

*Expanding Your Housing Options*  
Financing for First Nations Communities



*Housing  
Investments in  
First Nation  
Communities*

*TSAG 14<sup>th</sup> ANNUAL CONFERENCE*

*3 November, 2011*

*Edmonton, Alberta*

## *About the Fund...*

- Independent trust launched May 5, 2008
- Designed to support market housing arrangements between First Nations and lenders
- Board of 9 trustees
- \$300 million federal investment
- Intended to leverage \$3 billion in on reserve housing investment across Canada

## *...About the Fund*

- New option to create more on reserve housing – acquisition, operation, maintenance paid by owners
  - Homeownership, rental units, renovations
- Respects communal ownership of reserve and settlement lands
- All First Nations are eligible to apply
- Developed with input from AFN, First Nation communities and organizations across Canada

# *How does the Fund support investments?*

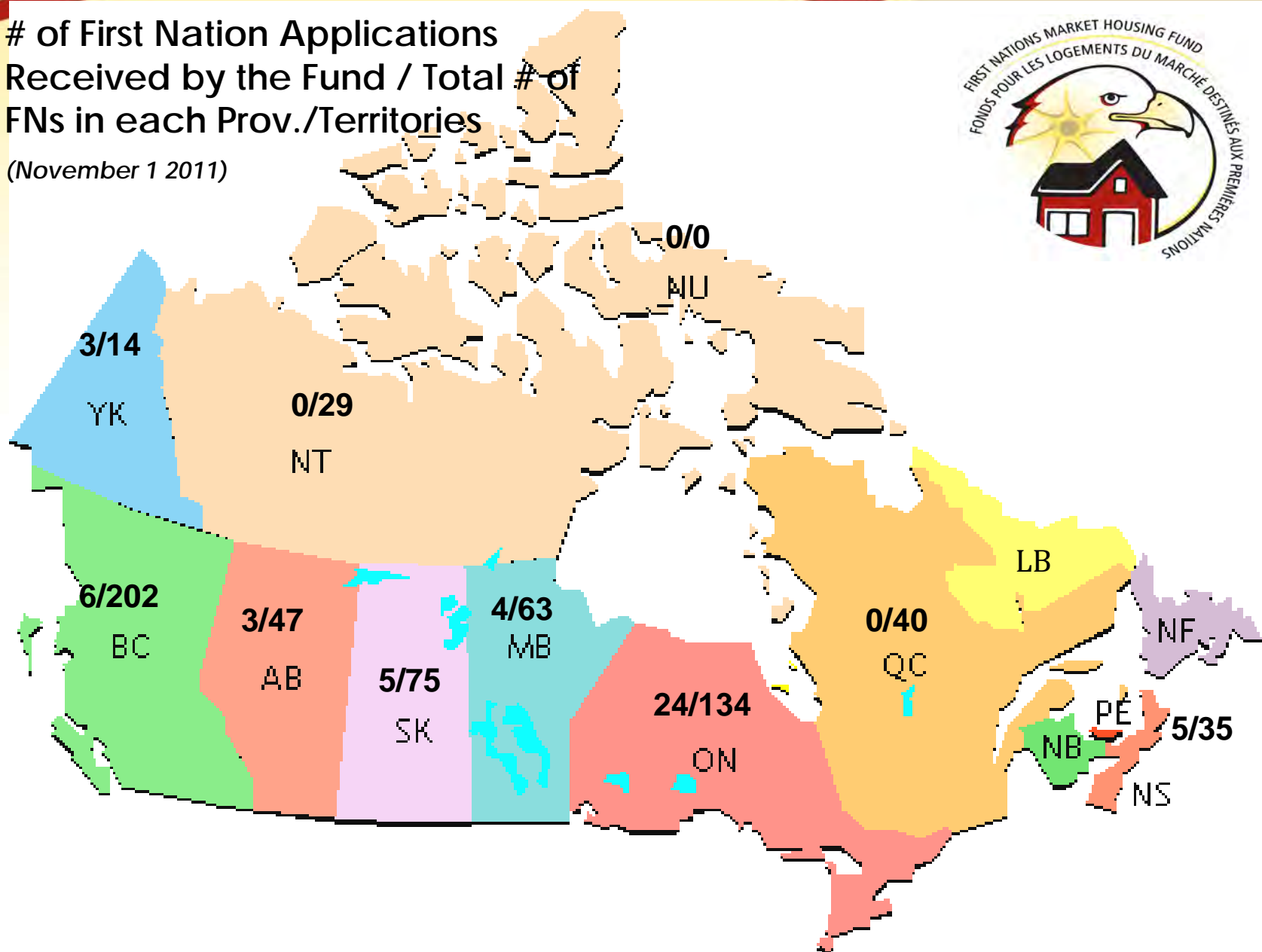
- 10% backstop for housing loans – credit enhancement
- Leverage to negotiate with lenders:
  - lower interest rates
  - reduced program access fees
  - risk-sharing
  - administrative arrangements
- Capacity Development - initiatives jointly identified and eligible costs are covered by the Fund

