



URBAN AND RURAL INDIGENOUS HOUSING PLAN FOR ONTARIO

ONP^hA

ONTARIO NON-PROFIT
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About THE ONTARIO NON-PROFIT HOUSING ASSOCIATION

Founded in 1988, The Ontario Non-Profit Housing Association (ONPHA) educates, strengthens and advocates for Ontario's community housing sector. ONPHA represents over 700 Ontario non-profit housing providers, housing over 400,000 people in 170,000 homes across 220 communities. Our members provide quality homes to low and moderate income households across the province. ONPHA fights to ensure all Ontarians can access affordable, safe housing in a community they choose.

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Executive Summary

Several converging factors underscore the need for a distinct off-reserve Urban and Rural Indigenous Housing Plan for Ontario: the rapid growth rate of the Indigenous population (54% over 10 years); the increasing urbanization of Indigenous peoples (nearly 85%); the disproportionately high rate of Indigenous poverty (24%) and core housing need (18%); and the considerable overrepresentation of Indigenous peoples in the health, justice and social services systems.

In the fall of 2018, ONPHA's membership unanimously adopted a resolution put forth by its Urban Aboriginal Housing Advisory Committee (UAHAC) resolving that ONPHA work with partners to call on federal and provincial governments to implement urban and rural Indigenous housing strategies. To support this resolution, ONPHA engaged consultants Daniel J. Brant & Associates and a Steering Committee composed of members of ONPHA's UAHAC to create an Urban and Rural Indigenous Housing Plan for Ontario. Within the report are socioeconomic, legal and historical arguments to support six calls to action with clearly identified costs, savings and benefits.

Analyzing data from Statistics Canada, literature and document reviews, case studies and surveys and interviews with Indigenous community housing providers in Ontario, the report identifies the need for approximately 22,000 additional subsidized Indigenous community housing units over the next 10 years to meet the current and future housing needs of Indigenous Ontarians living in core housing need (inclusive of new construction and replacing aged units).

Focusing on the economic benefits of investing in Indigenous community housing, the report

presents a comprehensive cost-benefit analysis associated with building the required units. With a construction cost of \$7.3 billion, the construction program will create over 95,000 year-jobs over its 10-year timespan, add \$3.8 billion to the provincial economy and save the province a total of \$14.3 billion, nearly doubling the return on the initial investment. These savings are derived from reduced incarceration and recidivism rates, improved education and employment outcomes and reduced spending on healthcare, social services and shelter costs associated with housing Indigenous people otherwise in core housing need.



The report recognizes the benefits not only of providing adequate, affordable housing for Indigenous people, but also of providing culturally-relevant, wrap-around services and supports through Indigenous-led housing providers. Ensuring cultural continuum in housing can help address the lasting impacts of racism, colonialism and intergenerational trauma, while also helping move Indigenous people along the housing continuum. The report thus identifies the need for greater Indigenous control, management, vision and direction of the Indigenous housing sector.

To action further on reconciliation, the report also identifies the need for a comprehensive, community-supported Indigenous housing database to accurately represent the current and future needs, gaps and capacity in the sector. The report relies on the limited data currently available and acknowledges the lack of standardized data as a major obstacle in the development and sustainability of Indigenous community housing. As such, the results

of the report are conservative estimates of demand and cost savings and benefits.

In addition to identifying the number of required units and associated cost savings and benefits, the report acknowledges the limited resources currently available to Indigenous housing providers, even in light of recent federal and provincial investments in community housing. To ensure sufficient resourcing of the plan, the report outlines the potential to develop private sector partnership opportunities through strategic employment of the tax system.

The Urban and Rural Indigenous Housing Plan for Ontario is a critical step on the path to reconciliation and must be undertaken in true partnership with Indigenous partners across the province, recognizing the diverse needs and perspectives in the sector. ONPHA looks forward to engaging and working with Indigenous, federal, provincial and municipal partners in the resourcing and implementation of this crucial plan.

Acknowledgements

This report was undertaken by Daniel J Brant and Associates with the primary authors being Daniel J Brant and Catherine Irwin-Gibson.

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Daniel J Brant, the principal consultant, has an extensive background in Indigenous housing. He has undertaken wide-ranging housing-related research and feasibility studies, served as housing director for several Indigenous organizations, and worked for residential developers. Academically, he holds a technician diploma as an Architectural Technologist, a degree from the Architectural school at Ryerson, and a Masters degree in Engineering (Waterloo). He has furthered his education with a Masters degree in Public Administration (Queens) and has almost completed a PhD in Indigenous governance. He has reviewed housing programs both on and off reserves in multiple First Nations and through national organizations, including the National Indian Brotherhood (NIB), the Assembly of First Nations (AFN), and the Chiefs of Ontario (COO), all of which supported a First Nations-led approach to achieving control of First Nations housing and infrastructure. Daniel is a member of the Mohawks of the Bay of Quinte and resides on the Tyendinaga Mohawk Territory.

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The Centre for the Study of Living Standards provided input for the economic analysis based on information provided from survey results along with their own research into various areas.

THE CENTRE FOR THE STUDY OF LIVING STANDARDS

The Centre for the Study of Living Standards (CSLS) is a non-profit, national, independent organization that seeks to contribute to a better understanding of trends in and determinants of productivity, living standards and economic and social well-being through research. It is comprised of a small group of economists that research critical economic areas affecting the everyday lives of everyday people. The Centre has undertaken a number of assignments related to Indigenous peoples and has included Indigenous issues in general papers undertaken for other clients. **The Centre's work with Indigenous clients can be found on their website at www.csls.ca.**

We would also like to acknowledge the support of Meagan Hill, MBA (Harvard), a member of the Six Nations of the Grand River, for her involvement in the strategic planning of this report, as well as her research into the United States' approach to affordable housing. We wish her well and thank her for her input as she moves on to new opportunities in the field of economics and investments.

A steering committee composed of members of **ONPHA's Urban Aboriginal Housing Advisory Committee**, Marc Maracle, Justin Marchand and Frances Sanderson, along with Marlene Coffey, CEO of ONPHA, Helen Harris, Manager of ONPHA's Centre for Housing Excellence, and Sara Fegelman, Policy and Research Advisor with ONPHA, provided direction to the consultants throughout the research and development process.

We are grateful to the **Canadian Housing Renewal Association (CHRA)**, which allowed access to survey information for the Ontario Indigenous housing providers that participated in the national urban and rural housing survey conducted by CHRA in January and February of 2019. We are also grateful to the **Ontario Indigenous housing providers** who allowed their data to be shared for the purposes of this report and who provided additional follow-up information.

We are also grateful for the generous financial contributions from **Ontario Aboriginal Housing Services**, which provided financial support with respect to the economic case and benefits of investing in urban and rural Indigenous housing, and also for the generous support provided by the **Catherine Donnelly Foundation**.



Nomenclature used in this report

Indigenous peoples in Ontario are made up of First Nations, Métis and Inuit peoples. However, in past years, this same group of three distinct peoples have been referred to as Aboriginal, Native, and in some cases, Indian people. Throughout this report, the term Indigenous has been used except where other terms as identified above are cited.

In this report the term “rural” refers to small towns and remote areas that are not part of First Nation reserve lands. While housing on-reserve is in severe need of repair and new construction, this plan focuses on the often overlooked and growing need for Indigenous housing off-reserve in urban and rural areas.

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Introduction

The primary objective of this report is to provide relevant information and analysis towards the development of an Urban and Rural Indigenous Housing Plan for Ontario. In 2019, Ontario had a shortage of approximately 22,000 subsidized Indigenous community housing units. This shortage is comprised of: 15,661 new subsidized Affordable Housing Units (AHUs) to meet the current core housing need of Indigenous Ontarians; 619 replacement AHUs to retire the current stock of AHUs beyond their useful life; 890 replacement AHUs for units that will age beyond their useful life over the next 10 years; and 4,932 new AHUs to meet the increased demand due to population growth over the next 10 years. Ontario has long neglected this problem and off-loaded solution-finding to municipalities, under the pretense of local authority.

Indigenous community housing should not be the result of altruistic behaviour: rather, it should be the result of implementing the legal rights of Indigenous peoples and the obligations of federal and provincial governments. Failure to act and adequately fund Indigenous-controlled Indigenous housing is a violation of legal rights.

The Indigenous population in Canada is growing at a much faster rate than any other segment of the population, having grown by 42.5% between 2006 and 2016.¹ Simultaneously, court decisions are finally granting recognition to Indigenous peoples whose rights have long been ignored.

Indigenous peoples in Canada continue to be marginalized and victimized by the policies of sequential colonial governments and attitudes. These governments and policies have left their mark on society in the form of historic, perpetuated and intergenerational trauma. The effects can be seen in the demographics. 11% of Indigenous people are single mothers with children.² 25% of Indigenous people live in poverty.³ Over 52.2% of children in foster care are Indigenous, while they only account for 7.7% of all Canadian children.⁴ Indigenous people are significantly over-represented in the carceral system, in homeless shelters, in emergency rooms and on police-calls.

And yet, the solution is simple. Adequate community housing addresses many of the socio-economic issues disproportionately impacting Indigenous peoples. Not only is the solution cost effective, but it will save money at all levels of government. Indigenous community housing provides culturally-based, wrap-around services that help address intergenerational trauma and provide supports, healing and community. It allows families to grow in community with connection and purpose. Programming offered by Indigenous community housing providers has helped single mothers gain meaningful employment – an initiative with a potential return on investment of 88%.⁵ It has helped house people experiencing chronic homelessness, with savings to the local police and emergency rooms of nearly \$15,000 per individual housed, per year.⁶

Building 22,000 subsidized Indigenous AHUs over 10 years would result in: increased Indigenous control, management, vision and direction in the Indigenous community housing sector; capital investments to build the 22,000 units, repair old housing stock and bring it up to standards; and operations to fund Indigenous housing providers, whose unique approach helps improve the lives of Indigenous peoples.

¹ Statistics Canada. (2017). *Aboriginal peoples in Canada: Key results from the 2016 Census*. (Catalogue number 11-001-X). Ottawa, Ontario. Data products, 2016 Census. Retrieved from Statistics Canada: <https://www150.statcan.gc.ca/n1/daily-quotidien/171025/dq171025a-eng.htm>

² Retrieved from Statistics Canada Census data shared with researchers.

³ Canadian Poverty Institute. (n.d.). Poverty in Canada. Retrieved from <https://www.povertyinstitute.ca/poverty-canada>

⁴ Statistics Canada. (2017). Family characteristics (22), Aboriginal identity (9), Registered or Treaty Indian status (3), age (8A) and sex (3) for the population in private households of Canada, provinces and territories, Census Metropolitan Areas and Census Agglomerations, 2016 Census – 25% Sample Data (table). Data tables, 2016 Census. (Catalogue number 98-400-X2016162). Ottawa, Ontario. Data products, 2016 Census. Retrieved from Statistics Canada: <https://www12.statcan.gc.ca/census-recensement/2016/dp-pd/dt-td/Rp-eng.cfm?LANG=E&APATH=3&DETAIL=0&DIM=0&FL=A&FREE=0&GC=0&GID=0&GK=0&GRP=1&PID=110517&PRID=10&PTYPE=109445&S=0&SHOWALL=0&SUB=0&Temporal=2017&THEME=122&VID=0&VNA-MEE=&VNAMEF>

⁵ See the case study on the Urban Indigenous Homeward Bound program included in Appendix 1

⁶ See Appendix 2 for Case Study on the Sioux Lookout Transitional Housing Development

A program to address this burgeoning need would have the secondary effect of creating jobs across the Ontario economy, resulting in a positive economic spin-off estimated at \$3.8 billion over 10 years. It would provide savings for the foster care system in Ontario, while preventing further legal fees. This influx in Indigenous community housing would also provide cost savings to emergency care units, police services and the carceral system. What's more, it would help to improve the socio-economic conditions of Indigenous Ontarians, further alleviating financial pressure on the province's social support systems.

This is a short-term investment for a long-term solution. It may sound altruistic, but is an obvious financial strategy for an over-burdened social system. Meeting legal obligations, this program will also provide significant savings to the province.

Organization of this report

This report is divided into five main sections, which provide the basis for the development of an Urban and Rural Indigenous Housing Plan for Ontario. The first section provides background information on demographic data, the phenomenon of Indigenous urbanization, a history of affordable Indigenous housing in Ontario and documentation on the need for an Urban and Rural Indigenous Housing Plan for Ontario. The second section provides the legal basis that grounds the fiduciary obligations of the Crown towards Indigenous peoples in Canada, including Ontario. The third section addresses the gaps in policy and operations that currently exist in the Indigenous community housing sector. The fourth section provides an economic case for investing in Indigenous community housing. The fifth section provides a series of recommendations related to the Plan.

Objective of the Plan

The primary objective of this report is to provide relevant information and analysis towards the development of an Urban and Rural Indigenous Housing Plan for Ontario.

Research Design

The report findings and conclusions are based on the analysis and triangulation of a number of sources, including a comprehensive literature review, document review and select information from relevant and recent Indigenous housing surveys, complemented with direct conversations with Indigenous housing providers in Ontario and case studies. While we relied on Census data for much of the demographic information used in the report and plan, we recognize the limitations of using Census data, especially when discussing Indigenous peoples, and acknowledge that Census statistics may underestimate Indigenous population size and composition.

As part of our data collection, we also accessed data collected as part of a previously conducted national survey that included 47 Indigenous urban and rural non-profit housing providers from Ontario. We also spoke to three additional cooperative housing organizations that serve Indigenous peoples and six additional non-profit housing providers that were not part of the initial survey.



The first part of this survey was conducted from December 2018 to March 2019, as part of research conducted by the current Plan’s authors on behalf of the Canadian Housing and Renewal Association (CHRA). Between July and September 2019, any incomplete data for Ontario was collected through telephone interviews with Indigenous housing providers in Ontario, in an effort to have as complete a data set as possible. Qualitative data was collected on housing supply and demand, as well as the operational complexities associated with each organization. All information gathered through the CHRA survey was used with permission of CHRA and the Ontario housing providers.

Why is there a need for an Indigenous Housing Plan?

The Indigenous population in Canada is growing at a rate that is more than four times the growth rate of non-Indigenous Canadians: since 2006, it has grown by 42.5%.⁷ In addition to biological growth, court decisions, legislative changes and rights-based recognition of Indigenous identity over the past half-century have also changed the landscape of Indigenous demographics. Consequently, the number of recognized Indigenous people in our communities is growing exponentially, and with it, the demand for Indigenous-specific housing.

