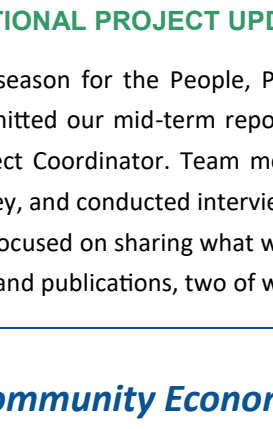




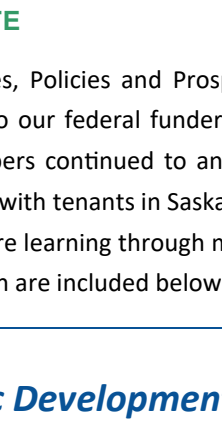
Featured in this edition:



Hate the high cost of rent? Blame the 90s.



Housing in Membertou First Nation, Mi'kma'ki



New Team Member Profiles

NATIONAL PROJECT UPDATE

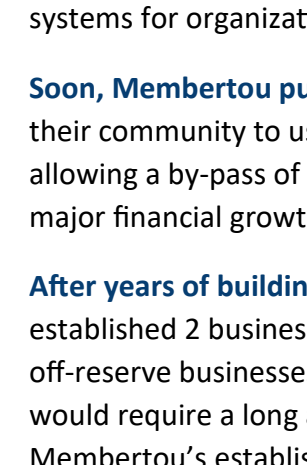
This fall has been a busy season for the People, Places, Policies and Prospects team. In October, we submitted our mid-term report to our federal funder, and hired a new National Project Coordinator. Team members continued to analyze the Canadian Housing Survey, and conducted interviews with tenants in Saskatoon and Cape Breton. We also focused on sharing what we are learning through media interviews, presentations, and publications, two of which are included below.

Housing and Community Economic Development: The Case of Membertou

By Melissa MacDonald

Membertou and Cape Breton University

Forthcoming in the *Canadian Journal of Nonprofit and Social Economy Research* (2022)



Membertou First Nation is an urban Mi'kmaq community of nearly a thousand residents located in Mi'kma'ki, surrounded by the Cape Breton Regional Municipality in Nova Scotia. Melissa MacDonald, who works as the Membertou Band's Lands Director, is a researcher on our team who recently published a case study of housing and community economic development in Membertou. In this work, Melissa showcases the economic initiatives that Membertou has implemented to address a shortage of housing and generate wealth within the community. Lack of adequate housing is a major challenge in First Nations communities across Canada, and Melissa's research shows that Indigenous-led efforts must be at the forefront of solutions.

Community economic development in Membertou

- **Almost thirty years ago, the Membertou Band** established goals to grow and become financially self-reliant using new business measures and planning.
- **Membertou opened its corporate division** in 2000, which successfully manages several businesses and creates own-source revenue. Facilities include state-of-the-art convention and health and wellness centres, bowling lanes, and fisheries and geomatics divisions.
- **Membertou became the first Indigenous government in the world** to receive the internationally accredited ISO 9001:2000 designation in 2002, which recognizes quality management systems for organizations and businesses.
- **Soon, Membertou pursued non-reserve land** on the outskirts of their community to use for a major hotel business collaboration, allowing a by-pass of the restrictive laws of the Indian Act and major financial growth for the community.
- **After years of building a good business reputation**, Membertou established 2 business parks on reserve which host a variety of off-reserve businesses. Normally, due to the Indian Act, this would require a long and difficult process, but because of Membertou's established trust within the business community, businesses joined on "Buckshee leases"—a type of unofficial agreement. The business parks remain successful.
- **Membertou became the first Indigenous community in Canada to receive a Financial Management System Certificate** from the First Nations Financial Management Board (FNB). This certification allows Membertou to **save over 1.6 million dollars annually** in interest charges on loans.
- **Recently, Membertou announced the 'Seventh Exchange'** retail district, located on nearby land that has recently gone through the Addition to Reserve process.

Self-governing initiatives

- **Membertou formed a Governance Committee** in 2010 which is a self-governing and community-led law-making committee consisting of leaders, employees, and interested community members. The committee is part of all law-making in Membertou and leads community engagement sessions to get feedback from the community, provide education, and answer questions on governance issues.
- **Membertou signed the First Nations Framework Agreement** in 2012, allowing the Band to have authorization to make their own laws related to land, resources, and the environment.
- **The Membertou Land Code** was recently implemented after a ratification vote. This allows Membertou to take back control of 44 sections of the Indian Act. For one, Membertou is now allowed to develop its own land use plan (LUP) which governs the community's values, goals, management, and projects involving land and natural resources.

