

Regional Tripartite Housing Committee Minutes Meeting of November 18 and 19, 2020

In attendance:	Lance Haymond, AFNQL	Bruce Labrador, ISC
	Guy Latouche, AFNQL	André Dansereau, ISC
	Pierre Bélanger, CMHC	Pascal Dubé, ISC
	François Sauvageau, CMHC	Nathalie Spénard, ISC
	Jean-François Samuel, CMHC	Oumar Ba, ISC (FNIHB)

Facilitator: Guy Latouche

Summary of actions

- Action 1: To update the document "Chronology of the achievements of the RTHC".
- Action 2: To invite the FNQLEDC to submit a service proposal to develop phase 2 of the "financing and financial management" component of the regional strategy on housing and infrastructure.
- Action 3: To update and renew the RTHC Action Plan.
- Action 4: To distribute the RTHC annual report.
- Action 5: To prepare and publish the next "Aboriginal Housing Connection" newsletter of the Committee.

1. Welcoming address and introduction

This meeting takes the form of a virtual conference on the ZOOM platform due to health measures put in place during the COVID-19 pandemic. Some meetings of the Regional Tripartite Housing Committee (RTHC) had to be rescheduled due to the pandemic, which however did not prevent the Operational Committee of the RTHC from holding multiple conferences in recent months to ensure follow-up on regional issues.

The agenda is adopted without addition.

2. Follow-up of the actions of the last meeting

All the actions appearing in the report have been carried out, with the exception of updating the document "Chronology of the RTHC's achievements".

3. National and regional environments

ISC

Pandemic context

ISC's regional office was prepared for emergencies, but due to the pandemic, adjustments were required. Three people are mobilized on a full time basis at the Emergency Coordination Center of the Regional Office. It is a health crisis situation. The challenge is great. For their part, First Nations had emergency teams already in place before the start of the crisis. This has contributed to some success. However, no one necessarily had a

plan for a pandemic of this magnitude. Under the circumstances, First Nations did a good job.

As for funding proposals, a team is analyzing them regionally. The most important expense categories are perimeter security and salaries / overtime. The 2 waves of funding related to the pandemic affect various programs. This brings another challenge. There will be an "after COVID-19". We must structure ourselves accordingly. Specifically, it will be necessary to deal with the postponement of certain projects, which will undoubtedly come up against the increase in the prices of construction materials, which could well be here to stay.

As part of the transformation exercise, ISC wants to transfer more responsibility for emergency measures. Tribal councils have expressed interest.

Next version of the Housing Initiative

While there is no additional federal funding announced specifically for housing other than CMHC's Quick Home Creation Initiative, one needs to be prepared for such a possibility. The context of overcrowded housing is worrisome. This is a national issue. An economic stimulus program like the CEAP (2009) could be launched. Will the capacity of First Nations be there? Often timelines are the problem.

The current Housing Initiative will end March 31. To date, 95% of projects and budgets are committed. Contingency lists were established for the construction, renovation and servicing of lots. Particularly important targets are investments in lot servicing and capacity development.

ISC Headquarters encourages the Quebec Office to continue its regionalization efforts. Work in this direction is underway so that the next initiative will be more suited to meet the needs of the region. Brainstorming sessions were held with stakeholders.

CMHC

Work reorganization

CMHC used to travel to the communities. This is no longer the case, due to the pandemic, except in the Atlantic and the Northwest Territories. In Quebec, this is currently impossible. People seem to be adjusting to the new reality. Long before the pandemic, CMHC had already initiated a shift towards the " Result Only Work Environment " (ROWE). The branch located in Quebec will close its doors permanently on March 31. Alternatives will be implemented to continue offering clients the opportunity to meet CMHC staff in Quebec.

Reconciliation

An internal process is aiming to promote reconciliation. CMHC wants to take a turn and integrate the Aboriginal reality into its procedures. Aboriginal issues are no longer forgotten, they are integrated. They want to take into account reality and specific needs. We are at the start of this process.

National Housing Strategy

The team has been working with this strategy for 18 months. There has been a lot of progress since the start. Large files are analyzed, in particular residences for the elderly. There are 7 projects underway with First Nations in Quebec and others with the Inuit. Obviously, some of them have been delayed due to the pandemic.

Shelters

There are 2 months left to apply for the Shelter Initiative. There is no envelope per province. Some projects must be submitted by First Nations in Quebec.

Rapid Housing Initiative (RHI)

About 70% of First Nations have shown interest. The timeline is very short. The fact that in Quebec, most of the people resides on reserve could perhaps prove to be an advantage. A special feature of this initiative is certainly the fact that funds are disbursed at the start of the project. It is a change from what CMHC usually does. Same observation with regard to the absence of inspection requirements.