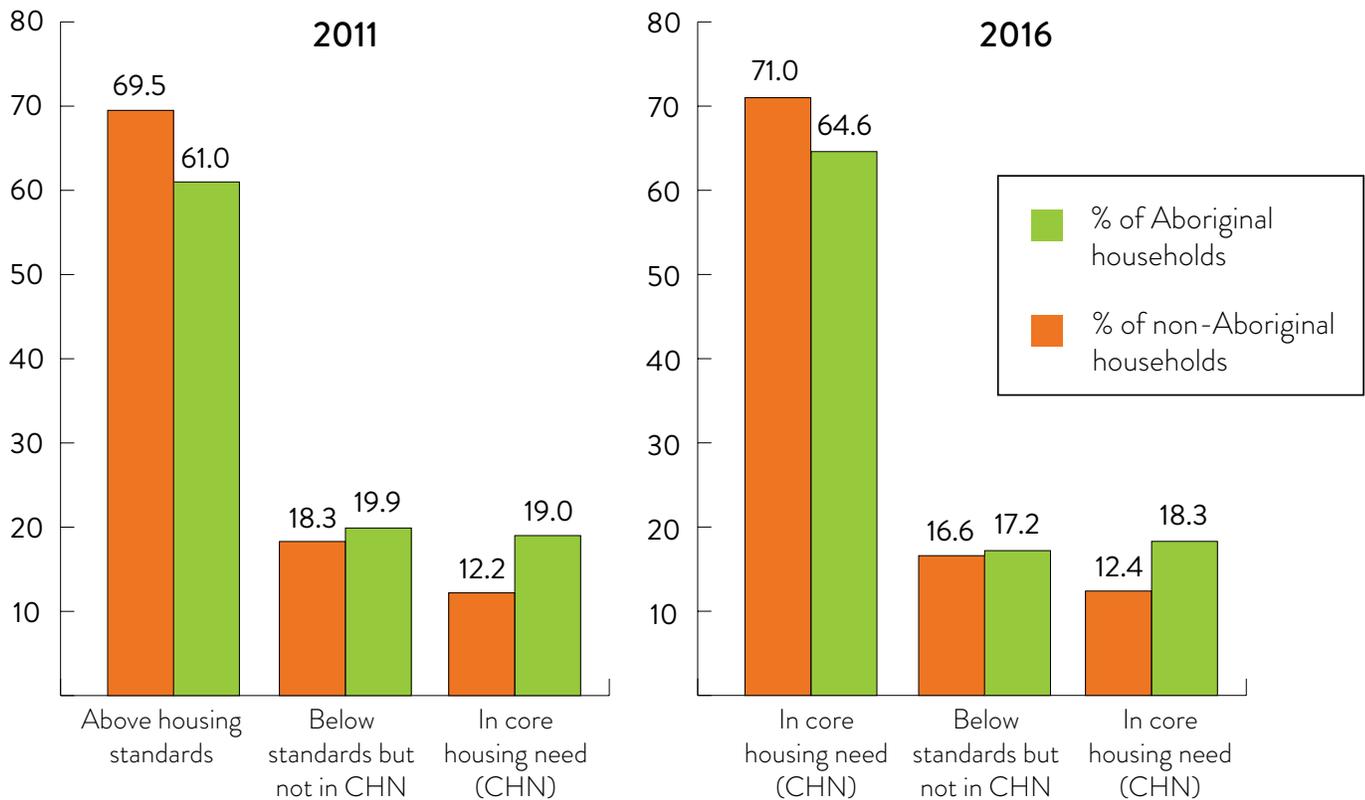
Ontario has an opportunity to seize in community housing. As discussed in more detail in the following section of this report, colonial policies and legacies continue to impact Indigenous populations in Canada. This directly impacts those populations’ socio-economic conditions, such that “[t]he Incidence of Core Housing Need⁸ (CHN) for Aboriginal households remains higher than that of non-Aboriginal households, as 18% of Aboriginal households were in CHN, while only 12% of non-Aboriginal households were in CHN in 2016.”⁹

⁷ Statistics Canada. (2017). *Aboriginal peoples in Canada: Key results from the 2016 Census*. (Catalogue number 11-001-X). Ottawa, Ontario. Data products, 2016 Census. Retrieved from Statistics Canada: <https://www150.statcan.gc.ca/n1/daily-quotidien/171025/dq171025a-eng.htm>

⁸ Statistics Canada defines a household to be in “core housing need” if its housing falls below at least one of the adequacy, affordability or suitability standards and it would have to spend 30% or more of its total before-tax income to pay the median rent of alternative local housing that is acceptable (meets all three housing standards). See page 27 for more detail.

⁹ Canada Mortgage and Housing Corporation. (2019). *The housing conditions of off-reserve Aboriginal households*. Retrieved from <https://assets.cmhc-schl.gc.ca/sf/project/cmhc/pubsandreports/socio-economic-analysis/2019/socio-economic-analysis-housing-conditions-off-reserve-aboriginal-households-69482-en.pdf?rev=fe49ba6d-6a27-45fd-914b-15046e27affe>

HOUSEHOLDS BY ABORIGINAL STATUS, HOUSING STANDARDS AND CORE NEED STATUS



CMHC, March 2019¹⁰

Sources: CMHC and Statistics Canada, Core housing need table C2

Indigenous community housing can provide options and stability for households in CHN. However, as detailed in subsequent sections of this report, Ontario faces a significant supply shortfall. Further, unless current levels of investment in existing subsidized Indigenous housing are sustained or increased, many Indigenous providers (whose main focus has been on the provision of deeply subsidized housing) may be required to transition away from deeply subsidized housing to sustain their operations as original operating agreements come to an end.¹¹ While maintaining a focus on delivering housing, the shift to more non-subsidized housing comes at a great expense to the tenants and families living in community housing, especially those in CHN who rely on housing subsidies.

“Urban Aboriginal housing providers also face an additional challenge. While public housing is owned by the provinces/territories (municipalities in Ontario), Aboriginal housing is not, and is more dependent on federal subsidies. Without the financial support offered by operating agreements, and with limited rental revenues, some Aboriginal – and other – housing providers are now being forced to look at options such as selling units or moving units to market rent to create more revenue.”¹²

¹⁰ Ibid.

¹¹ Canada Mortgage and Housing Corporation. (2019). Research insight: Case studies of housing projects with operating agreements that have ended. Retrieved from <https://assets.cmhc-schl.gc.ca/sf/project/cmhc/pubsandreports/research-insights/2019/research-insight-case-studies-housing-expired-operating-agreements-69496-en.pdf?rev=442888d7-4d72-41de-88e8-fa0f8d0d868c>

¹² O'Brien, C. (2012). Fast facts: Operating agreements for social housing. Canadian Centre for Policy Alternatives. Retrieved from <https://www.policyalternatives.ca/publications/commentary/operating-agreements-social-housing>

The opportunity for Indigenous community housing to help meet government objectives is second to none.

Community housing investments provide opportunities to support families and help them grow together, while simultaneously decreasing costs for other provincial budgets. Indigenous-led community housing, because of the wrap-around services and community aspects built into the model, plays an instrumental role in addressing intergenerational trauma and the lasting effects of colonialism and racism, and empowers individuals to reach their family, educational and employment goals.¹³

The fact that Indigenous housing is culturally supportive is a relevant and pertinent detail. Culturally supportive housing provides a sense of security and stability.¹⁴ When people feel safe and stable, they can begin to focus on health, education, employment, family and, in turn, engaging more fulsomely in society. “Housing security for Indigenous people, coupled with wrap-around culture-based supports, has a direct positive effect on educational achievement and self-determination.”¹⁵ What’s more, “Culture-based supports offered in Indigenous communities can mitigate anxiety, stress and fear as results of transition.”¹⁶ These all lead to more successful transitions in socio-economic conditions, improving the lives of Indigenous Ontarians.

Background

Indigenous Urbanization

The majority of Indigenous people in Canada live with burdens that were imposed upon them through historical legislative actions by successive colonial governments. Policies that were put in place decades and centuries ago continue to have impacts on communities today. This is significant, as it renders colonial history relevant to today’s context.

The Doctrine of Discovery, which pronounced that North America was empty when Europeans arrived, best articulates the worldview of colonial governments. The late 15th and 16th centuries saw most of the European countries in competition to take control of new lands for resources. Domination was the objective: to capture, take control and regulate. In applying a false Doctrine of Discovery to a land inhabited by Indigenous nations, colonial governments instituted strict controls over Indigenous activities and identities. This hegemonic approach in turn led to the current situation in which many Indigenous communities experience low socio-economic conditions and rely on state support to meet many basic needs.

¹³ Ontario Federation of Indigenous Friendship Centres. (2019). Connecting for the dream: Urban Indigenous Homeward Bound program evaluation. *OFIFC*. Retrieved from <http://www.ontarioaboriginalhousing.ca/wp-content/uploads/2019/09/UIHB-Evaluation-Final-Report.pdf>; Snyder, M., & Wilson, K. (2015). “Too much moving...there’s always a reason”: Understanding urban Aboriginal peoples’ experiences of mobility and its impact on holistic health. *Journal of Health and Place*, 34, 181-189. doi:10.1016/j.healthplace.2015.05.009

¹⁴ Ontario Federation of Indigenous Friendship Centres. (2019). Connecting for the dream: Urban Indigenous Homeward Bound program evaluation. *OFIFC*. Retrieved from <http://www.ontarioaboriginalhousing.ca/wp-content/uploads/2019/09/UIHB-Evaluation-Final-Report.pdf>

¹⁵ Ontario Federation of Indigenous Friendship Centres. (2019). Connecting for the dream: Urban Indigenous Homeward Bound program evaluation. *OFIFC*. Retrieved from <http://www.ontarioaboriginalhousing.ca/wp-content/uploads/2019/09/UIHB-Evaluation-Final-Report.pdf>; DeRivière, L. (2017). *Ma Mawi Wi Chi Ita centre yellow shawl housing program*. Indspire. Retrieved from <https://indspire.ca/wp-content/uploads/2017/05/Yellow-Shawl-Housing.pdf>; Snyder, M., & Wilson, K. (2015). “Too much moving...there’s always a reason”: Understanding urban Aboriginal peoples’ experiences of mobility and its impact on holistic health. *Journal of Health and Place*, 34, 181-189. doi:10.1016/j.healthplace.2015.05.009

¹⁶ Ontario Federation of Indigenous Friendship Centres. (2019). Connecting for the dream: Urban Indigenous Homeward Bound program evaluation. *OFIFC*. Retrieved from <http://www.ontarioaboriginalhousing.ca/wp-content/uploads/2019/09/UIHB-Evaluation-Final-Report.pdf>; Ottman, J. (2017). Canada’s Indigenous people’s access to post-secondary education: The spirit of the new buffalo. In J. Frawley, S. Larkin, & J. A. Smith (Eds.), *Indigenous pathways, transitions and participation in higher education* (95-117). Singapore: Springer.

However, the issue of adequate Indigenous housing is not a unique problem in Ontario. In fact, it is a global issue that has been addressed by the United Nations. The relationship between human rights and the phenomenon of Indigenous urbanization has entered the narrative. The United Nations Special Rapporteur on the Right to Housing, Leilani Farha, stated in a 2015 report:

A rights-based approach to Habitat III understands urbanization not simply as a geographical, demographic or economic phenomenon subject to measurement and analysis, but also as a dynamic process that renews and reshapes social, political and economic relationships.¹⁷

The social, political and economic relationships between Ontario and Indigenous populations have been shaped by legislation and historical transactions. As a result, some form of subsidization has been required to support the relatively recent phenomenon of Indigenous urbanization.

History of Affordable Indigenous Housing in Ontario

Indigenous housing has been, and continues to be, an issue for governments for a multitude of reasons. Over the years, it has become exacerbated by the rising costs of construction and overall building maintenance. Adding to these complexities are legal and constitutional matters that underpin the relationship between Indigenous peoples and the Crown.

The history of this relationship goes back to the Royal Proclamation of 1763. Many scholars believe that this document is the basis not only for Indigenous land claims, but also for the overall rights and title of Indigenous peoples in North America.¹⁸ The Royal Proclamation states specifically, “the Several Nations and Indian tribes with whom We are connected, and who live under our Protection...”¹⁹ Indigenous people, and the Crown alike, have interpreted this “protection” as the basis for the provision of rights and services for Indigenous peoples by the Crown within what would become Canada. Many government policies and programs that affect Indigenous peoples emanate from these historical relationships. However, for the purposes of this plan, the details of these relationships are not delved into further, other than to note that they are long-standing and important.

In 1939, following the Great Depression, Canada started to become involved in housing as a means of economic stimulus. Dr. Sylvia Olsen, in her dissertation on Indigenous housing, documents the federal government’s approach to housing.²⁰ She concludes that two separate systems were developed by the federal government through their housing programs: one as an economic stimulator to assist all Canadians and the other for Indigenous people, constructed on the welfare system model.

Indigenous housing became more pressing following WWII, largely because of the treatment of Indigenous veterans.²¹ While grants and allocations for housing were made available to non-Indigenous Canadian veterans

¹⁷ Farha, L. (2015, August). Report of the Special Rapporteur on adequate housing as a component of the right to an adequate standard of living, and on the right to non-discrimination in this context. Address conducted at the General Assembly of the United Nations.

¹⁸ Borrows, J., & Rotman, L. I. (2007). *Aboriginal legal issues: Cases, materials and commentary*. Toronto: LexisNexis Canada at 209

¹⁹ *Ibid.* at 20

²⁰ Olsen, S. (2016). *Making poverty history: A History of on reserve housing programs, 1930-1996* (Unpublished doctoral dissertation). University of Victoria, British Columbia.

²¹ Canada. Parliament. House of Commons. Standing Committee on Veterans Affairs. (2019, February). *Indigenous Veterans: From Memories of Injustice to Lasting Recognition*. 11th Report. 42nd Parliament, 1st Session. Available: http://publications.gc.ca/collections/collection_2019/parl/xc78-1/XC78-1-1-421-11-eng.pdf

who had served in the war, Indigenous veterans who lived on reserve (First Nations) were allocated Certificates of Possession (CP's) for a portion of their own reserve lands. Issued under the Indian Act (a sweeping piece of legislation introduced in 1876 that continues to regulate First Nation rights and identities), CP's are only available for First Nations people living on reserve with "Indian" status (more information included in the following section).²² While CP's grant individual possession of tracts of reserve land (which can be inherited by family members), the associated property rights remain subject to federal power and discretion.²³ While the breadth and impact of CP's is beyond the scope of this report, it is important to note that the legislative control still exercised through the Indian Act contributes to the fracturing of First Nations communities and the increase in Indigenous urbanization.

Housing for Indigenous veterans was expected to be provided by the then Department of Indian Affairs. Scott Sheffield, an Associate Professor in the Department of History at the University of the Fraser Valley, in testimony to a parliamentary committee on veterans' affairs, stated:

[T]hey were told to return to their reserve and get information from their Indian Agent instead of going to a Veterans Affairs Office. Basically what that did is shift the onus for that veteran's reestablishment from the veteran to Indian Affairs. It was a different circumstance for regular veterans, This meant that information about government reestablishment programs, publicized in the media of major cities, never made it to First Nations members who had returned to the reserves.²⁴

The on-reserve housing programs of the day were entirely subjective. Allocations were made by Indian Agents whose instructions were to help those most in need, leaving others to fend for themselves. Specific housing programs for urban Indigenous people did not exist. Rather, it was assumed that once Indigenous people migrated to cities, they would simply assimilate and participate in the general programs available to everyone. This approach was partially supported by the Hawthorne Report (1966), which recommended that government policy encourage Indigenous people to move into urban areas offering adequate job opportunities in order to find employment.²⁵ While many recommendations in the Hawthorne Report supported cultural independence, it ultimately reinforced a governmental approach to Indigenous people living in urban settings that mirrored the welfare society attitude.

For years after WWII, housing everywhere was seen as a provincial and municipal responsibility, and as such, it was not until the 1960's that the federal government took steps to provide programs that addressed overall housing need. Between the 1960's and early 1990's, the federal government made significant investments in social housing through various public and non-profit housing programs. Some of the non-profit programs, such as the Urban Native Housing Program and the Rural and Native Housing Program, were targeted specifically for Indigenous households.

In the 1990's, the federal government downloaded housing programs to Ontario through the Canada-Ontario Social Housing Agreement. A few years later, Ontario further downloaded funding and/or administrative

²² Certificates of Possession can only be held by an individual, whereas reserve land is held collectively by a First Nation or Band.