Housing Development

Through revenue generated from business activity and its self-governing initiatives, Membertou has been able to increase the number and affordability of homes for their members. Membertou has several housing options and programs available, which vary in affordability, tenure, and how they are allocated. All housing options aim to increase supply of good quality housing on reserve. For example:

- **The First Nations Market Housing Fund (FNMHF)** provides access to Membertou's reserve members. Mortgages are on Membertou's balance sheet and the Band subsidizes mortgage costs, with Membertou contributing up to \$600/month per house. The mortgage is for a 25-year period for these rent-to-own homes. A lease agreement is signed with Membertou as the owner of each home. Once the mortgage is paid, and there are no arrears, the member can apply for a Certificate of Possession, and the member will take over insurance, maintenance, and repairs.
- **The Home Purchase Program** is a turn-key type of initiative where a member can choose from three home styles with minor changes to the house plans allowed. Membertou builds the home, taking care of the construction, paying contractors, and inspections. When complete, Membertou sells the home to the member. The applicant must be employed, have good credit, and be approved by a lender for a loan. Membertou serves as the guarantor of the loan and will only guarantee up to a certain dollar figure. Anything above that amount requires the member to provide their own equity. Membertou also provides a \$15,000 grant to the member to go towards the cost of their home.

Housing, local employment, and training

New housing initiatives employ local construction companies and encourages training and skills development among band members, generating wealth and supporting the Membertou economy.

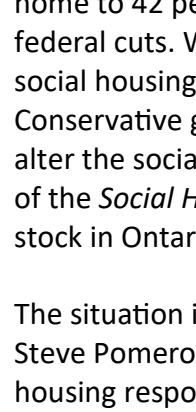
- **Contracting for housing construction prioritizes Membertou tradespeople.** Bids are taken from contractors in the community in trades such as carpentry, plumbing, electrical, heating systems, dry wall, and painting. Providing employment opportunities like these allows residents to afford more housing options in Membertou.
- **Membertou provides skills training programs** in a variety of areas. For example, one project trained a concrete crew, beginning with sidewalk construction and then foundations and home repair. Participants are now qualified and skilled tradespeople available for new builds and repairs to housing in the community.

Hate the high cost of rent? Blame the 90s.

Bewildered by the high cost of housing? Wondering how we got to this place in Canada? To understand why we're here now, we need to look back thirty years to policy decisions being made in the early 1990s.

Written by Andy Crosby and Jacqueline Kennelly, members of our Ottawa team.

Originally published by the *Canadian Centre for Policy Alternatives*.



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The most intensive cuts to social spending in Canadian history happened in the 1990s, including the complete

annihilation of Canada's post-war funding commitments to affordable housing. This came about as Canada mimicked the policies of the United Kingdom, introduced under Margaret Thatcher, and those of the United States, under Ronald Reagan. While this approach to policy-making—often called neoliberalism—gained a foothold under the right-wing Brian Mulroney Conservatives in Canada, it was the centrist-left Jean Chrétien Liberals who undertook the most substantial welfare state restructuring, particularly with the 1995 federal budget under its Finance Minister, Paul Martin.

Before 1995, provincial and territorial governments received large transfers of funds from the federal government, designated to be spent on specific social portfolios, including housing, health care and education. Paul Martin introduced a new policy called the Canada Health and Social Transfer, which had fewer conditions attached. This meant provinces did not need to maintain specific social benefits that had been previously required—and the transfer also provided significantly less funding.

Federal transfers to provinces and territories fell from \$18 billion annually in the 1980s to \$12.5 billion in the mid-1990s. In Ontario, Canada's most populous province, federal transfers that had covered 17 per cent of provincial revenues in 1980–86 dropped to only nine per cent of revenues by 1996–2001.

The significant cuts to federal funds being transferred to the provinces and territories in the mid-1990s accelerated the retrenchment of social assistance benefits and became part of the rationale for cuts to higher education, resulting in rising tuition fees for students across the country—a precursor to today's crisis of post-secondary debt for young people trying to get into the housing market or afford their monthly rents. By 1993, the federal government completely withdrew financial support for building new social or public housing except for (inadequate) new builds on First Nations reserves. This historic shift marked the end of 52 years of federal involvement in social housing production and is widely considered to mark the beginning of the homelessness crisis in Canada.