## *Success to Date*

- 50 applications received from First Nations
- 20 First Nations approved for Credit Enhancement and Capacity Building
- 17 First Nations approved for Capacity Development only
- 7 lenders approved to participate across Canada

# # of First Nation Applications Received by the Fund / Total # of FNs in each Prov./Territories

(November 1 2011)



# *First Nations announced for Credit Enhancement as at November 1, 2011*

- Miawpukek NF
- Membertou NS
- Lac La Ronge SK
- Batchewana ON
- Onion Lake SK
- Atikameksheng  
Anishnawbek ON
- Whitefish River ON
- Sagamok ON
- Seabird Island BC
- Tk'emlups BC
- Moose Cree ON
- Serpent River ON
- Hiawatha ON
- M'Chigeeng ON

# *Profile of First Nations approved to date*

- \$125 million of housing investment over 5 years – 20 First Nations
- Homeownership contemplated in all – plus some with renovations, rentals, elders and foster homes
- Rural, remote, urban
- Small to medium size populations – a few hundred to a few thousand

# *Benefits of Market-Based Housing*

- Sustainability
- A means to build equity and generate wealth
- Moves away from social housing, creates pride in individual ownership
- Investment in the community – economic activity
- Works with various Land Tenure Options
- FN commits by BCR to rental regime as a key business principle going forward – *“Those who can pay should pay”*.

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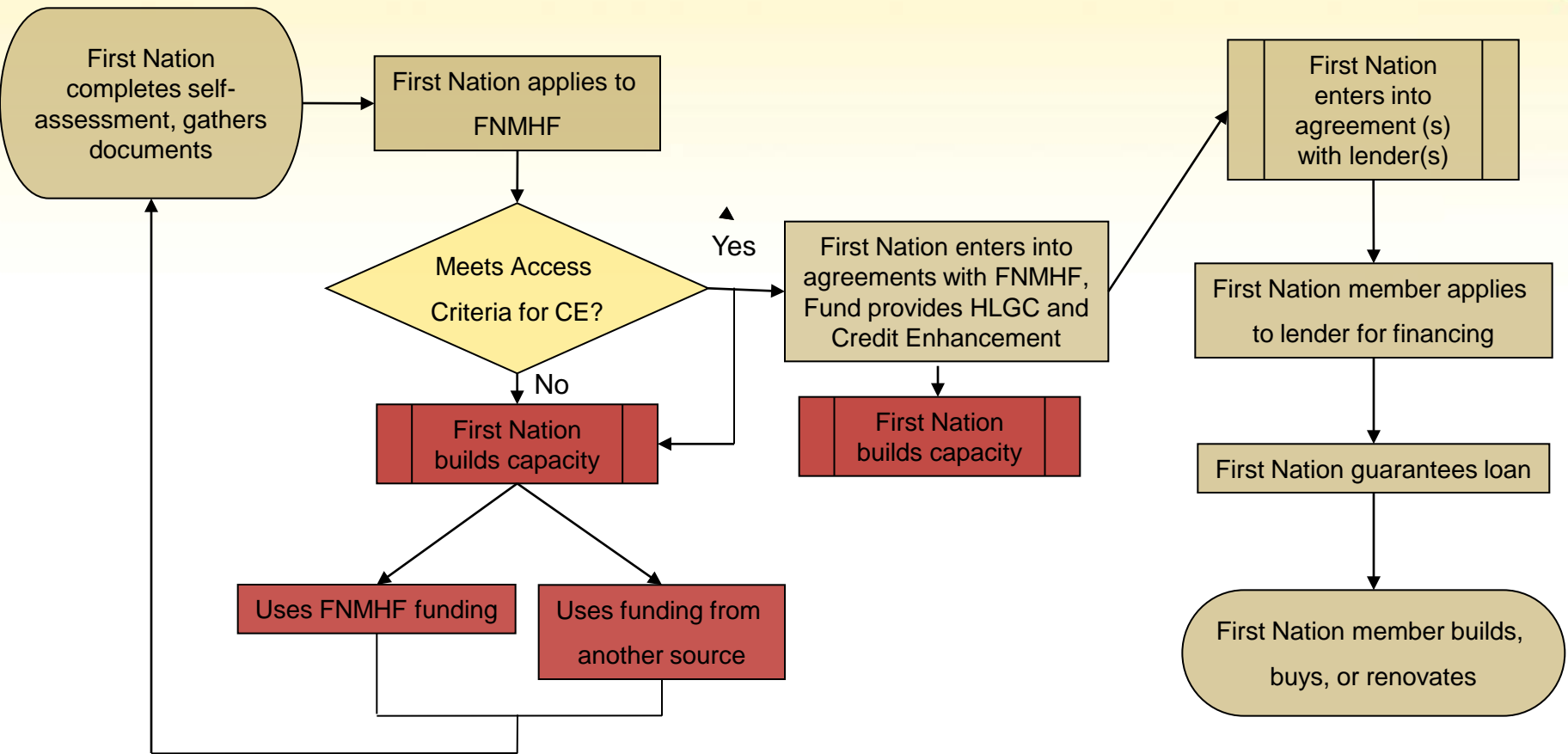
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# *Access Criteria*