²³ Alcantara, C. (2003). Individual property rights on Canadian Indian reserves: The historical emergence and jurisprudence of certificates of possession. *The Canadian Journal of Native Studies*, 23(2), 391-424. https://scholars.wlu.ca/poli_faculty/6

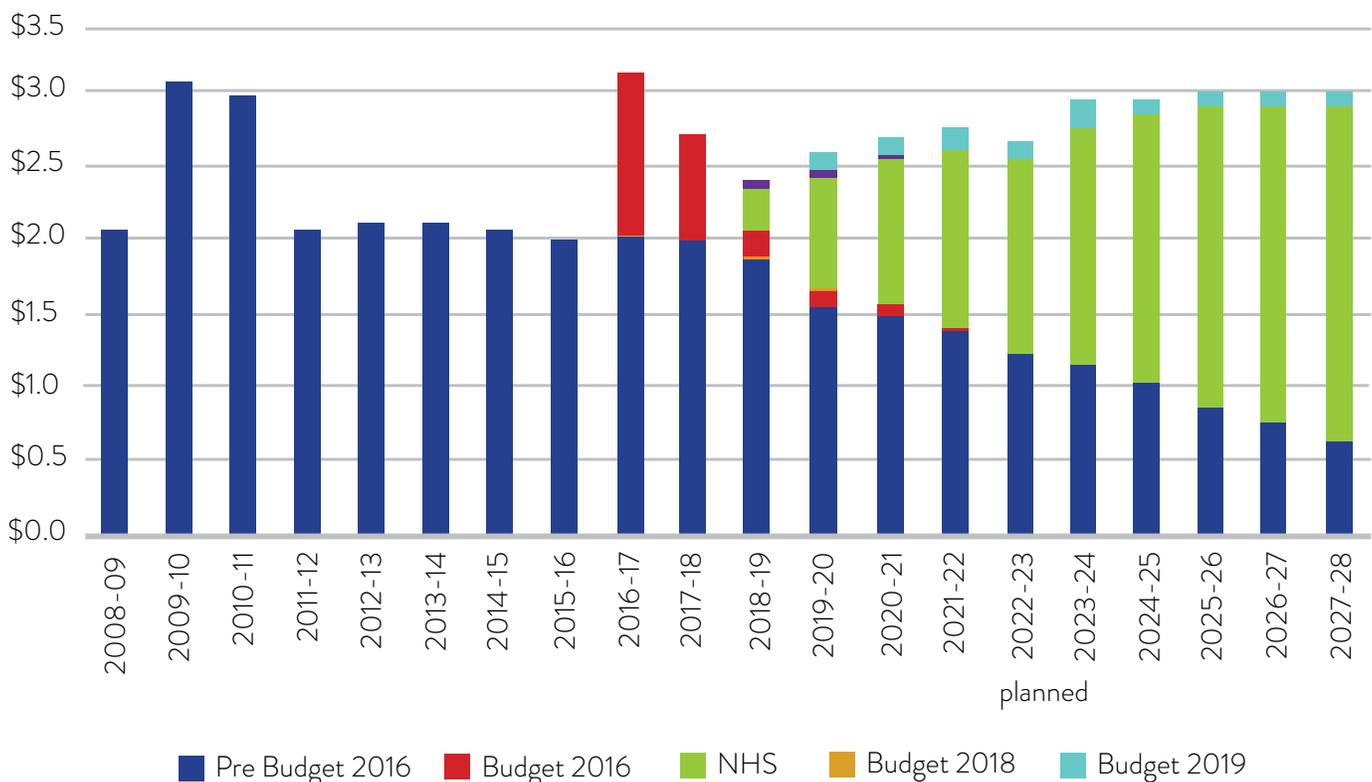
²⁴ *Ibid.* at 18

²⁵ Canada. Indian and Northern Affairs. (1966). *A survey of the contemporary Indians of Canada - economic, political, educational needs and policies: part 1*. (Catalogue number R32-1267/1E-PDF). Retrieved from Government of Canada: http://publications.gc.ca/collections/collection_2014/aadnc-aandc/R32-1267-1-1-eng.pdf

responsibility for most social housing programs to the municipal level.

In 2017, the federal government signaled its reengagement in housing and released Canada’s first National Housing Strategy (NHS). This has been a positive step, but many have been critical of the federal government for overstating investments made through this new strategy. While the NHS has communicated that the federal government will invest \$55 billion, the Parliamentary Budget Officer (PBO) identified that \$11.6 billion of this amount has already been identified as cost matching from the provinces. Further, the PBO has identified that the NHS essentially maintains current funding levels and actually slightly reduces funding levels for households falling into core housing need.²⁶

The following graph from the PBO report illustrates the decline in funding and the gap the provinces are expected to fill.



Source: PBO based on Actual and Planned Spending provided by CMHC in response to IR0405

CMHC Actual and Planned Nominal Expenditures on Assisted Housing by Budgetary Announcement (\$B).²⁷

Complicating financial issues for housing providers is the fact that Ontario is reducing funding for affordable housing: “Ontario’s 2019-2020 Main Estimates reduced operating spending on housing programs from \$944M, despite \$0.1B in additional funding being provided to Ontario by CMHC [Canada Mortgage and Housing Corporation] in 2019-20 for which cost matching was required.”²⁸

²⁶ Office of the Parliamentary Budget Officer. (2019). *Federal Program Spending on Housing Affordability*. Ottawa. Retrieved from Office of the Parliamentary Budget Officer: https://www.pbo-dpb.gc.ca/web/default/files/Documents/Reports/2019/Housing_Affordability/Federal%20Spending%20on%20Housing%20Affordability%20EN.pdf

²⁷ Ibid.

²⁸ Ibid. at 8

At the same time, the population continues to grow: the Ontario Ministry of Finance projects that the Ontario population will grow by 30.2% over the next 24 years.²⁹ Census 2016 indicated that 2.8% of the total Ontario population was Indigenous, an increase from 2.4% in 2011.³⁰ The same statistic indicates that between the census of 2011 and 2016, the Indigenous population in Ontario increased by 23.1%.³¹

Legally recognized Indigenous population and legal obligations

Ontario's *Housing Services Act, 2011* (HSA) requires municipal Service Managers to develop 10-year plans to address housing and homelessness. An associated Policy Directive further elaborates that this plan must include a strategy for engagement with Indigenous organizations and communities and support access to culturally appropriate housing and homelessness services.³²

Moreover, as a result of receiving federal funding for housing – including Indigenous housing – Ontario (as a representative of the Crown) must respect its fiduciary obligations towards Indigenous peoples embedded in the Constitution and clarified many times by the Supreme Court of Canada. The Crown's fiduciary obligation can be understood as a standard of conduct with which to use its' discretionary powers, which (when necessary) is legally prescribed. Frequently, the Supreme Court reminds governments that they cannot restrict their diligence to the existence of Aboriginal rights.³³ In fact, without such cases, a significant portion of the Indigenous population would have unrecognized rights, including Indigenous women, Métis, Inuit, non-status Indigenous people and Indigenous people living off-reserve. This is related to the policy of enfranchisement.

Enfranchisement was a federal policy of assimilation regulated under Sections 109-113 of the *Indian Act* (originally passed in 1867), until it was repealed in 1985. "Indian" people (which only referred to First Nations at the time) were enfranchised if they attended university, became an officer in the military, became an ordained minister or left their reserve for an extended period. This meant they (along with their family members) lost their "Indian" status, including all of the associated rights and benefits (i.e. treaty benefits, health benefits, the right to live on reserve, the right to inherit family property and the right to be buried on reserve with their ancestors).³⁴

While the policy of enfranchisement only legally applied to Indigenous men, Indigenous women were also significantly affected, as they would lose their status if they married a non-Native person or a person who had lost their status through enfranchisement by virtue of the same sections of the *Indian Act*. (The same did not apply to Indigenous men who married non-Native women). This loss of status applied to the children of these unions, as well.

²⁹ Ontario Ministry of Finance. (2017). *Ontario Population Projections Update, 2016-2041*. Toronto: Queen's Printer for Ontario. Retrieved from <https://sagelink.ca/sites/default/files/dav/sites/default/Ontario%20population%20projections%202016-2041.pdf>

³⁰ Ontario Ministry of Finance. (2017). *2016 Census highlights: Fact sheet 10 – Aboriginal peoples of Ontario*. Office of Economic Policy Labour Economics Branch. Retrieved from <https://www.fin.gov.on.ca/en/economy/demographics/census/cenhi16-10.html>

³¹ Ibid.

³² Ontario Ministry of Housing. (2016). *Policy statement: Service manager housing and homelessness plans*. Retrieved from <http://www.mah.gov.on.ca/AssetFactory.aspx?did=15090>

³³ Morrison, H. L. (2018). Blast from the past: Crown breached fiduciary duty to Indigenous community – in 1858. *CanLII Connects*. Retrieved from <https://www.canliiconnects.org/en/commentaries/54835>

³⁴ Hanson, E. (2009). *The Indian Act*. In *Indigenous Foundations*. https://indigenousfoundations.arts.ubc.ca/the_indian_act/

“Indians” could also voluntarily seek enfranchisement, both individually and as a group, and if an application was made and accepted by the Minister, they would receive a proportionate share of the Band’s trust funds. However, very few Indigenous people or groups were willing to voluntarily give up their cultural and legal identities.³⁵ In 1920, the *Indian Act* was amended to encourage enfranchisement, granting First Nations men the right to vote for the first time, subject to loss of “Indian” status. It was not until 1960 that Indigenous people could participate in elections and have their voices heard in the political process without fear of enfranchisement.³⁶

By the time the policy of enfranchisement was repealed in 1985, several other legislative challenges had helped to extend the rights and benefits afforded to “status Indians” to a larger proportion of the Indigenous population.

As early as the 1970s, in the *Lavell and Bedard* appeals,³⁷ the constitutionality of the *Indian Act* was challenged, and eventually helped to inform Section 15 of the *Charter of Rights and Freedoms*.³⁸ In 1981, the *Lovelace* case³⁹ again challenged the constitutionality of the *Indian Act*, this time at the United Nations, resulting in *Bill C-31* in 1985. By ceasing legal discrimination (loss of status through enfranchisement) against Indigenous women who married non-status men and their children, the legally recognized Indigenous population once again increased in Canada as a result of *Bill C-31*.

In 2010, *Bill C-3*⁴⁰ further expanded on eliminating gender inequality through the *Indian Act* and sought additional repairs for families whose Indigenous status had been removed by discriminatory practices. Again and more recently *Bill S-3*,⁴¹ introduced through the Senate in 2017, aims to remediate the effects of discrimination against Indigenous women on the third generation of children, who lost status due to denial of their maternal lineage through enfranchisement. These recent legislative changes and Supreme Court decisions have had a significant impact on the populations eligible to receive government services, resulting in a surge in demand and eligibility for housing (amongst other programs) by Indigenous peoples.

Legislative changes to the *Indian Act* are only part of the increase to the recognized population receiving services from the Crown. In 1939, the Supreme Court ruled that Inuit people were of federal jurisdiction akin to “Indians” under the *Constitution Act, 1867*.⁴² Additionally, in 2016, the *Daniels*⁴³ case further expanded the recognition of Indigenous populations, confirming that Métis and non-status “Indians” were included in section 91(24) of the *Constitution Act, 1867*,⁴⁴ and consequently, were of federal jurisdiction and responsibility (despite being outside of the regulations of the *Indian Act*).⁴⁵ While the *Daniels* decision has not yet resulted in a change to the *Indian Act*, it has (in theory at least) had an impact on the policies of Indigenous Services

³⁵ *Ibid.*

³⁶ Elections Canada. (2018, August 27). *Mapping the legal consciousness of First Nations voters: Understanding voting rights mobilization*. https://www.elections.ca/content.aspx?section=res&dir=rec/part/APRC/vot_rights&document=p4&lang=e

³⁷ *Attorney General of Canada v. Lavell*. (1974). SCR 1349

³⁸ *The Constitution Act, 1982*, Schedule B to the Canada Act 1982 (UK), c. 11

³⁹ *Lovelace v. Ontario*. (2000). 1 SCR 950

⁴⁰ *Gender Equity in Indian Registration Act*, S.C. 2010, c. 18.

⁴¹ *Bill S-3: An Act to amend the Indian Act in response to the Superior Court of Quebec decision in Descheneaux c. Canada (Procureur general)*. (2017). Royal Assent, December 12, 2017, 42nd Parliament, 1st Session. Ottawa: Parliament of Canada. Retrieved from <https://www.parl.ca/DocumentViewer/en/42-1/bill/S-3/royal-assent>

⁴² Reference as to whether “Indians” includes in s. 91 (24) of the B.N.A. Act includes Eskimo in habitants of the Province of Quebec, [1939] SCR 104, 1939 CanLII 22 (SCC)

⁴³ *Daniels v. Indian Affairs and Northern Development Canada*. (2016). SCC 12

⁴⁴ *The Constitution Act, 1867* (UK), 30 & 31 Victoria, c 3

⁴⁵ *Indian Act*, RSC, 1985, c 1-5

Canada, and as such, the provision of services to Indigenous peoples in Canada, including Métis and non-status “Indians”.

Indigenous housing in Ontario is not about altruism; it is about rights. As Ontario administers and directs federal funds for Indigenous housing, it must weigh the legal requirements associated with transfers of such funding.

As Ontario knows, programs and services must be equitably available to all people. Furthermore, the *Misquadis* decision clearly provided that when it comes to programming, local control of programs by Indigenous people is a right – **even off of reserves**.⁴⁶ This is further supported specifically with respect to housing by the *United Nations’ Declaration on the Rights of Indigenous People (UNDRIP)* in Article 23:

*Indigenous peoples have the right to determine and develop priorities and strategies for exercising their right to development. In particular, Indigenous peoples have the right 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.*⁴⁷

What’s more, as Canada became a signatory to *UNDRIP*,⁴⁸ it further recognized (as it had for many years already) that the right to this determination and administration of housing must come with financial supports, in accordance with *UNDRIP* Article 39:

*Indigenous peoples have the right to have access to financial and technical assistance from States and through international cooperation, for the enjoyment of the rights contained in this Declaration.*⁴⁹

These rights for Indigenous peoples come with responsibilities for states to certify that special measures ensure the continuing improvement of economic and social conditions, especially with respect to women and children.⁵⁰ This comes as states are also called to provide redress for, and prevention of, any action which deprives Indigenous people of their cultural values and identities, forces assimilation or incites discrimination.⁵¹

As such, the legal frameworks surrounding Indigenous housing heavily support the need for policies and programs that are Indigenous-controlled, Indigenous-led, culture-based, consistently and sufficiently funded and contribute to improved socio-economic conditions for Indigenous people.

⁴⁶ *Ardoch Algonquin First Nation v. Canada (Attorney General)*. (2003). FCA 473. Cited as *Misquadis*. See also *Corbiere v. Canada (Minister of Indian and Northern Affairs)*. (1999). 2 SCR 203

⁴⁷ General Assembly resolution 61/295. *United Nations Declaration on the Rights of Indigenous People*. A/RES/61/295. (13 Sept. 2007) [UNDRIP] at article 23

⁴⁸ Canada officially supported UNDRIP on November 12, 2010. UNDRIP is currently under review by Ontario in Bill 76, whose second reading has been carried and has been ordered referred to the Standing Committee on General Government.

⁴⁹ UNDRIP at article 39

⁵⁰ UNDRIP at article 21 (2)

⁵¹ UNDRIP at article 8 (2)

Demographics of the Indigenous Population in Ontario

Disclaimer

It is important to recognize the limitations of using Census data, especially when discussing Indigenous populations. For a variety of reasons, Indigenous people may not be accurately represented through Census data and as a result, some Indigenous communities feel that Census information severely underrepresents the accurate size and composition of the Indigenous population in Canada (and consequently, in Ontario). However, as the only dataset currently available, this report and the plan relies on Census data, acknowledging its limitations and the need for more comprehensive, reliable, and community supported data.