Before the cuts, the federal government supported the development of affordable housing in a variety of ways, including investments in public housing, co-funding affordable rental housing provided by the non-profit and co-operative sectors, and private market builds with rents at affordable rates. Investments were made in public housing beginning from the late 1940s and peaking in the 1960s. These were characterized by cost-sharing arrangements between the federal and provincial governments. Between 1973 and 1992, the federal government partnered with third-sector groups to create non-market rental housing; approximately 236,000 non-profit and co-operative units were created over those two decades. In addition to providing reduced-rate mortgages for 90 per cent of the project costs as well as capital grants for the remaining 10 per cent, the federal government provided operating subsidies and funded housing resource groups.

While short-lived, these initiatives had a lasting impact on the Canadian housing landscape and account for some 650,000 units across the country. This ought to have marked the beginning, rather than the end, of government investment in public and non-profit housing, as that sector ultimately made up only four to six per cent of the Canadian housing market.

Countries with healthy affordable rental stock (e.g., Netherlands, Austria and Denmark) have public housing rates of about 22–32 per cent. This would have been a good goal to strive for before cutting all federal funding. Private market, multi-family rental housing construction boomed in Canada into the early 1970s but declined sharply thereafter as the incentive for new rental construction was removed due to changes in federal policies, and the more lucrative condominium industry emerged in the late 1960s.

The federal cuts to housing funds in the 1990s shifted the nexus of housing provision to the provinces and territories. Ontario took this one step further, and devolved housing provision further down to the municipalities. Once a leader in social housing, Ontario was home to 42 per cent of Canada's social housing stock before the federal cuts. While the Ontario government continued to invest in social housing until 1995, the election of a populist neoliberal Conservative government under Mike Harris would permanently alter the social housing landscape in Ontario. With the introduction of the *Social Housing Reform Act* in 2000, all provincial housing stock in Ontario became owned by municipal housing corporations.

The situation in Ontario has created what housing policy researcher Steve Pomeroy has called a "unique but perverse case" in social housing responsibilities and administration, shifting the expenditure burden and risk to the municipal level. Devolution has imposed significant constraints and barriers on affordable housing throughout Ontario. Housing typically represents the second- or third-highest expenditure of local governments. This means that funding allocation for it often falls victim to efforts to contain budget increases. Ontario remains the only province where social housing is the responsibility of municipalities.

"Although the long-awaited National Housing Strategy promised to reduce homelessness by 50 per cent and make significant investments in affordable housing, so far it hasn't made much impact."

It took 34 years for the federal government to seriously re-join the housing game, when the Justin Trudeau Liberals introduced the National Housing Strategy in 2017. Although some federal re-engagement had occurred between 2001 and 2017, this resulted in only 50,000 more units, and most of these were not considered "deeply affordable," with rents set between 80 and 100 per cent of average market rents and limited rent supplements available.

Although the long-awaited National Housing Strategy promised to reduce homelessness by 50 per cent and make significant investments in affordable housing, so far it hasn't made much impact. The Government of Canada claims that over 58,900 new affordable housing units are currently being planned or built, and a further 68,000 existing units are being upgraded or repaired with the intention of building 150,000 new units of affordable housing over 18 years.

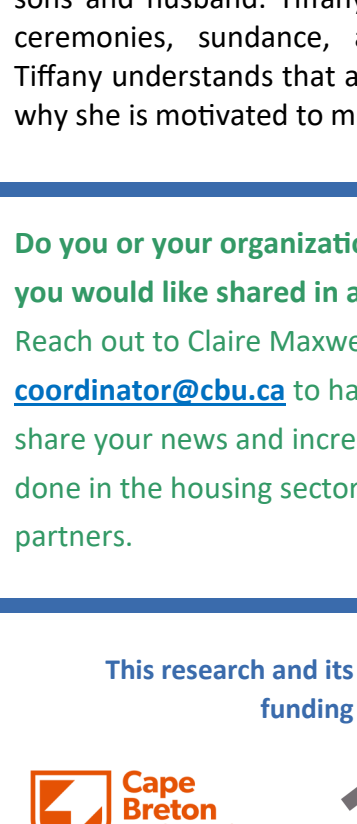
The Canadian Alliance to End Homelessness points out that to make a real dent in homelessness, the National Housing Strategy needs "to build at least 300,000 new deep subsidy, permanently affordable and supportive housing units and ensure those units are specifically prioritized to people experiencing or at greatest risk of homelessness." Further, non-profit housing providers, well-positioned to build and manage these new affordable units, struggle to secure funds for new builds through the National Housing Strategy, as well as funds for tenant supports.

