017 directs:
 - the AFN and Chiefs Committee on Housing and Infrastructure (CCoHI) to jointly develop, with the federal government, a Terms of Reference for the establishment of a joint Working Group that will develop a First Nations National Housing and Infrastructure Strategy, which will include housing both on- and off-reserve.
 - the AFN and the CCoHI to work in partnership with First Nations and the Government of Canada on the co-development of a strategic plan with short, medium and long-term objectives and outcomes, which will be implemented to contribute to the development of a National First Nations Housing and Infrastructure Strategy.
 - the AFN to call upon the Government of Canada that any drafting of legislation, regulations and policy instruments (such as a Memorandum to Cabinet) related to the proposed First Nations National Housing and Infrastructure Strategy be co-developed with the AFN and CCoHI, and any resulting legislation be ratified by

the Chiefs-in-Assembly before being introduced into the federal House of Commons with a commitment to long term investments for the work ahead.

- A Joint Housing and Infrastructure Working Group has been established with members from the Chiefs Committee on Housing and Infrastructure (CCoHI) and Regional Housing Technicians, AFN, Indigenous and Northern Affairs Canada (INAC), Canada Mortgage and Housing Corporation (CMHC), and Health Canada.
- This joint Working Group have co-developed this Draft Policy Reform Framework to lay the ground work for fundamental reform to federal housing and infrastructure programming. The Draft Policy Reform Framework will feed into the development of First Nations Housing and Infrastructure Strategy.
- The Draft Policy Reform Framework was presented at the Special Chiefs Assembly on December 5-7, 2017. AFN Resolution 87/2017 was passed by the Chiefs-in-Assembly which supports the Policy Reform Framework to be included as an Annex to INAC's Memorandum to Cabinet (MC).
- A Strategy and Dialogue session on housing and infrastructure also took place at the Special Chiefs Assembly which provided an opportunity to have further dialogue and input on the Draft Policy Reform Framework.
- First Nations leadership and their representatives must take a lead role on the development of a strategy. A successful strategy will be dependent on the Federal Government's commitment to provide adequate time and resources for First Nations to establish short, medium and long-term strategies. The scope of the Strategy will need to ensure off-reserve housing is included to address the needs of First Nations community members living away from home.
- It is crucial that First Nations lead the development of a First Nations National Housing and Infrastructure Strategy to ensure the future of housing and infrastructure reform is envisioned from a First Nations perspective.
- Ongoing investments for engagement will support a strategic, meaningful and respectful engagement process with First Nations to develop a distinctions-based First Nations Housing and Infrastructure Strategy which will include a strategic plan with short, medium and long-term objectives and outcomes.
- This engagement process will include northern and territory-based First Nations and underrepresented (i.e. women, the elderly, the disabled, youth and LGTBQ) groups. Ongoing discussion with Self-Government and Modern Treaty groups will be required to ensure their voices are heard to define the path forward, their needs are considered and there is equitable access to funding as part of First Nations housing and infrastructure fundamental reform.
- This transformative change must be envisioned from a First Nations perspective in order to transition to true First Nations care, control and management of housing and infrastructure. Continued engagement with First Nations communities and leadership must continue to discuss needs, plans and strategies.

- Partners have been communicating and seeking endorsement of the co-developed approach through existing leadership tables including the First Nations Permanent Bilateral Mechanism, the Prime Minister's Office, Ministerial offices, interdepartmental working groups with senior officials, the Cabinet machinery and First Nations Chief and Council leadership tables including Tribal Councils and the Special Chiefs Assembly.
- Partners will seek to co-develop a communications strategy to ensure respective leadership and communities are informed of actions and outcomes relating to the development of a distinctions-based First Nations Housing and Infrastructure Strategy and related housing reform initiatives.