Population

According to recent Census data, the total Indigenous population in Ontario is cited as 374,395.⁵² Of the total population, 58,100 are cited as living on-reserve, which leaves 316,295, or 84.5%, of the Indigenous population living off-reserve in an urban or rural setting.⁵³ Overall, Indigenous people represent 2.8% of the Ontario population.⁵⁴

As demographic indicators illustrate, the Indigenous population across Canada is considerably younger than the rest of the Canadian population, and Ontario follows this trend. The average age of the Indigenous population in Ontario is 33.6 years, with a median age of 31.4 (the average age for Ontario in general is 40.7, and the median age is 41.3).⁵⁵ Because of its younger population, there will likely be more Indigenous family formations over a longer period of time, thus resulting in a greater need for housing. Moreover, the Indigenous population in Ontario is also growing quickly: between 2006 and 2016, it increased by 54%.⁵⁶

Family Characteristics

The structure of Indigenous families is important to consider with respect to housing. While 35.8% of the adult Indigenous population in Ontario are married parents, 11.6% are single women with children.⁵⁷ Conversely, single male parents account for 2.7% of the population.⁵⁸ The disproportionate rates of poverty experienced by families led by single mothers cannot be overlooked. Further in this report, a case study focuses on how Ontario Aboriginal Housing Services (OAHS) in partnership with the Ontario Federation of Indigenous Friendship Centres (OFIFC) is using the Urban Indigenous Homeward Bound program model to address this issue (see Appendix 1).⁵⁹

⁵² Statistics Canada. (2018). Ontario [Province] (table). Aboriginal Population Profile. 2016 Census. (Catalogue no. 98-510-X2016001). Ottawa, Ontario. Data products, 2016 Census. Retrieved from Statistics Canada: https://www12.statcan.gc.ca/census-recensement/2016/dp-pd/abpopprof/details/Page.cfm?Lang=E&Geo1=PR&Code1=35&Data=Count&SearchText=Ontario&SearchType=Begins&B1=All&C1=All&GeoLevel=PR&GeoCode=35&SEX_ID=1&AGE_ID=1&RESGEO_ID=1

⁵³ Ontario Ministry of Indigenous Affairs. (2019). *Indigenous peoples in Ontario*. Retrieved from <https://www.ontario.ca/document/spirit-reconciliation-ministry-indigenous-relations-and-reconciliation-first-10-years/indigenous-peoples-ontario>

⁵⁴ Statistics Canada. (2017). *Focus on Geography Series, 2016 Census*. (Catalogue no. 98-404-X2016001). Ottawa, Ontario. Data products, 2016 Census. Retrieved from Statistics Canada: <https://www12.statcan.gc.ca/census-recensement/2016/as-sa/fogs-spg/Facts-PR-Eng.cfm?TOPIC=9&LANG=Eng&GK=PR&GC=35>

⁵⁵ Ibid.

⁵⁶ Statistics Canada. (2017). *Aboriginal peoples in Canada: Key results from the 2016 Census*. (Catalogue number 11-001-X). Ottawa, Ontario. Data products, 2016 Census. Retrieved from Statistics Canada: <https://www150.statcan.gc.ca/n1/daily-quotidien/171025/dq171025a-eng.htm>

⁵⁷ Retrieved from Statistics Canada Census data shared with researchers.

⁵⁸ Ibid.

⁵⁹ See Appendix 1 for Case Study on the Urban Indigenous Homeward Bound Program

38% of Indigenous children in Ontario live in income poverty compared to 17% of non-Indigenous children.⁶⁰ These statistics relate directly to the rates of single Indigenous motherhood. Lower outcomes in health, education and living conditions can all be tied to the disproportionately low levels of income that many lone-parent Indigenous women and their families experience.

In fact, lone-parent families led by women constitute 84.3% of all single parent family dwellings in Ontario.⁶¹ The gender pay gap also contributes to the perpetuation of gendered poverty, as female lone parents' median income is approximately \$18,000 less than that of male lone parents.⁶²

Children under the age of 14 account for 23.9% of the total Indigenous population in Ontario.⁶³ This number, considered along with the relatively young median age of the Indigenous population in Ontario, shows a need for more services, including housing, for at least a decade longer than existing programming to accommodate a younger, growing population.

Employment

Employment plays a large role in the ability of tenants to pay rent. According to 2016 Census data for Ontario, the unemployment rate for Indigenous people was 12.7%.⁶⁴ In the same year, the general unemployment rate was recorded at 7.4%.⁶⁵ In addition, 17.8% of Indigenous people depend on government transfers for their source of income.⁶⁶ The prevalence of low income among the Indigenous population is 23.7% LIM-AT (low-income measure, after tax), compared to 14.4% for the non-Indigenous population.⁶⁷ These statistics speak not only to the socio-economic conditions that impact a prominent proportion of Indigenous people, but also of burgeoning social issues that require coordinated support services across sectors to achieve positive outcomes. Housing is a key contributor to improving socio-economic status.

The Conference Board of Canada has stated there is a “looming skills gap in Ontario,” which will become worse if no effort is taken to address it.⁶⁸ In addition to identifying the skills and competencies necessary to find employment, the Conference Board of Canada has also identified the need to tailor training programs to meet current employment gaps, which could help address the unemployment rate among Indigenous peoples.

Education

All stripes of governments agree that education makes a difference. To truly improve social outcomes, the educational attainment among Indigenous people in Ontario must be improved. The following table illustrates the gap in educational achievement between the Indigenous population and the general population in Ontario.

⁶⁰ Best Start Resource Centre. (2017). *Child and Family Poverty in Ontario*. Toronto, ON at 11

⁶¹ Ibid.

⁶² Ibid.

⁶³ Statistics Canada. (2017). *Focus on Geography Series, 2016 Census*. (Catalogue no. 98-404-X2016001). Ottawa, Ontario. Data products, 2016 Census. Retrieved from Statistics Canada: <https://www12.statcan.gc.ca/census-recensement/2016/as-sa/fogs-spg/Facts-PR-Eng.cfm?TOPIC=9&LANG=Eng&GK=PR&GC=35>

⁶⁴ Statistics Canada. (2018). Ontario [Province] (table). Aboriginal Population Profile. 2016 Census. (Catalogue no. 98-510-X2016001). Ottawa, Ontario. Data products, 2016 Census. Retrieved from Statistics Canada: https://www12.statcan.gc.ca/census-recensement/2016/dp-pd/abpopprof/details/Page.cfm?Lang=E&Geo1=PR&Code1=35&Data=Count&SearchText=Ontario&SearchType=Begins&B1=All&C1=All&GeoLevel=PR&GeoCode=35&SEX_ID=1&AGE_ID=1&RESGEO_ID=1

⁶⁵ Ibid.

⁶⁶ Ibid.

⁶⁷ Ibid.

⁶⁸ The Conference Board of Canada. (2019). *A looming skills gap threatens Ontario's future*. Retrieved from <https://www.conferenceboard.ca/infographics/skills-gap-info.aspx?AspxAutoDetectCookieSupport=1>

Highest certificate, diploma, or degree	Indigenous	Ontario
No High School Diploma	29.1%	17.5%
High School Diploma	27.6%	27.4%
Trades or Apprenticeship Certificate	4.4%	6.0%
Some Post Secondary or CEGEP	23.9%	20.8%
Bachelors Degree	7.3%	17.3%
More than a Bachelors Degree	2.7%	8.7%

Source: Statistics Canada, Census Profile, 2016 Census, Ontario

The Conference Board of Canada has indicated that 57% of employers want employees with a two- or three-year college diploma, 44% of employers want employees with a four-year degree, and 41% of employers want employees with a trades certificate.⁶⁹ An increase in the number of Indigenous people completing high school and other levels of education would help grow the number of Indigenous people gaining employment opportunities, and in turn enabling their greater involvement in and contribution to the economy overall. A safe, stable home is a key contributor to higher educational attainment: it provides a level of security that can positively affect educational outcomes, in addition to health and overall socio-economic conditions.

Current Housing Contexts and Programs

The challenging housing situation in Ontario is further aggravated by the substantial geography of the province. There are stark differences in climate, economic opportunity and geographical accessibility that affect housing in fundamental ways. The difference between the north and the south are substantial, and any forthcoming policies and programs must take this into account.

Across Ontario, 56 Indigenous non-profit ONPHA and non-ONPHA members, plus cooperative Indigenous housing providers, own and operate approximately 5,086 units. The Ministry of Municipal Affairs and Housing (MMAH) identifies the following five separate geographical regions in the province:

Central (Toronto)	1,061 units
Eastern (Southeastern Ontario)	262 units
Western (South western Ontario)	467 units
Northeast (Near North)	2,888 units
Northwest (North)	364 units

⁶⁹ Ibid.

Demographic analysis and anecdotal information provided by non-profit and co-op Indigenous housing providers demonstrates that most tenants, once settled in a housing unit, tend to stay for a few years. Census statistics show that after the first year, 84.2% of tenants remain in their homes.⁷⁰ Over a five-year period, 42.4% of Indigenous people move to other living facilities.⁷¹ While these statistics encompass all Indigenous urban and rural peoples in the province, when asked about their backlogs, housing providers delivering non-profit programs acknowledged that their turnover rates are very low and that tenants tend to stay long-term. Most housing providers do not keep records on where tenants move to or why or when they leave their housing programs.

Current Ontario Housing Programs

Under the Canada-Ontario bilateral agreement signed under the National Housing Strategy in 2018, Ontario and its municipal governments' will cost-share a number of new housing programs with the federal government, aimed at sustaining and expanding community housing, including Indigenous community housing. More details about how these programs will be implemented were included in Ontario's recent Community Housing Renewal Strategy⁷² and detailed program guidelines. A brief description of each of the new programs included in the Community Housing Renewal Strategy are included below.

Canada Ontario Community Housing Initiative (COCHI)

The Canada-Ontario Community Housing Initiative (COCHI) is designed to protect affordability for existing community housing tenants, to support the repair and renewal of the existing community housing supply, and to expand the supply of community housing over time. This program is essentially a reinvestment of federal funding under the Canada-Ontario Social Housing Agreement.⁷³ COCHI is aimed directly at community housing and does not allow for support services to be part of operating expenditures, nor housing allowances. It does, however, allow for transitional operating funding for housing providers, as well as rent supplements. The Ministry guidelines state “[COCHI] provides an opportunity for Service Managers and housing providers to address the challenges associated with projects reaching the end of their operating agreements and/or mortgage maturity.” In terms of Indigenous housing specifically, the COCHI guidelines identify a number of units (1,452) developed under the legacy Urban Native Housing program that must be maintained through this funding. COCHI will provide \$226M over the next 3 years to the 47 Ontario Service Managers.⁷⁴

While this investment is positive, the funding is new and little information is currently available to determine how COCHI will be administered in the context of inconsistent relationships between Indigenous housing providers and Service Managers. While the policies and guidelines are in place, there is no clear oversight or enforcement mechanism, potentially resulting in an inconsistency in the administration of the COCHI program for Indigenous housing providers.

⁷⁰ Retrieved from Statistics Canada Census data shared with researchers.

⁷¹ Statistics Canada provided the mobility numbers but not the destination. We do not know if the households move to other subsidized housing units, back to reserve housing or move elsewhere along the housing continuum.

⁷² Ontario Ministry of Municipal Affairs and Housing. (2019). *Community housing renewal strategy*. Retrieved from <https://www.ontario.ca/page/community-housing-renewal-strategy>

⁷³ Ontario Ministry of Municipal Affairs and Housing. (2019). *Canada-Ontario Community Housing Initiative (COCHI) & Ontario Priorities Housing Initiative (OPHI) program guidelines*. Retrieved from https://www.msdsb.net/images/ADMIN/correspondence/2019/MMAH_COCHI_OPHI_Guidelines_En.pdf

⁷⁴ Ibid.

Ontario Priorities Housing Initiative (OPHI)

The Ontario Priorities Housing Initiative (OPHI) is designed to address local housing priorities, including affordability, repair and new construction. OPHI is modelled after previous affordable housing programs and is aimed both at social housing and affordable housing, including affordable rentals, affordable new constructions and affordable home ownership. OPHI allows operating expenditures to cover support services, and home ownership down-payment assistance, while COCHI does not. This program will provide \$288M over the next 3 years to the 47 Ontario Service Managers and the 2 Indigenous Program Administrators.⁷⁵

Canada-Ontario Housing Benefit

Ontario's new Community Housing Renewal Strategy also includes the Canada-Ontario Housing Benefit, a portable housing benefit program that will be cost-shared as part of the National Housing Strategy. The provincial and federal governments recently announced their joint investment of \$1.4 billion through the Canada-Ontario Housing Benefit, which will prioritize households in need that are on, or eligible to be on, a social housing waiting list and households in financial need living in community housing, including Indigenous people.⁷⁶

The Gaps

Required housing units

Ontario's Ministry of Municipal Affairs and Housing (MMAH) has identified that 18% of Indigenous households are in core housing need.⁷⁷ We have identified the current stock of Indigenous community housing units across the province at 5,086. Based on Census data, we assume that these units house 4.4% of the total Indigenous households in Ontario that are likely to have incomes falling below the threshold for core housing need (the average cost of housing in their region is more than 30% of before-tax household income). This leaves approximately 13.6% of Indigenous households in Ontario that are left struggling to find affordable housing options and who require deeply subsidized units.

⁷⁵ Ibid.

⁷⁶ Ontario Newsroom. (2019). *Government of Canada and Ontario sign Canada's first housing benefit*. Retrieved from <https://news.ontario.ca/mma/en/2019/12/governments-of-canada-and-ontario-sign-canadas-first-housing-benefit.html>

⁷⁷ Ontario Ministry of Municipal Affairs and Housing. (2019). *Community housing renewal strategy*. Retrieved from <https://www.ontario.ca/page/community-housing-renewal-strategy>



What's more, there is very low turnover in housing, as very limited affordable alternatives are available. The result is that the backlog and waiting lists are growing, with very little relief provided for those in need. The low turnover rate in subsidized housing units reported by Indigenous housing providers is substantiated by Census information, which indicates that only about 15% of Indigenous people move within one year.⁷⁸ Data is not kept on whether this is movement away from subsidized housing or to subsidized housing, nor does the data indicate the ages of people moving (for instance, students would move more frequently than a family). Based on analysis of current backlogs, as well as projections related to future need, this report has concluded that Ontario needs to add at least 22,000 subsidized Indigenous housing units over the next 10 years to meet demand. More information about how this number was determined is included in below sections of this report.

Considering the discrepancy between the volumes of subsidized Indigenous housing units needed in Ontario and the current supply available, the habitation conditions of vast numbers of Indigenous people who could benefit from affordable or community housing varies immensely. There are institutions such as Friendship Centres, half way houses, and homeless shelters that provide temporary housing options and other support services. However, interim housing does not provide the same level of social security that a permanent home provides. The benefits of having a stable home far outweigh temporary solutions. For the large number of Indigenous people in core housing need, efforts could be made to support the existing services within these institutions, in addition to building a more robust housing continuum to provide a larger suite of affordable and reliable housing options.

Capital Construction Program

A construction program to renovate and/or build new units would not only address the necessity of replacing dilapidated units, but also serve to provide a stimulus to the economy. This construction program would require more skilled labour, more material and more support services, such as planners, contractors, inspectors and equipment. A construction program of this magnitude, constructing 22,000 residential units, is estimated to cost \$7.3 billion. Over the program's 10-year timeline, the annual cost would be \$730 million, which would spur significant economic benefits for Ontario. More detailed information is provided in the economic analysis section below.

Operating Costs

Operating costs must also be incorporated into a program of this magnitude to protect the investment. Without adequate resourcing in this capacity, the investment in building and refurbishing will be a futile exercise.

The following is a proforma Statement of Operations that illustrates an estimate of typical costs that an Indigenous housing provider would be required to manage. The second column provides the percentage of the costs attributed to the Plan and the third column speculates what the approximate costs would be for 56 housing providers operating a total of 5,000 units.

⁷⁸ Retrieved from Statistics Canada Census data shared with researchers.

We acknowledge that operational costs vary greatly among Indigenous housing providers and are dependent on a variety of factors (including location, geographical conditions, size, number of units, economies of scale, etc.), all of which need to be taken into account when designing programs and policy. For the purpose of this report, we are using these numbers as an estimated benchmark.