- Access Criteria are principles-based, grouped into three pillars:
  1. Financial Management
  2. Good Governance
  3. Community Commitment and Evidence of Demand for Market-Based Housing
- First Nation chooses how best to demonstrate their strength

# OVERVIEW



# *Participating Lenders in Alberta*

- **Bank of Montreal**
  - Contact: Stephen Fay
  - Email: [stephen.fay@bmo.com](mailto:stephen.fay@bmo.com)
  
- **Peace Hills Trust**
  - Contact: Tony Shirt
  - Email: [tony.shirt@peacehills.com](mailto:tony.shirt@peacehills.com)

# *Capacity Development Program*

- Focuses on the Access Criteria three pillars – this helps prepare and strengthen the FN government for other activities they may wish to undertake.
- Supports First Nations who apply to the Fund and have areas which require strengthening.
- Improve upon regulatory frameworks: update and implement housing and finance policies, develop land use by-laws, codes, registries and enhance security of tenure.
- Staff training in finance, technical, housing and land management and economic development.
- Member workshops on home ownership and rental.

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# *CD Support Examples*

- Managerial Training for First Nation Staff
- Customized Sage ACCPAC Training – delivered at the FN
- AFOA Course Tuition Fees
- Arrears Management process and system
- Toast Masters – Public speaking
- Updating Financial Administration Policies, creating by-laws or laws
- Updating and creating new Housing Policies, Authorities
- Land Use Planning – Comprehensive and Capital planning studies
- Land Management systems
- Water, Sewer, Gas Technical Training
- Lot Surveys for market-based housing

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# *How is Capacity Development implemented?*

- Letter of Agreement signed, good for up to 3 years
- Identifies areas of financial support from the Fund in financial management, governance and community commitment
- As First Nation has time to work on specific initiatives, the deliverables and timelines are agreed upon; consultants engaged, courses attended

## *Benefits to First Nation*

- Expands housing options for First Nations and choices for members
- Complements existing programs and helps strengthen systems
- Attracts more private financing and encourages competition among lenders
- No Ministerial Loan Guarantees
- Promotes creation of a housing market

# *Interested in learning more about the Fund?*

- Take a Fund flash stick
- Visit our website [www.fnmhf.ca](http://www.fnmhf.ca)
- Talk to participating First Nations
- Invite us to present to your leadership and senior staff
- We accept all First Nation invitations

## *Summary of FNMHF Approach*

- No fees or service charges for what we do
- Strength for policies, process and people
- Tools are available to improve investment readiness across the First Nation
- Land Tenure a key feature of a sustainable approach
- Investments – loan backing and capacity development funding
- Supports the First Nation's goals



*Thank you*

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