In the meantime, global investment companies are financializing the low-income private rental sector and converting it into "luxury" accommodations and condominiums, resulting in a net loss of 322,600 affordable units between 2011 and 2016, an average annual loss that far outstrips the modest 15,000 affordable units per year planned for the first decade of the National Housing Strategy. In other words, Canada has a long way to go to make affordable rental housing a widespread reality in a country where housing prices have risen more than 25 times faster than those of the U.S. since 2005.

Although pundits and politicians make an assortment of wild claims about why we have such expensive housing in Canada, ranging from inflation to the war in Ukraine, the reality is that the stage was set for the current affordability crisis 30 years ago. Unfortunately, those most impacted by these policies were not even born at the time. It is young people (ages 20–29) who are at the receiving end of the housing affordability crisis, both in Canada and across all OECD countries. Compared with the general population, young people in all OECD countries are much more likely to live in rental housing, although increasingly those between ages 20–29 are simply staying home with their parents, unable to afford either rent or mortgage. If a parent's home is unsafe or unavailable, they often become homeless. In Canada, about one in five people experiencing homelessness are young, between the ages of 13 and 24.

Although the statistics are not broken out for the 25–30 age group, we know that adult homelessness, including for young adults, is on the rise in Canada. Countries with the highest percentage of social housing stock are the ones that allow young people to leave home and rent independently, such as in Norway, Sweden, Finland and the Netherlands. It is for this reason that the OECD recommends "renewed public and private investment in the affordable and social housing stock," noting it as "a key lever to an inclusive economic recovery from the COVID-19 crisis."

Meet New Team Members:



Claire Maxwell

Claire Maxwell is our new Project Coordinator, joining People, Places, Policies and Prospects this Fall. Claire is an honours graduate from Cape Breton University where she studied a Bachelor of Arts and Science in Environment, with concentrations in Biology and Science and Society. Claire's honours thesis focused on Atlantic salmon decline and colonial centralization in Eskasoni First Nation, Mi'kma'ki. Her research occurred in collaboration with Eskasoni Fish and Wildlife Commission, a local non-profit fisheries and research organization.

Currently, Claire also works as a Project Coordinator and Educator in Tenant Advocacy and Education for Housing Development at New Dawn Enterprises, one of our community partners in the Atlantic Region.

Claire is passionate about community development and the non-profit sector. Her biggest dream is to live in a walkable community with robust public transit.

Tiffany McDougall

Tiffany McDougall is Algonquin and began her career in her First Nation community of Kitigan-Zibi, Quebec. Tiffany studied at Carleton University and the University of Ottawa and has held a variety of positions in both science and public policy throughout her career. Recently, Tiffany joined People, Places, Policies and Prospects as a Research Assistant to examine the co-development of First Nations Housing Policy, utilizing the Mi'kmaq Two-Eyed Seeing approach. To complement this work, she is part of the Canadian Emerging Housing Scholars program. Tiffany is completing her Masters in Business Administration in Community Economic Development at Cape Breton University.



Throughout her career, Tiffany has had the opportunity to advance First Nation priorities as a Policy Advisor to the National Chief of the Assembly of First Nations (AFN), support Canada's top public servants and political professionals through her cabinet experience, and support communities through her policy development work with various federal departments and initiatives.

Tiffany now lives in Eastern Passage, Nova Scotia, with her three sons and husband. Tiffany and her family are heavily involved in ceremonies, sundance, and pow-wows. Through ceremonies, Tiffany understands that a home is more than a structure, which is why she is motivated to make a change in the housing sector.

Do you or your organization have an announcement or project you would like shared in an upcoming edition of our newsletter? Reach out to Claire Maxwell, our National Project Coordinator, at coordinator@cbru.ca to have your article featured. We can help share your news and increase the reach of important work being done in the housing sector by all of our community and academic partners.

This research and its dissemination is made possible by funding from SSHRC and CMHC.



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