	PROFORMA FOR 200 TENANTS		56 PROVIDERS		
	1 Provider, 200 units			Additional Units	Total amount after 10 years
			5,000 units	2,200 per year	22,000 units
REVENUE					
Rent	\$1,130,000		\$28,250,000	\$12,430,000	\$1,243,000,000
Subsidies	\$1,140,000		\$28,500,000	\$12,540,000	\$1,254,000,000
Other	\$12,000		\$300,000	\$132,000	\$13,200,000
Total Revenue	\$2,282,000		\$57,050,000	\$25,102,000	\$2,510,222,000
EXPENDITURE		%			
Administration	\$400,000	17.5	\$10,000,000	\$4,400,000	\$440,000,000
Bad Debt	\$45,000	2.0	\$1,125,000	\$495,000	\$49,500,000
Condo Fees	\$35,000	1.5	\$875,000	\$385,000	\$38,500,000
Heat & Hydro	\$350,000	15.3	\$8,750,000	\$3,850,000	\$385,000,000
Insurance	\$63,000	2.8	\$1,575,000	\$693,000	\$69,300,000
Janitorial	\$15,000	0.7	\$375,000	\$165,000	\$16,500,000
Maintenance	\$600,000	26.3	\$15,000,000	\$6,600,000	\$660,000,000
Interest on long term debt	\$32,000	1.4	\$800,000	\$352,000	\$35,200,000
Property taxes	\$329,000	14.4	\$8,225,000	\$3,619,000	\$361,900,000
Professional Fees	\$17,000	0.7	\$425,000	\$187,000	\$18,700,000
Replacement Reserve	\$80,000	3.5	\$2,000,000	\$880,000	\$88,000,000
Tenant Relations	\$130,000	5.7	\$3,250,000	\$1,430,000	\$143,000,000
Cultural Relations	\$30,000	1.3	\$750,000	\$330,000	\$33,000,000
Water	\$116,000	5.1	\$2,900,000	\$1,276,000	\$127,600,000
Training	\$10,000	0.4	\$250,000	\$110,000	\$11,000,000
Capital Expenditures	\$30,000	1.3	\$750,000	\$330,000	\$33,000,000
Total Expenditures	\$2,282,000		\$57,050,000	\$25,102,000	\$2,510,200,000

From this proforma we can see that the subsidies provide approximately 50% of the operating revenue. We can also see that even within a modest organization, the cost to cover operational expenses over a 10-year time period, while maintaining the same numbers of units presently being managed, would amount to



\$57 million per year adjusted for inflation. In order to meet the number of units required as estimated (22,000) over a 10 year period, the total operational amount is estimated to be \$2.5 billion. The subsidies embedded in this amount over 10 years are estimated at \$1.25 billion. It is important to note that these estimates do not include any extra management costs that would be incurred to manage a major construction program as is being proposed.

Data Base

As already illustrated in above sections of this report, there is a significant lack of accurate, reliable and consistent data related to Indigenous peoples in general and to Indigenous housing specifically (especially off-reserve Indigenous housing in urban and rural areas). There is great need for accurate and consistent data, particularly in relation to the current number of Indigenous housing units, the conditions of the units (including standard measures of conditions that all units should meet), the value of the units and the need for the units.

Capacity

In order to operate and manage an efficient and effective housing program, it is imperative that requisite staff are employed to administer the necessary functions and ensure effective operations. Not only will this create employment, but it will also act as a safeguard for the investment. At the present time, a large number of Indigenous housing providers are severely understaffed and under-resourced.

A Coordinating Body

Because the administration of housing programs in Ontario is widely spread across many agencies and departments, with inconsistent relationships between housing providers and Service Managers, the possibility of creating an Indigenous-led province-wide coordinating body to effectively implement any new and existing Indigenous housing programs could be explored in conversation with Indigenous housing providers and key partners. Further information about this option is contained in the recommendations included in the last section of this report.

Education

To help increase the educational capacity of Indigenous Ontarians, there is a need to explore the creation of an upgrading program targeted to Indigenous people, especially those who have not completed high school. This upgrading

program could include a focus on the technical trades, as Ontario is currently facing a skilled trades gap, while the rate of Indigenous people in trades or apprenticeship activities remains quite low at 4.4%.⁷⁹ To execute the housing plan outlined in this report, there will be a great need for skilled tradespeople.

Employment

As a subset of the education activity, increasing gainful employment for Indigenous Ontarians must also be a key priority. We see from the demographic data that Indigenous employment levels are lower than the Ontario average. This is further substantiated by the rate of Indigenous people who depend on government transfers as their main source of income. With the chronic need for skilled tradespeople in Ontario, a program designed to help Indigenous people enter into a skilled trade would be greatly beneficial to both the individual involved and to the overall provincial economy. To target appropriate training and employment programs, however, detailed economic analysis would need to be undertaken to determine viable economic opportunities in different regions across the province, which is beyond the scope of this report.

Determining the number of required units

This report makes the case that Ontario needs to build 22,000 subsidized housing units for Indigenous people in core housing need over the next 10 years. Affordable housing in Canada is generally defined as dwellings that cost less than 30 percent of a household's pre-tax income. However, in this report when we refer to "affordable housing" or "affordable housing units" (AHUs), we are describing subsidized housing units that address core housing need among the Indigenous population in Ontario. Such units are provided by community housing providers and, in this case, specifically by Indigenous social housing providers (ISHP). As such, the 22,000 additional AHUs recommended in this plan must all be Indigenous-owned and operated to ensure the provision of safe, sustainable, affordable housing that helps preserve Indigenous cultures.

These AHUs should be built proportionally to serve Indigenous communities where they live, but must also be responsive to changing demographic needs and the capacity of existing organizations to undertake major capital projects. In light of limited data availability, this report uses the current geographic distribution of existing Indigenous AHUs as an estimated proxy for the population distribution of off-reserve Indigenous Ontarians. We recognize that this may not paint the most accurate picture of where Indigenous communities live now or will live in the future and that further analysis is needed in this area. The current geographic mapping of AHUs managed by the existing ISHPs have the bulk (57%) in near-north Ontario, followed by Toronto (21%), southwest Ontario (9%), northern Ontario (7%), and southeast Ontario (5%).⁸⁰

⁷⁹ The Conference Board of Canada. (2019). *A looming skills gap threatens Ontario's future*. Retrieved from <https://www.conferenceboard.ca/infographics/skills-gap-info.aspx?AspxAutoDetectCookieSupport=1>

⁸⁰ This information was provided by Indigenous Housing Providers in Ontario and the Ontario Non-Profit Housing Association

Defining Homelessness and Core Housing Needs

Core housing need

Statistics Canada defines a household to be in “core housing need”⁸¹ if it falls below at least one of the adequacy, affordability or suitability standards and it would have to spend 30% or more of its total before-tax income to pay the median rent of alternative local housing that is acceptable (meets all three housing standards), where housing standards are defined as follows:

- Adequate housing is reported by their residents as not requiring any major repairs;
- Affordable housing has shelter costs equal to less than 30% of total before-tax household income;
- Suitable housing has enough bedrooms for the size and composition of the resident households according to the National Occupancy Standards (NOS) requirements.⁸²

According to a Canada Mortgage and Housing Corporation (CMHC) report (using 2016 Census data), 18% of Indigenous households (nationally) are in “core housing need”;⁸³ data for Ontario reports this rate at 19%.⁸⁴ In alignment with estimates put forward by the Ontario Ministry of Municipal Affairs and Housing, we assume in this report that the share of Indigenous Ontarians in core housing need as of 2019 is 18% (consistent with either source).

Homelessness definition

According to the Canadian Observatory on Homelessness (COH), a research and policy institute housed at York University, homelessness is defined as “the situation of an individual, family, or community without stable, safe, permanent, appropriate housing, or the immediate prospect means and ability of acquiring it.”⁸⁵ This is a broader definition than generally used by the public, who often view homelessness as a state of lacking housing in which people are forced to live on the streets, in tents, automobiles or other substandard, non-traditional dwellings. Moreover, within the Indigenous community, homelessness takes on a more holistic definition in that Indigenous homelessness “is not defined as lacking a structure of habitation; rather, it is more fully described and understood through a composite lens of Indigenous worldviews.”⁸⁶

Throughout this report, we apply the COH definition of homelessness, even as many reports and cost estimates of the impact of homelessness often take the narrower view of homelessness, as stated above.

⁸¹ Two conditions apply for assessing core housing need: (1) Only private, non-farm, non-reserve and owner- or renter-households with income greater than zero and shelter-cost-to-income ratios less than 100% are assessed for “core housing need”; (2) Non-family households with at least one maintainer aged 15 to 29 attending school are considered to be in “core housing need” regardless of their housing circumstances. Attending school is considered a transitional phase, and low incomes earned by student households are viewed as being a temporary condition

⁸² Statistics Canada. (2017). Core housing need. *Dictionary, Census of Population, 2016*. Retrieved from Statistics Canada: <https://www12.statcan.gc.ca/census-recensement/2016/ref/dict/households-menage037-eng.cfm>

⁸³ Canada Mortgage and Housing Corporation. (2019). *18% of Indigenous households in core housing need*. Retrieved from <https://www.cmhc-schl.gc.ca/en/housing-observer-online/2019-housing-observer/indigenous-households-core-housing-need>

⁸⁴ Canada Mortgage and Housing Corporation. (2019). The housing conditions of off-reserve Aboriginal households. Retrieved from <https://assets.cmhc-schl.gc.ca/sf/project/cmhc/pubsandreports/socio-economic-analysis/2019/socio-economic-analysis-housing-conditions-off-reserve-aboriginal-households-69482-en.pdf?rev=fe49ba6d-6a27-45fd-914b-15046e27affe>

⁸⁵ Canadian Observatory on Homelessness. (2012.) *Canadian Definition of Homelessness*. Toronto: Canadian Observatory on Homelessness Press. Retrieved from <https://www.homelesshub.ca/sites/default/files/attachments/Definition%20of%20Homelessness.pdf>

⁸⁶ Ibid.

Homelessness continuum

There are various states of homelessness. The below represents a continuum of homelessness based on the magnitude of shelter deprivation:

- Unsheltered (either in public spaces or in spaces not intended for human habitation e.g. living on the street or in a car)
- Emergency sheltered (for people experiencing homelessness or people seeking refuge from violence or disaster)
- Provisionally accommodated (e.g. interim housing, living temporarily with others, non-secure rentals, institutional care without permanent arrangements)
- At risk of homelessness (imminent risk of homelessness, precariously housed, core housing need (not otherwise part of the other three groups above))⁸⁷

Most of the literature/data on homelessness assesses the cost savings or economic gains associated with persons experiencing homelessness as defined as those sleeping on the street or otherwise in inadequate housing conditions (i.e. “unsheltered” homelessness). We have made adjustments in our economic analysis based on this caveat.

People living in AHUs are not necessarily those who would otherwise be experiencing unsheltered homelessness. However, it is safe to assume that those in AHUs would otherwise be in core housing need, or experience homelessness in the broad sense (part of the hidden homeless⁸⁸). As such, we assume that the market for subsidized Indigenous housing should represent the total share of the Indigenous population in core housing need (18%). Otherwise, the cost/benefits of providing AHUs only to those experiencing the narrow definition of unsheltered homelessness would not address the fulsome need for Indigenous AHUs. We assume that the costs and benefits associated with providing AHUs for those who experience (broadly defined) homelessness will be different than for those experiencing unsheltered homelessness. We correct for this by assuming a mix (equally distributed⁸⁹) of people in the four groups of the homelessness continuum and apply cost/benefit weights relative to unsheltered homelessness as follows:

- Unsheltered: 100%
- Emergency sheltered: 60%
- Provisionally accommodated: 30%
- At risk of homelessness: 10%

This gives a weighted average of broadly-defined homelessness (core housing need) of 50% of the costs/benefits associated with unsheltered homelessness. This scaling factor can then be applied to any estimated results on the costs/benefits of remedying homelessness that (either implicitly or explicitly) measure the cost of homelessness as that for unsheltered homelessness.

⁸⁷ Canadian Observatory of Homelessness: Canadian Definition of Homelessness.

⁸⁸ Homelesshub.ca defines “hidden homeless” as people who live “temporarily with others but without guarantee of continued residency or immediate prospects for accessing permanent housing”

⁸⁹ The true distribution is not likely to be uniform. This assumption was taken just to be agnostic on the true distribution given the lack of data, even as our prior belief is that the unsheltered and emergency sheltered shares are much lower than the provisionally accommodated and the at risk of homelessness groups.

Affordable Housing Stock Calculation

Affordable housing need calculation

According to Census data, the Indigenous population in Ontario was 374,395 in 2016.⁹⁰ At both the national and provincial level, it is estimated to be growing at an annual rate of 2.4% from 2016 through to 2021.⁹¹ Projecting out the 2016 population through to 2019 (year-end) yields a headcount of 406,799. Of this population 85% live off-reserve (of which 77% are First Nations⁹²) for a total off-reserve population of 345,779. Henceforth, all data pertaining to Indigenous Ontarians will refer to this off-reserve population, unless otherwise noted.

Indigenous household size in Canada tends to be about half a person larger than non-Indigenous households.⁹³

Thus, given an average household size in Ontario of 2.58,⁹⁴ we assume a household size for Indigenous Ontarians of 3.0. Based on this, we arrive at a total of 115,260 Indigenous households in the province, 18% (i.e. 20,747) of which are in core housing need and represent the existing need for Indigenous AHUs. (We assume that Indigenous demand for AHUs is met solely by ISHPs.)

Existing Indigenous AHU stock

Of the current need for 20,747 AHUs, only 5,086 units are currently provided by ISHPs.⁹⁵ Given our assumption that Indigenous needs for AHUs are the (sole) purview of ISHPs and that households in core housing need are the target population for AHUs, this leaves the need for 15,661 additional AHUs to address the current core housing need of Indigenous households in Ontario.

Population demand

However, the 15,661 current shortfall between existing and needed AHUs is a static number attached to the year 2019 (year-end). To truly address need, analysis must also incorporate projections related to population growth. Over the next ten years, the Indigenous population growth rate in Canada (and Ontario) is expected to slow down from its current level of 2.4% per year to a more moderate rate of 1.85% beginning in 2021.⁹⁶

Accordingly, over the next decade, the Indigenous population in Ontario is expected to increase by 82,000.

⁹⁰ Statistics Canada. (2018). Ontario [Province] (table). Aboriginal Population Profile. 2016 Census. (Catalogue no. 98-510-X2016001). Ottawa, Ontario. Data products, 2016 Census. Retrieved from Statistics Canada: https://www12.statcan.gc.ca/census-recensement/2016/dp-pd/abpopprof/details/Page.cfm?Lang=E&Geo1=PR&Code1=35&Data=Count&SearchText=Ontario&SearchType=Begins&B1=All&C1=All&GeoLevel=PR&GeoCode=35&SEX_ID=1&AGE_ID=1&RESGEO_ID=1

⁹¹ Statistics Canada. (2015). Projections of the Aboriginal population and households in Canada, 2011 to 2036. (Catalogue no. 91-552-X). Retrieved from Statistics Canada: <https://www150.statcan.gc.ca/n1/pub/91-552-x/2015001/c-g/desc/desc02-eng.htm>.