AFNQL comment *We should have a say in new initiatives before they are launched. For example, the RHI imposes deadlines that are very difficult to meet. On this point, CMHC mentions that 20 discretionary points can be allocated for the criterion of housing needs when proposals are analyzed, which could favor communities with great housing needs.*

Regular programs (Section 95 and renovations)

The projects' commitments for the year 2020-2021 are going well, more than usual. While going back to the basic budget, CMHC cannot allocate a renovation unit to all First Nations. We are hoping for an injection of additional funds next year. Many discussions are underway, including that regarding the allocation of funds to the regions. Changes in this area must be acceptable in the context of federal transfer and First Nations takeover. In addition, as CMHC has exceeded its financial authorities on Section 95 commitments, next year's budget is expected to drop 8%, or \$900,000 less in lifetime costs.

AFNQL comment *Going back to the basic budget and the decrease in next year's budget is a disappointment. As construction costs increased significantly during the pandemic, First Nations will fall behind. This is particularly worrisome in communities where there is no alternative for the isolation needed in a pandemic context.*

It should be noted that the Long Point First Nation issue will be settled. They do not have access to Ministerial Loan Guarantees (MLG). CMHC has approved a mechanism that will deliver the MLG -free Section 95 program to the community.

Québec Energy Transition

Pierre Bélanger met QET and was pleasantly surprised by their openness in transferring funds into existing CMHC programs. ISC is also discussing with them. The next step will be to determine how to align the programs and initiatives to facilitate the routing of complementary requests.

AFNQL

National update

The data collection on housing needs is completed at the regional level. We have the data and are already using it. They are shared with partners. The report is being drafted. Nationally, we have data for 7 regions. The participation rate of participating regions is around 60% (100% in Quebec). We have observed from the national exercise that some data are unreliable, for instance costs of construction and renovation. The exercise is to be completed for the 3 missing regions (work is in progress) and for data that is not reliable, since the idea behind all this is to document a memorandum to Cabinet for a substantial increase in federal contributions for housing and related infrastructure. The data must therefore be comprehensive and reliable.

The implementation plan for the National First Nations Housing and Infrastructure Strategy that was co-developed with federal partners is now developed. The National Strategy and its implementation plan are based on the same pillars as our Regional Strategy (skills and capacities - financing and financial management - Governance and service delivery). The Plan will be presented at the next meeting of the National Chiefs Committee on Housing and Infrastructure.

The Assembly of First Nations (AFN) Water Forum will be held (*was held*) virtually this year on November 24.

Regional update

We have started a series of conferences with the Quebec Housing Corporation, along with the Aboriginal Savings Corporation of Canada (ASCC) and the First Nations of Quebec and Labrador Economic Development Commission (FNQLEDC). The goal is to establish contacts, to explore avenues of collaboration. This is a first discussion. Other conferences are yet to come. Until now, we have noticed that we are still confronting the well-known barriers: the sharing of responsibilities (federal on reserve), the narrowness of Quebec's programs. Strategically, we have to play the benefit card: the benefit of intervening upstream, the positive impacts for all of society, rather than suffering from the negative impacts. We believe that Quebec can have some flexibility, if they want to.

CMHC comment *Other provinces sometimes invest in the operating budget of retirement homes on reserve, because they know very well that they would have to pay these funds anyway if these same people were in the provincial network.*

ISC comment *ISC has already approached Quebec for funding accommodation for medical purposes.*

Chief Haymond and Guy Latouche appeared before the Standing Senate Committee on Human Resources, Skills Development, Social Development and the Status of Disabled Persons. The committee is carrying out a study on obstacles to housing for First Nations, on and off reserve, in urban and rural settings. This study seeks to find loopholes in current federal government policies to address homelessness and the difficult housing crisis facing First Nations. It was an opportunity to promote the housing issues of First Nations in Quebec and our key messages.

4. Regional strategy, "financing and financial management" component – Update

The FNQLEDC, which is our partner in the development of this component of the Regional Strategy on Housing and Infrastructure, submitted its report as well as its recommendations to undertake phase 2. Many discussions took place between the AFNQL and the FNQLEDC in recent months. The Operational Committee was also called upon. A first version of the report was analyzed and commented on. The Commission has taken our comments into account in preparing the roadmap for the next steps.

The first thing that surprises when reading the report is that it does not answer our original question, namely what investments are required and how to use modern financial tools to eliminate the accumulated delay in the process of a FN – GofC partnership. The report reveals rather a harsh, but very true reality: "*Before quantifying the investments required, and before proposing financial levers, we must first ensure that the conditions are in place for these investments and these levers have the desired impact.*" Here are the highlights of the report.

Major findings

Community housing is a deficit system, running out of steam.

Current programs are based on the financial situation and resources of the communities.

An in-depth transformation is needed!

Food for thought in relation to key areas

Obstacles to funding Indian Act, small communities, remoteness, unconventional economic models, etc.