⁹² Ontario Ministry of Finance. (2017). 2016 Census highlights: Fact sheet 10 – Aboriginal peoples of Ontario. Office of Economic Policy Labour Economics Branch. Retrieved from <https://www.fin.gov.on.ca/en/economy/demographics/census/cenh16-10.html>

⁹³ Barsh, R. L. (1994). Canada's Aboriginal peoples: Social integration or disintegration. *Canadian Journal of Native Studies*, 14(1), 1–46. Retrieved from <http://www3.brandonu.ca/cjns/14.1/barsh.pdf>

⁹⁴ Statistics Canada. (2017). Appendix G – Estimated number of households and average household size by domain, Canada. *User Guide for the Survey of Household Spending, 2016*. Retrieved from Statistics Canada: <https://www150.statcan.gc.ca/n1/pub/62f0026m/2017002/app-ann-g-eng.htm>

⁹⁵ Information provided by ONHPA (but this number needs to be reconciled)

⁹⁶ Statistics Canada. (2015). Projections of the Aboriginal population and households in Canada, 2011 to 2036. (Catalogue no. 91-552-X). Retrieved from Statistics Canada: <https://www150.statcan.gc.ca/n1/pub/91-552-x/2015001/c-g/desc/desc02-eng.htm>

Based on this growth and assuming no change in household size (3.0) or in the share of Indigenous households in core housing need (18%), another 4,932 AHUs will be needed to address the increased demand due to a growing population.

Existing aged units

Furthermore, a survey of Indigenous housing providers in Ontario (n=46)⁹⁷ indicates that there are currently 619 Indigenous AHUs (12% of the stock) that are in a state of disrepair and that should be “replaced” (i.e. demolished and built anew). Data from Statistics Canada show even more dramatic patterns nationally: across Canada, 18.3% of Indigenous households live in “unsuitable”⁹⁸ dwellings (compared with 8.5% for the non-Indigenous population) and 19.4% live in dwellings that need “major repairs” (compared with 6.0% of non-Indigenous households).⁹⁹

Aging units

Moreover, of the existing 4,467 AHUs in suitable condition managed by Ontario ISHPs, a fraction grows into a state of disrepair (and should be replaced) each year as they age. The average life expectancy of an apartment is about 50-60 years¹⁰⁰ (at which point it should be replaced by demolishing and totally rebuilding it). If we assume the lower end of this range as the average life expectancy of a community housing unit and we further assume a uniform distribution of the age of the current AHUs, each year a share (1/50) of these units will age into a condition where they need to be replaced. Thus, 89 new units are needed each year over the next 10 years (or 890 units in total) to offset aging units that will need to be replaced.

Thus, we foresee a total need of 22,102 additional AHUs either to be constructed de novo (new construction) or replaced (demolished and rebuilt) over the next 10 years to address the core housing need of Indigenous Ontarians.

Labour shock

There are additional reasons we foresee greater need for affordable housing for Indigenous Ontarians. For example, a recent research note published by the World Economic Forum shows that Indigenous Canadians face a larger threat from artificial-intelligence (AI) automation than the general population.¹⁰¹ Specifically, Indigenous Canadians have a 13% higher chance than the national average of losing their jobs to automation by 2035,¹⁰² as Indigenous Canadians are employed in industries and occupations (e.g. technical supervisors, trades helpers¹⁰³) where AI is more likely to result in job losses. Such a shock means that the Indigenous population would likely see the share of their population in core housing need increase over time.

⁹⁷ Information provided by Daniel J. Brant & Associates

⁹⁸ According to Statistics Canada, ‘housing suitability’, a measure of crowding, refers to whether the dwelling has enough bedrooms for the size and composition of the household; households that are not in suitable housing are considered to be crowded

⁹⁹ Statistics Canada. (2017). Census in brief: The housing conditions of Aboriginal people in Canada. *Census of Population, 2016*. (Catalogue no. 98-200-X2016021). Retrieved from Statistics Canada: <https://www12.statcan.gc.ca/census-recensement/2016/as-sa/98-200-x/2016021/98-200-x2016021-eng.cfm>

¹⁰⁰ Gupta, S. (2019). *What is the average age of a house?* MakaanIQ. Retrieved from <https://www.makaan.com/iq/buy-sell-move-property/what-is-the-average-age-of-a-house>

¹⁰¹ 55.0 percent for Indigenous Canadians versus 48.5 percent as a whole for Canada. Notwithstanding issues with the high estimates, directionally they show a higher risk for Indigenous persons.

¹⁰² 55.0 percent for Indigenous Canadians versus 48.5 percent as a whole for Canada. Notwithstanding issues with the high estimates, directionally they show a higher risk for Indigenous persons.

¹⁰³ NOC 2-digit classification shortened titles.

Current and latent waitlist

The proposed number of new AHUs are needed to satisfy the demand, both visible and latent, for subsidized housing by Indigenous Ontarians in core housing need. Currently, there is a wait list of 3,901 for Indigenous AHUs as reported by ISHPs,¹⁰⁴ but affordable housing professionals note that the true demand is many folds higher than that. Many households simply do not bother submitting an application, as they justifiably feel there is no realistic chance of satisfying their demand within a reasonable time frame. Indeed, since we assume that households in core housing need require subsidized housing solutions, we can further assume that the latent demand for subsidized housing is (at least) the difference between the number in core housing need and the visible wait list, i.e. 11,760.

Required AHU summary

In summary, 22,102 additional subsidized Indigenous AHUs need to be built over the next 10 years, of which:

1. 115,661 are new AHUs to meet the current core housing needs of Indigenous Ontarians
2. 619 are replacement AHUs to retire the current stock of AHUs beyond their useful life
3. 890 are replacement AHUs for units that will age beyond their useful life over the next 10 years
4. 4,932 are new AHUs to cope with the increased demand due to population growth

For ease of analysis, we shall assume a plan of building 22,000 units over the next 10 years in the below analysis on the costs and benefits.¹⁰⁵

Direct costs and benefits: The economic case for investing in affordable Indigenous housing in Ontario

Direct cost of building AHUs

Operating on previously-stated assumptions regarding the current distribution of Indigenous AHUs, the 22,000 units could be geographically distributed with 14,190 units built in northern Ontario and 7,810 units in Toronto and southern Ontario at an average construction cost of \$330,000 per new unit.¹⁰⁶ Old existing units that need to be demolished and replaced are estimated at an average price tag of \$250,000 per unit (all geographies).¹⁰⁷

¹⁰⁴ Information provided by Daniel J. Brant & Associates (47 ISHPs with an average waitlist of 83 per provider)

¹⁰⁵ We note that we rely on data as reported to us by ISHPs and other sources, which have not been verified from secondary sources. Moreover, we had to align numbers from various sources to arrive at a level of consistency.

¹⁰⁶ The prices for residential construction as stated in this report are based on contractor based estimates and have been averaged to reflect a proforma cost. The prices do not include the cost of land as these prices fluctuate greatly within the regions in Ontario. We understand that purchasing existing houses includes land which is market dependent rather than construction costs.

¹⁰⁷ The Ministry of Municipal Affairs and Housing uses a uniform cost across Ontario

With these assumptions, this works out to a total construction cost of approximately \$7.3 billion for 22,000 AHUs, or an average annual investment of \$730 million.

This report assumes an average unit development cost across the province, acknowledging the difficulty in determining exact development costs related to location/geography, built forms, land costs, construction material costs, and labor costs. For example, northern development will include higher labour costs, while urban development will include higher land costs. Unit distribution must also consider population needs (i.e. increasing urbanization) and ISHP capacity. We further assume that it takes roughly 12 months to construct an AHU, which is in line with data from the US Census Bureau on the construction of multifamily buildings (acknowledging that longer/delayed timelines will lead to higher construction costs).¹⁰⁸

The lack of consistent and reliable data related to the considerable cost differences among regions further speaks to the need for fulsome, sector-wide data to accurately identify costs and capacity across the province.

Direct economic benefits of building AHUs

Over its lifetime, this plan will generate 61,310 year-jobs (i.e. 6,131 jobs per year sustained over 10 years) in the construction industry. This calculation is based on Ontario industry expenditure-employment ratios, where every \$180,000 in spending on construction and repairs supports one full-time equivalent (FTE) construction job.¹⁰⁹ The \$7.3 billion spending on the construction of the AHUs will generate an additional boost of \$3.8 billion to the economy as the money cycles through the economy, based on an economic multiplier in construction in Ontario of 1.52 times the original spend.¹¹⁰ This suggests strong backward linkages in the construction sector that do not crowd out other sectors of the economy. This multiplier is valid when there is slack in the economy and the money does not displace other spending. The outlay in excess of the original investment will support an additional 33,975 year-jobs in the broader economy.¹¹¹ In total, the investment will generate \$11.1 billion in total economic activity and create 95,000 year-jobs.

¹⁰⁸ United States Census Bureau. (2019). *Average length of time from start to completion of new privately owned residential buildings*. Retrieved from https://www.census.gov/construction/nrc/pdf/avg_starttocomp.pdf

¹⁰⁹ Zon, H., Molson, M., & Oschinski, M. (2014). *Building blocks: The case for federal investment in social and affordable housing in Ontario*. Mowat Centre. Retrieved from https://munkschool.utoronto.ca/mowatcentre/wp-content/uploads/publications/98_building_blocks.pdf

¹¹⁰ Ibid

¹¹¹ Bartik, T. (2010, Oct.). Estimating the costs per job created by employer subsidy programs. *Upjohn Institute*. Presented at Upjohn Institute conference, Kalamazoo, MI.



Indigenous homelessness

Indigenous incarceration and poverty rates

Investing in Indigenous communities can have significant benefits, due in large part to their overrepresentation in the justice, health, and social services systems. For example, Indigenous communities experience disproportionately high incarceration rates, both in Ontario and nationally. In particular, the federal incarceration rate for Indigenous Canadians is eight times that of the non-Indigenous population.¹¹²

At the provincial level, although Indigenous people represent just three percent of the overall population, they represent more than 12.5%, or over one in eight persons, in provincial custody.¹¹³ Although these numbers fluctuate over time and scope, directionally they point to significant Indigenous over-representation in the judicial system and in jails.

Inadequate shelter and the challenges derived therefrom are driving factors of negative social outcomes, such as incarceration. In fact, Statistics Canada reports that Indigenous Canadians are over twice as likely (18% compared with 8%) to experience “hidden homelessness” as compared to the general population.¹¹⁴ Therefore, working towards improving access to affordable Indigenous housing will help to alleviate the disproportionate rates of Indigenous homelessness, and consequently, help reduce the overrepresentation of Indigenous people in the justice system, among others.

Precarious housing is often driven by a lack of financial resources, and Indigenous Ontarians are three times as likely to live in poverty as the general population.¹¹⁵ On a national level, a quarter of Indigenous Canadians – and close to half of Indigenous children – live below the poverty line.¹¹⁶ Given all these deleterious economic and social factors, the life expectancy of Indigenous Ontarians is 71 years (on par with Kyrgyzstan and Egypt),

¹¹² Department of Justice. (2018). Trends in adult federal custody populations. *Government of Canada*. Retrieved from <https://www.justice.gc.ca/eng/rp-pr/jr/jf-pf/2018/march01.html>

¹¹³ Ontario Ministry of Indigenous Affairs. (2019). Indigenous peoples in Ontario. Retrieved from <https://www.ontario.ca/document/spirit-reconciliation-ministry-indigenous-relations-and-reconciliation-first-10-years/indigenous-peoples-ontario>

¹¹⁴ Statistics Canada. (2016). *Insights on Canadian society: Hidden homelessness in Canada*. (Catalogue no. 75-006-X). Retrieved from Statistics Canada: <https://www150.statcan.gc.ca/n1/en/pub/75-006-x/2016001/article/14678-eng.pdf?st=vkzMpEnT>

¹¹⁵ Best Start Resource Centre. (2017). *Child and Family Poverty in Ontario*. Toronto, ON

¹¹⁶ Canadian Poverty Institute. (n.d.). Poverty in Canada. Retrieved from <https://www.povertyinstitute.ca/poverty-canada>

compared with 81 years for non-Indigenous Ontarians.¹¹⁷ On the other end of the age spectrum, Indigenous youth make up over half of all minors in foster care.¹¹⁸

Cost of homelessness (imprisonment)

The elevated incarceration rates for Indigenous Canadians represent a significant human rights concern with intergenerational social and economic implications. For the purposes of this report, we focus on just the economic/financial aspects of imprisonment. According to a report from the Office of the Parliamentary Budget Officer, the annual cost of housing an inmate is \$114,587.¹¹⁹ There are significant cost variations for male and female inmates and for the type of prison accommodation. Nevertheless, incarceration is incredibly expensive for taxpayers, irrespective of the term or conditions of imprisonment. Moreover, inmates in the penal system are talent and resources lost to civilian society. Reducing the number of people sent through the prison system represents a big relief in public expenditures, as well as considerable societal gains through better human resource utilization.

Cost of homelessness (social expenditures)

There are similar channels for cost savings through reduced expenditures on public services by addressing core housing need. These come through reduced spending on health care, social services and shelter for those experiencing homelessness. For example, a study by the Homeless Hub estimates that the life-time system savings related to housing a person experiencing homelessness is \$350,000.¹²⁰ Other studies take a more granular view and/or consider the monthly or annual costs associated with homelessness. For example, a study conducted as part of the At Home/ Chez Soi trial of the “Housing First” approach to homelessness calculates an annual cost (excluding medication) of addressing urban homelessness at \$48,739.¹²¹ This same study shows average annual costs of \$6,431 for shelter, \$21,577 for health care, and \$21,822 for social services and justice.

Alternatively, a Homeless Hub report¹²² breaks down the monthly cost of

¹¹⁷ Ontario Ministry of Indigenous Affairs. (2019). Indigenous peoples in Ontario. Retrieved from <https://www.ontario.ca/document/spirit-reconciliation-ministry-indigenous-relations-and-reconciliation-first-10-years/indigenous-peoples-ontario>

¹¹⁸ Indigenous Services Canada. (2019). Reducing the number of Indigenous children in care. *Government of Canada*. Retrieved from <https://www.sac-isc.gc.ca/eng/1541187352297/1541187392851>

¹¹⁹ Office of the Parliamentary Budget Officer. (2018). Update on costs of incarceration. *The Parliamentary Budget Officer*. Retrieved from https://www.pbo-dpb.gc.ca/en/blog/news/Update_Incarceration

¹²⁰ Gaetz, S. (2012). The real cost of homelessness: Can we save money by doing the right thing? *The Homeless Hub Paper*, 3. Toronto, ON: Canadian Homelessness Research Network Press. Retrieved from https://www.homelesshub.ca/sites/default/files/attachments/costofhomelessness_paper21092012.pdf

¹²¹ Latimer, E. et al. (2017). Costs of services for homeless people with mental illness in 5 Canadian cities: A large perspective follow-up study. *CMAJ Open*, 5(3), 576-585. Retrieved from <https://www.ncbi.nlm.nih.gov/pubmed/28724726>

¹²² Gaetz, S. et al. (2013). *The state of homelessness in Canada 2013*. Toronto, ON: Canadian Homelessness Research Network Press. Retrieved from <https://www.homelesshub.ca/sites/default/files/attachments/SOHC2103.pdf>



supporting a person experiencing homelessness at \$1,932 for shelter, \$4,333 for justice, \$10,900 for health care and \$901 for social services.¹²³ We note that these studies may take an expansive view when accounting for costs. Moreover, these and most other studies apply the narrow definition of homelessness (“sleeping on the street”) when calculating costs, which represents just one part of the homelessness continuum.

Benefits of affordable housing

Building affordable Indigenous housing has additional economic benefits, as Indigenous Ontarians experience higher rates of unemployment and tend to live in areas with lower levels of economic development and average income. Money spent on Indigenous housing thus represents a greater “bang-for-your-buck” investment, as households with lower socio-economic status have a larger marginal propensity to consume/spend, ensuring that the financial gains they make through access to affordable housing will be invested back into the economy. That is, affordable Indigenous housing is where the dollars are needed most and where they will deliver the greatest results. Moreover, such an investment will also help to realize provincial and national strategies for developing the northern economy.

Indirect benefits (channels)

Modelling Methodology

In the section below we assume that the new AHUs will be occupied by Indigenous people/households that would otherwise experience homelessness (broadly defined), or those in core housing need. Thus, through this AHU construction plan, each year about 2,200 households in core housing need will be provided with an AHU. Therefore, we can derive the cost savings and economic benefits resulting from the alleviation of Indigenous homelessness by considering the economic implications of those households without (before) and with (after) affordable housing solutions. These indirect benefits take place in two broad channels: (1) Cost savings from reduced use of social services and; (2) Economic gains from improved employment outcomes.