Motivations, financial and non-financial disincentives to private property, motives and resistance to transformation.

A successful transition must take place slowly, step-by-step, at the pace of change in mentalities.

Possible solutions addressed to the Government of Canada

Implementation of specific tools to encourage, support and accelerate the transformation.

Leave it to the communities to chart their own way out of crisis.

Basic equalization-type funding, timely, predictable and sufficient.

Redeployment of warranty tools.

Review of infrastructure financing.

Possible solutions for First Nations

To address the main disincentives.

To establish the foundations for an internal housing market.

To review the roles and responsibilities of stakeholders.

To unleash the strength of resilience and innovation of indigenous civil society.

Other possible solutions

Simple and compelling presentations to stakeholders, alongside a mobile financial literacy clinic.

Documenting the financial situation (support) and putting in place the foundations for change.

Financial tools and management protocols: Equip and support FN.

Here now are the main topics of the FNQLEDC's proposal with regard to the activities to be undertaken **in phase 2**, which comprises 2 stages.

Dissemination and awareness for preparation

Findings and recommendations.

Target audience: Chiefs and ED.

Involvement of communication experts.

Mobile Financial Literacy Workshops (ASCC).

Pilot projects, information gathering and local capacity development

Small group of communities.

Financial diagnosis, governance support.

At the same time, concerning the remedial work: financial solutions and costed scenarios.

The partners were not surprised by the findings of the Commission, and agreed on the follow-up. We can see that the current program is not working. We have to take a step back, while not further delaying work with First Nations who want to make changes. There is no need to wait for the perfect and universal solution before taking action. Options to improve housing must be made available to First Nations.

The Government of Canada wants to relinquish responsibility for housing and transfer it to First Nations. It is necessary to prepare this transfer and responsibility takeover. A major point will be to convince the communities that are in need that a change in the way they approach the whole issue of housing must take place. This is our biggest challenge. A communication challenge! This second phase will show where and how to make changes.

5. Potential change of allocation for Section 95

CMHC informed the partners of the RHTC that it is studying the possibility of modifying the allocation of funds for section 95 of the program in Quebec. Instead of encouraging densification, it would make it compulsory; which means that minimally, communities should build semi-detached houses. Such an approach would reduce the administrative burden for all and align better with the different strategies developed.

CMHC explains that it wants to make sure they are doing the right thing. Construction costs increase, while budgets don't. The national budget is expected to decrease next year, from \$154 M to \$142 M, because CMHC has exceeded its financial authorities. It argues that Section 95 program doesn't make a difference in meeting needs (± 60 to 70 units per year) and that the way in which the program is used is among the disincentives to the development of individual property that have been identified. Social housing off reserve is still in a densified form. Several communities propose the densification of social housing, others don't. The question is: should we impose it or encourage it?

The partners understand the motives behind CMHC's thinking and agree. We must encourage densification, without however imposing it. Some communities do not like densified housing.

6. Monitoring of the RHTC Action Plan

The current plan (2018-2020) is coming to an end. Several actions are carried out in 2 of the 3 pillars (skills and capacities - financing and financial management). A new plan will be developed before the end of this fiscal year.

7. RHTC's Annual Report

The report was delayed due to the pandemic. It will be tabled in December (*in fact, it was transmitted to all First Nations on December 8, 2020*).

8. Aboriginal Housing Connection

The next issue of the Committee's newsletter is imminent. The RHTC's annual report, data on CMHC program allocation and brainstorming sessions held by ISC will form the bulk of its content.

9. Regional Housing Meeting

Due to the pandemic that has been raging since March, the AFNQL regional meeting on housing was postponed to a date that remains undetermined for the moment. This meeting is an important event every year. It is not only an opportunity to inform First Nations, but also to share good housing practices and to continue the engagement on the housing and infrastructure reform initiated in our region in 2017. The First Nations and partners will be informed as soon as the date of the meeting is determined.

10. Follow-up to discussions held with the National Research Council

On behalf of First Nations representatives and their partners within the Working Group, the AFNQL submitted a list of research priorities to the National Research Council of Canada (NRCC). These are concerns or issues on which the NRCC was invited to share potential solutions with us or to implement research activities to develop suitable solutions. These are concerns or issues that we consider priority and important, and which, generally, concern or affect a large number of communities. The research topics suggested therefore have the advantage of addressing universal issues. Progress in these areas would be likely to resolve issues facing several First Nations in Quebec and several members within each community.

The NRC recently shared its reflection on these subjects in the format of a document presenting a set of actions to help First Nations in Quebec, and potentially elsewhere in Canada, to solve construction problems faced by their communities. This document will be analyzed by First Nations representatives and their Working Group partners.

11. Next meeting

February 9 and 10, 2021.

Prepared by: Guy Latouche
January 4, 2021