Typically, these cost savings and gains are based on parameters established in studies that use the narrow definition of “unsheltered homelessness.” For our purposes, we assume a (uniform) distribution of households along the homelessness continuum and use a scaling factor to arrive at the true cost savings associated with housing people in core housing need in AHUs.

The typical AHU is 1,200 square feet. We assume that each AHU accommodates an (average-sized) Indigenous household, consisting of approximately 2 adults and 1 minor. As an estimate, this composition may not reflect the actual composition of Indigenous households in core housing need. For example, it has

¹²³ The numbers while cited in Gaetz (2012), have not been verified in other peer reviewed sources.

been anecdotally reported that many Indigenous households that live in Indigenous AHUs are single mothers with their children. All costs in our tabulation are expressed in 2019 dollars. We assume that costs grow over time at a rate equal to inflation and are scaled back to today at the same rate of inflation.

Indirect benefits (channels) of building AHUs

In the section below, we estimate the indirect economic benefits of building AHUs for Indigenous Ontarians in core housing need. The benefits of investing in AHUs take on many channels. We focus on a few notable ones and derive cost savings associated with remedying homelessness or core housing need. The channels we explore are:

1. Reduced recidivism rates
2. Reduced incarceration rates
3. Improved employment outcomes
4. Improved schooling outcomes
5. Reduced public spending on health care, social services, and shelter

Note that we examine the recidivism channel first before the incarceration channel. This is because we assume that AHUs are first given to people of highest priority (i.e. recently released inmates). This group is given priority in the queue for AHUs in this model, as they are all assumed to be in core housing need. The units that remain after satisfying this demand are then given to the general Indigenous population in core housing need.

Recidivism rate

Keeping people in jail is very expensive. On average it costs \$114,587 to keep someone in jail for a year.¹²⁴ When inmates are released and do not have adequate housing awaiting them, they are much more likely to reoffend. Studies suggest that (suitable) housing can lower recidivism rates by 20% or more.¹²⁵

We assume that inmates upon release from custody are in a state of core housing need. Statistics Canada reports that on any given day in the year, 39,873 persons are in either provincial or federal custody.¹²⁶ Assuming Ontario's share is proportionate to its population (38.6%) and knowing that Indigenous Ontarians comprise a fifth of the inmate population, we arrive at about 3,000 Indigenous Ontarians in custody every day. Given both a recidivism rate of 37% in Ontario¹²⁷ (annualized to 18.5% since it is defined as reoffending within two years of release) and an average tenure in prison of 2.5 years,¹²⁸ this implies that about 1,200 Indigenous inmates are released each year. Normally (without adequate housing), 228 of those recently released inmates are at risk of reoffending. But with adequate housing, recidivism rates decrease by 20% (i.e. now only 182 are at risk of reoffending).

¹²⁴ Office of the Parliamentary Budget Officer. (2018). Update on costs of incarceration. *The Parliamentary Budget Officer*. Retrieved from https://www.pbo-dpb.gc.ca/en/blog/news/Update_Incarceration

¹²⁵ Glover, J., & Clewett, N. (2011). No fixed abode: The housing struggle for young people leaving custody in England. *Canadian Observatory on Homelessness*. Retrieved from <https://www.homelesshub.ca/resource/no-fixed-abode-housing-struggle-young-people-leaving-custody-england>

¹²⁶ Statistics Canada. (2018). *Adult and youth correctional statistics in Canada, 2016/2017*. (Catalogue no. 85-002-X). Retrieved from Statistics Canada: <https://www150.statcan.gc.ca/n1/pub/85-002-x/2018001/article/54972-eng.htm>

¹²⁷ Ontario Ministry of the Solicitor General. (2019). *Rates of recidivism (re-conviction) in Ontario*. Retrieved from <https://www.mcscs.jus.gov.on.ca/english/Corrections/RatesRecidivism.html>

¹²⁸ Jones, M., & Austin, J. (1993). How much time do prisoners really do? *National Council on Crime and Delinquency*. San Francisco, CA: NCCD. Retrieved from https://www.nccdglobal.org/sites/default/files/publication_pdf/time-prisoners-do.pdf

Assuming that these re-offenders enter custody again at an annual incarceration cost of \$114,587 and that their average tenure is 2.5 years, we estimate cost savings associated with these lower recidivism rates at \$131 million over the 10-year horizon of the plan. (For further details, refer to Table 4 in Appendix 4).

Incarceration rate



People experiencing homelessness are much more likely to be jailed for a variety of reasons, including partaking in illicit activities to sustain themselves or increased police targeting and surveillance. Studies show that about 15% of inmates had experienced homelessness in the 12-month period prior to their arrest.¹²⁹ Similarly, a US study notes that approximately six percent of arrestees experience homelessness,¹³⁰ a number that is likely even higher for the Indigenous population. As such, reducing the incidence of homelessness will in turn reduce the number of persons that end up incarcerated.

We thus assume the likelihood of arrest and imprisonment for an Indigenous person experiencing homelessness within a year is 15%.¹³¹ We use incarceration rates for the Indigenous population as reported by the Department of Justice for federal rates of Indigenous incarceration at 330.8 per 100,000,¹³² then scale by a factor of 1.8 (the ratio of all people in federal versus provincial custody) to arrive at a total custody rate.¹³³ These rates are many multiples that found in the non-Indigenous community, with Indigenous Ontarians accounting for over a fifth of the prison population in the province (combined for provincial and federal custody) even as they represent less than three percent of the overall provincial population. Nevertheless, the Indigenous incarceration rate is still much lower than that for people experiencing homelessness.

We then use the fact that the average duration of incarceration for people experiencing homelessness is two months,¹³⁴ as their offenses are often minor. Thus, whereas without adequate housing, 431 Indigenous persons a year are incarcerated (after one year), with adequate housing, just 17 Indigenous persons are incarcerated (after one year). Therefore, based on an annual cost of incarceration of \$114,587 and an average prison tenure of two months, we obtain a public cost savings of \$79 million over the 10-year horizon of the plan. In total, the annual reduction in incarceration is close to 400 persons. (For further details, refer to Table 4 in Appendix 4).

¹²⁹ The John Howard Society of Toronto. (2010). Homeless and jailed: Jailed and homeless. *The John Howard Society of Toronto*. Retrieved from <http://johnhoward.ca/wp-content/uploads/2016/12/Amber-Kellen-Homeless-and-Jailed-Jailed-and-Homeless.pdf>

¹³⁰ Speiglmán, R., & Green, R. S. (1999). Homeless and non-homeless arrestees: Distinctions in prevalence and in sociodemographic, drug use, and arrest characteristics across DUF sites. *The Public Health Institute*. Retrieved from <https://www.ncjrs.gov/pdffiles1/nij/grants/193805.pdf>

¹³¹ Ideally we would get the probability of a person experiencing homelessness being incarcerated rather than the share of incarcerated people that experienced homelessness within the last 12 months, but this data was not available to us.

¹³² Department of Justice. (2018). *Trends in adult federal custody populations*. Retrieved from the Government of Canada: <https://www.justice.gc.ca/eng/rp-pr/jr/jf-pf/2018/march01.html>

¹³³ Statistics Canada. (2018). *Adult and youth correctional statistics in Canada, 2016/2017*. (Catalogue no. 85-002-X). Retrieved from Statistics Canada: <https://www150.statcan.gc.ca/n1/pub/85-002-x/2018001/article/54972-eng.htm>

¹³⁴ Novac, S., Hermer, J., Paradis, E., & Kellen, A. (2009). A revolving door? Homeless people and the justice system in Toronto. In J. D. Hulchanski, P. Campsie, S. Chau, S. Hwang, & E. Paradis (eds.), *Finding Home: Policy Options for Addressing Homelessness in Canada* (7.1). Toronto, ON: Cities Centre, University of Toronto 2009. Retrieved from <https://homelesshub.ca/sites/default/files/7.1%20Novac%20et%20al.%20-%20Homeless%20People%20and%20Justice%20System.pdf>

Employment

The employment rate for people experiencing homelessness is very low. Studies from the Homeless Hub suggest an employment rate of 20.5% for the general (working age) population experiencing homelessness,¹³⁵ compared with over 60% for those with housing. We arrive at a rate of employment for Indigenous Canadians experiencing homelessness (and assume it is the same for Indigenous Ontarians) by applying a ratio of employment rates of Indigenous Canadians (54%) versus the general population (62%), thus scaling the 21.5% employment rate of the general population experiencing homelessness to arrive at a rate of employment of 17.9% for Indigenous Ontarians experiencing homelessness.¹³⁶



Finally, we assume that those who would otherwise experience homelessness in the absence of AHUs find employment at half the annual earnings of the average Indigenous income (\$37,188), based on data from Statistics Canada (since people experiencing homelessness are less likely to earn the average income¹³⁷). We then derive a lifetime employment benefit for Indigenous people in core housing need using a horizon of 20 years to account for the fact that they may again experience homelessness and/or become unemployed. Using these parameters, we estimate the total lifetime benefits of higher earnings through increased employment at \$5.4 billion for Indigenous households in core housing need. (For further details, refer to Table 5 in the Appendix.)

Schooling outcomes



In our study, persons under the age of 18 (i.e. minors) are more likely to be living in inadequate housing conditions than to experience unsheltered homelessness. Importantly, minors are included in the calculation of households in core housing need that require an AHU. While they may not be the sole occupants of an AHU, they may be part of the family units or households that benefit from the provision of affordable housing. As such, minors experiencing homelessness who do not have adequate housing will also experience the positive effects of accessing AHUs.

Youth experiencing homelessness are much less likely to finish high school and find gainful employment. Most youth experiencing homelessness (76.5%) do not finish high school.¹³⁸ This compares with a completion rate of 93% for youth in Canada as a whole. Indigenous youth, on the other hand, have a high school completion rate of 82%.¹³⁹

¹³⁵ Aleman, A. (2016). Employment & homelessness. *Canadian Observatory on Homelessness*. Retrieved from <https://www.homelesshub.ca/blog/employment-homelessness>

¹³⁶ The calculation is $(54.0/62.0) \times 20.5\% = 17.9\%$

¹³⁷ Statistics Canada. (2017). Aboriginal identity (9), employment income statistics (7), highest certificate, diploma or degree (11), major field of study - classification of instructional programs (CIP) 2016 (14), work activity during the reference year (3), age (10) and sex (3) for the population aged 15 years and over in private households of Canada, provinces and territories, 2016 Census-25%sampledata.Datatables,2016Census.(Catalogueno.98-400-X2016268). Retrieved from Statistics Canada: <https://www12.statcan.gc.ca/census-recensement/2016/dp-pd/dt-td/Rp-eng.cfm?TABID=2&LANG=E&A=R&APATH=3&DETAIL=0&DIM=0&FL=A&FREE=0&GC=01&GL=-1&GID=1334853&GK=1&GRP=1&O=D&PID=110682&PRID=10&PTYPE=109445&S=0&SHOWALL=0&SUB=B=0&Temporal=2017&THEME=123&VID=0&VNAMEE=&VNAMEF=&D1=0&D2=0&D3=0&D4=0&D5=0&D6=0>

¹³⁸ Gaetz, S. et al. (2013). Youth homelessness in Canada: Implications for policy and practice. *Canadian Homelessness Research Network*. Toronto, ON: Canadian Homelessness Research Network Press. Retrieved from <https://yorkspace.library.yorku.ca/xmlui/bitstream/handle/10315/29367/YouthHomelessnessweb.pdf?sequence=1&isAllowed=y>

¹³⁹ Statistics Canada. (2018). The educational attainment of Aboriginal peoples in Canada. *National Household Survey (NHS), 2011*. (Catalogue no. 99-012-X2011003). Retrieved from Statistics Canada: https://www12.statcan.gc.ca/nhs-enm/2011/as-sa/99-012-x/99-012-x2011003_3-eng.cfm

The AHU-building program provides approximately 2,200 households each year with an AHU. Thus, whereas just 496 minors out of approximately 2,100 in a homeless cohort would finish high school, with adequate shelter, that number would increase to 1,731 after one year in both cases. Finally, the wage premium for Indigenous persons with a high school diploma versus those without is \$5,000 annually.¹⁴⁰ Assuming a lifetime earnings with this premium over 40 years, we arrive at a lifetime benefit of \$2.4 billion for the cohorts in the 10-year timeline of the Plan. (For further details, refer to Tables 5 and 6 in Appendix 4).

Social services costs

In the section below, we present several estimates on the cost of homelessness with respect to the impact on health care, social services and the shelter system. We present both flow (annual) and lifetime costs. The lifetime values are the relevant numbers for the study, while the flow and micro data are presented for illustrative purposes and to triangulate/confirm the numbers arrived at for the lifetime cost savings.



People experiencing (unsheltered) homelessness consume significant resources in health care, social services, and the shelter system. Based on several studies, the annual cost of these services per individual experiencing homelessness amounts to about \$50,000. For our purposes, we are using the value of \$48,739 (based on a study of these costs in Canadian urban centres).¹⁴¹ Assuming the cost for minors of the same services at 80% of the adult rate, we arrive at cost savings of \$2.8 billion in these services for Indigenous Ontarians in core housing need over the course of 10 years. (For further details, refer to Table 6 in the Appendix 4).

Alternatively, the lifetime savings in social services costs related to reducing homelessness have been estimated at \$350,000 per person. This works out to a factor of 7 times the flow cost calculated above. This suggests that people experiencing homelessness are not permanently in that state (or may pass away) and that there may be economies of scale or other cost savings in addressing chronic homelessness. Using this measure, and again assuming the cost for a minor at 80% of that for adults, we arrive at a lifetime cost savings of \$20 billion. (For further details, refer to Table 6 in Appendix 4).

What's more, the Canadian Observatory on Homelessness has repeatedly noted a correlation between homelessness and foster care, noting that between 40% and 57.8% of youth experiencing homelessness have experienced some connection with child protective services; meanwhile, over 30% of youth experiencing homelessness surveyed reported being Indigenous.¹⁴²

For minors, we can also estimate the cost savings of reduced reliance on foster care services, noting the

¹⁴⁰ Statistics Canada. (2017). Young men and women without a high school diploma. *Insights on Canadian Society*. (Catalogue no. 75-006-X). Retrieved from Statistics Canada: <https://www150.statcan.gc.ca/n1/pub/75-006-x/2017001/article/14824-eng.htm>

¹⁴¹ Latimer, E. et al. (2017). Costs of services for homeless people with mental illness in 5 Canadian cities: A large perspective follow-up study. *CMAJ Open*, 5(3), 576-585. Retrieved from <https://www.ncbi.nlm.nih.gov/pubmed/28724726>

¹⁴² Nichols, N., Schwan, K., Gaetz, S., Redman, M., French, D., Kidd, S., & O'Grady, B. (2017). *Child welfare and youth homelessness in Canada: A proposal for action*. Canadian Observatory on Homelessness Press. <https://www.homelesshub.ca/sites/default/files/attachments/ChildWelfare-PolicyBrief-final.pdf>

monthly cost of foster care at \$2,318¹⁴³ and assuming an average tenure of 24 months for youth experiencing inadequate housing that end up in foster care.¹⁴⁴ In Canada, Indigenous youth represent over half of the minors in foster care. Moreover, a study by the COH notes that 48.9% of Indigenous youth experiencing homelessness end up in foster care, while making up only 7.7% of Canadian children under the age of 14.¹⁴⁵ While we know that not all cases of inadequate housing lead to foster care, this implies the potential that without the provision of an AHU, about 1,000 Indigenous minors in core housing need per year may otherwise result in foster care.¹⁴⁶ When Indigenous minors are not experiencing inadequate housing conditions, their rate of foster care should be closer to 7%.¹⁴⁷ Therefore, while we have not included this figure in our final calculation of savings, the estimated reduction of Indigenous youth in foster care due to the provision of AHUs is 884 annually (after one year). (For further details, refer to Table 6 in Appendix 4).

The total potential savings associated with lower incidences of Indigenous youth in foster care is then the product of the number of reduced minors in care and the monthly rate of foster care multiplied by 24 months. This works out to \$478 million over the 10-year plan.¹⁴⁸

Total savings and gains

This represents the lifetime savings and gains associated with providing otherwise unsheltered households experiencing homelessness with AHUs. Of course, the households who would benefit from the AHUs are not only unsheltered, but also those in core housing need, of which “unsheltered” is just one part of the homelessness continuum.

We describe below how a homelessness continuum scaling factor is applied to arrive at a discounted and more realistic value of the benefits of providing AHUs to households otherwise experiencing homelessness or with inadequate shelter (i.e. in core housing need).

We describe below how a homelessness continuum scaling factor is applied to arrive at a discounted and more realistic value of the benefits of provisioning AHUs to households who are otherwise homeless or with inadequate shelter (i.e. in core housing need).

Applying the homelessness continuum scaling factor

Earlier in the report, we arrived at a homelessness scaling factor of 50%. This was based on an assumed (uniform) distribution within the four categories of homelessness and cost factors relative to unsheltered homelessness. This factor is then used to multiply all the benefits derived earlier, since those values were obtained from parameters and values typically associated with unsheltered homelessness. Thus, applying a scaling factor of 50%, we arrive at an economic benefit of \$14.3 billion. This compares with a total construction cost of \$7.3 billion.

¹⁴³ Key Assets. (n.d.). Payments and allowances. Key Assets. Retrieved from <https://www.keyassets.ca/want-to-foster/payments-and-allowances/>

¹⁴⁴ Indigenous Services Canada. (2019). Reducing the number of Indigenous children in care. *Government of Canada*. Retrieved from <https://www.sac-isc.gc.ca/eng/1541187352297/1541187392851>

¹⁴⁵ COH study to be confirmed

¹⁴⁶ This uses the calculation based on an average of the 57.8% and 40% figures cited above, giving 48.9%.

¹⁴⁷ Assuming that the national average of foster care involvement is 1% of Canadian children and that there are between 7 and 8 times as many Indigenous children in the foster care system nationally.

¹⁴⁸ This is the best available information based on the quantifiable data available on reasons that lead to Indigenous children in foster care.



A Plan for urban and rural Indigenous housing in Ontario

In order to address the challenges and gaps in urban and rural Indigenous housing that have been identified throughout this report, it is recommended that Ontario's Indigenous community housing sector and governments of all levels focus on the six following recommendations:

- 1** Set out a 10-year housing program to build 22,000 subsidized Indigenous-owned and operated units to address core housing need
- 2** Provide a support plan to encourage Indigenous people to move along the housing continuum
- 3** Develop support programs and ensure cultural continuum
- 4** Engage the Indigenous community housing sector to leverage opportunities to increase Indigenous control, management, vision and direction in the sector leading towards the implementation of the Urban and Rural Indigenous Housing Plan for Ontario
- 5** Develop a comprehensive database of the Indigenous community housing sector
- 6** Leverage opportunities to engage the private sector through the use of tax and other incentives

Recommendation #1: Set out a 10-year Housing Program to build 22,000 subsidized Indigenous-owned and operated units to address core housing need

Based on information gleaned from the survey and discussions with housing providers, it has been determined that approximately 22,000 new subsidized housing units will be necessary to meet the demand of the existing and growing Indigenous population and address core housing need. Consistent with the Affordable Housing Plan for Ontario released by ONPHA and CHF Canada in 2018, a 10-year time frame is recommended for this investment.¹⁴⁹

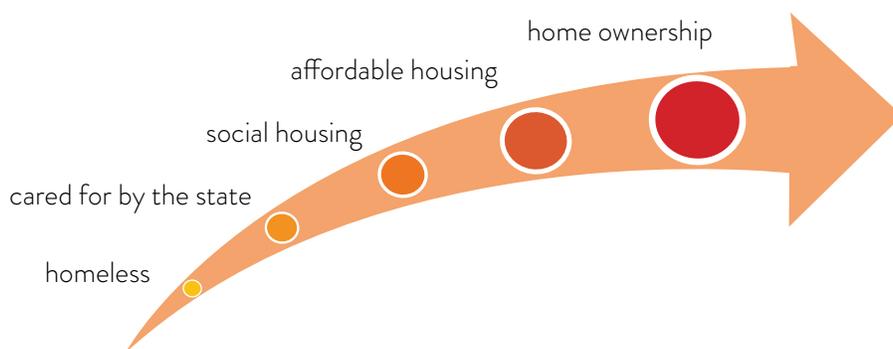
Recognizing the limitations in the data currently available, the breakdown of units is consistent with available asset condition reports, current information about the economic future of regional areas, projected population growth and estimated assessments of the capacity needed to address a comprehensive building program.

Recommendation #2: Provide a Support Plan to Encourage Indigenous People to Move along the Housing Continuum

The existing support programs appear to operate in caretaker mode, largely due to a lack of administrative support resources. In order to undertake a transformation that would encourage the Indigenous tenant population to move along the housing continuum, it is necessary first to ensure that the support mechanisms are in place. This could include job training, increases in educational upgrading, skills training, and support for new types of work (i.e. computer literacy).

The Housing Continuum

It is important to understand that the housing continuum spans from chronic homelessness to home ownership, with many variations in between. As Ontario plans to assist the Indigenous population with viable and appropriate housing options, these options need to encompass the entire span of the non-profit housing spectrum. Housing is considered “affordable” when a household spends less than 30% of its before-tax income on housing.¹⁵⁰ This varies significantly based on income levels.



¹⁴⁹ Ontario Non-Profit Housing Association & Co-operative Housing Federation of Canada (Ontario Region). (2018). *An affordable housing plan for Ontario*. Retrieved from http://onpha.on.ca/Content/Advocacy_and_research/Advocacy/Affordable_housing_plan/An_Affordable_Housing_Plan_for_Ontario.aspx

¹⁵⁰ Canada Mortgage and Housing Corporation. (2018). About affordable housing in Canada. *Canada Mortgage and Housing Corporation*. Retrieved from <https://www.cmhc-schl.gc.ca/en/Developing-and-Renovating/Develop-New-Affordable-Housing/Programs-and-information/About-Affordable-Housing-in-Canada>

Absolute homelessness: Chronic homelessness leads to high costs on everything from human life to shelters, soup kitchens, food counters, social care, police and ambulance services. Hospitalization and emergency room use can be three to four times higher for persons experiencing homelessness.¹⁵¹ These costs have significant effects on municipal budgets and take a drastic toll on the health and well-being of individuals and society.

Emergency Shelters and Housing for People Experiencing Homelessness: Emergency shelters provide support for transient populations in need of emergency care, including men's or women's shelters, family shelters and youth shelters. Shelters usually have limits on the length of time that people can stay. Some also work with community programs to support housing initiatives for people experiencing chronic homelessness. Shelters provide a place for people to receive mail, addiction treatments, mental health supports, health and dental care and employment training in a safe, recognizable and approachable location. As seen in a case study in Sioux Lookout (see Appendix 2), the cost savings associated with housing 20 households experiencing chronic homelessness amounted to \$300,000 annually; this is no minor savings to a budget, when the return on investment comes in barely 5 years. A homeless prevention system can likewise help to alleviate these costs to the system.

Housing with Supports: Transitional, supportive and assisted living options provide daily and/or regular supports to those living in their units, facilitating access to services, treatment and care for those who require them. Housing with supports may be transitional, helping provide equity to marginalized individuals through access to educational programs, social assistance programs and treatment for health issues, before they can advance along the housing continuum to social and/or subsidized housing. Alternatively, housing with supports may also include long-term assisted living facilities for those with chronic issues who require assistance to sustain their wellbeing.



Subsidized housing: Social and subsidized housing are paid in part by the tenant and in part by the government body funding the housing program. Tenant households pay a rent rate that is geared to their household income (up to 30%) for an apartment or a house that is appropriate for their family size. The home is subsidized by the government body, and provides a safe, affordable option for the family. Housing and poverty are some of the key factors associated with Child and Family Services apprehending children in Canada.¹⁵²

Private Market – Affordable and Market rate Rentals: We previously discussed affordable housing as being 30% of a household's income. The second definition within the context of non-profit housing is that of affordable housing as an alternative to market rate rental housing. In this rental context, it refers to rent rates that are approximately 80% of the market rate, providing a discounted rate where profits are significantly reduced but subsidies are not required to operate the rental unit.

¹⁵¹ America's Health Insurance Plans. (2018). Safe and affordable housing: Social determinants of health. *AHHP*. Retrieved from <https://www.ahp.org/safe-affordable-housing-social-determinants-of-health/>; Bharel, M. et al. (2013). Health care utilization patterns of homeless individuals in Boston: Preparing for Medicaid expansion under the affordable care act. *American Journal of Public Health*, 103, S311-S317. <https://doi.org/10.2105/AJPH.2013.301421>

¹⁵² Star Editorial Board. (2018, May 2). Apologies are fine, but Indigenous children need help now. *Toronto Star*. Retrieved from <https://www.thestar.com/opinion/editorials/2018/05/02/stop-apprehending-indigenous-children.html>

Private Market – Home ownership: The last type of housing on the spectrum relates to home ownership. Whether condominiums, townhouses or single/semi-detached houses, the ownership of the property lies in the hands of the occupier of the dwelling. Access to mortgage programs and home ownership programs are provided by community organizations and governments alike through the Canada Mortgage and Housing Corporation (CMHC), provincial and municipal incentive programs.

Recommendation #3: Develop Support Programs and Ensure Cultural Continuum

Programs that provide supports in education, employment, training and life skills can help people move along the housing continuum. With better education, people are able to get better paying jobs. With employment, people are better able to move from social housing to affordable housing to home ownership. For example, the First Nations Market Housing Fund has put in place agreements with Schedule A banks to backstop mortgages on-reserve.¹⁵³ A similar program could be implemented to support a home ownership program for urban and rural Indigenous households.

The Need for Cultural Continuum

Cultural recognition and support is of the utmost importance for many Indigenous people. There is no other explanation for the continued survival and resilience of Indigenous people, considering their ongoing marginalization under successive hegemonic governments over centuries. Whether it can be explained psychologically through Maslow's hierarchy of needs, or sociologically, the fact remains that culture is a central force for most Indigenous people.

Many Indigenous people are inherently proud of their culture and feel it is central to their existence. Most Indigenous people refer to themselves by their Nation attribute, (i.e. Cree, Ojibway, Ojicree, Mohawk, Mi'kmaq, Metis or Inuit) rather than the generic term, Indigenous.

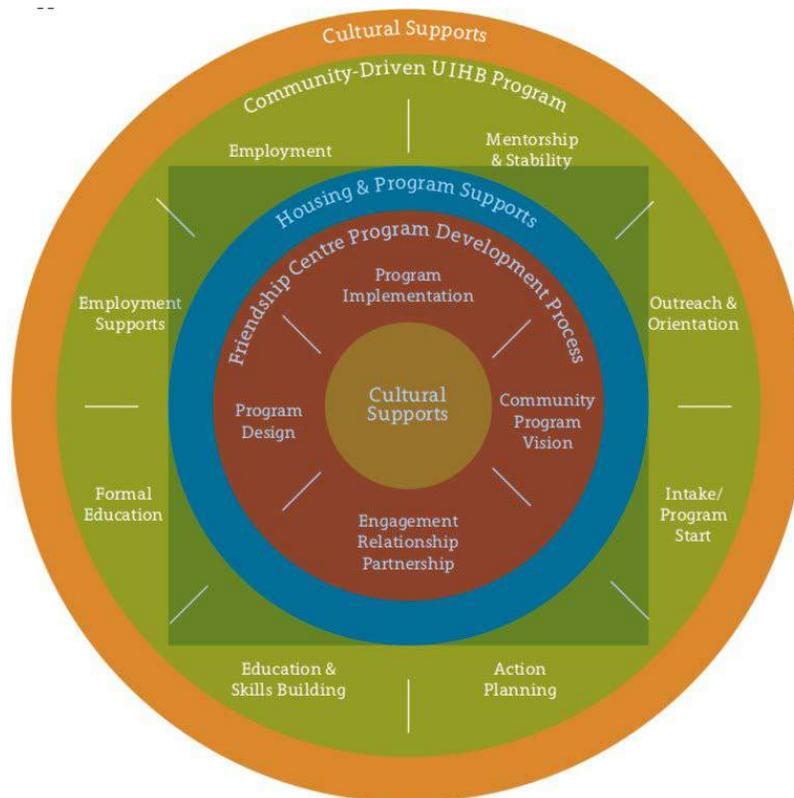
The Urban Indigenous Homeward Bound (UIHB) Program offered through the Ontario Federation of Indigenous Friendship Centres (OFIFC) has identified some key elements that are necessary to support urban Indigenous housing, illustrated in the image below.¹⁵⁴ It should also be noted that Indigenous housing providers recognize that these areas of support should be available as part of their programming and if they are not able to provide these supports themselves, they aim to work with local Friendship Centres to ensure the appropriate supports are provided.¹⁵⁵

¹⁵³ First Nations Market Housing Fund. (n.d.). About the fund. *First Nations Market Housing Fund*. Retrieved from <https://www.fnmhf.ca/english/about/index.html>

¹⁵⁴ Ontario Federation of Indigenous Friendship Centres. (2019). Connecting for the dream: Urban Indigenous Homeward Bound program evaluation. *OFIFC*. Retrieved from <http://www.ontarioaboriginalhousing.ca/wp-content/uploads/2019/09/UIHB-Evaluation-Final-Report.pdf>

¹⁵⁵ Brant, D. J., & Irwin-Gibson, C. (2019). Urban, rural, & northern Indigenous housing: The next step. *Canadian Housing and Renewal Association*. Retrieved from <https://chra-achru.ca/news/chra-indigenous-caucus-releases-urban-rural-and-northern-indigenous-housing-report/>

Urban Indigenous Homeward Bound Program Continuum¹⁵⁶



Generally, Indigenous people tend to prefer housing programs offered by Indigenous housing providers, as they may intuitively understand the type and level of support that households need, while also ensuring that they do not encounter systemic discrimination in housing. In many Indigenous service provider organizations, staff are often called upon to act as social workers. There is a need for training that would better equip staff to take on these additional roles.

The cultural continuum needs to be supported more by formal programs that support a range of needs expressed by tenants. These support services or wrap-around services embody a number of activities, such as day care and a range of counselling services including employment, education and addiction and mental health support.

¹⁵⁶ Ontario Federation of Indigenous Friendship Centres. (2019). Connecting for the dream: Urban Indigenous Homeward Bound program evaluation. OFIFC. Retrieved from <http://www.ontarioaboriginalhousing.ca/wp-content/uploads/2019/09/UIHB-Evaluation-Final-Report.pdf>



Recommendation #4: Engage the Indigenous community housing sector to leverage opportunities to increase Indigenous control, management, vision and direction in the sector leading towards the implementation of the Urban and Rural Indigenous Housing Plan for Ontario

Generally, Indigenous people prefer to access services from Indigenous service providers, not because it is easier, but because of a cultural affinity and understanding of their specific needs. Indigenous service providers must follow strict guidelines when delivering programming. They have been operating for decades and have been serving the needs of the population with limited staff and resources. This is a testament to their desire to be successful.

The existing community housing system has the potential for inconsistent distribution of adequate financial resources. Moreover, the Indigenous community housing sector lacks substantial control over its resources. To achieve greater consistency across Service Manager areas, the development of an Indigenous-led province-wide body, serving only the Indigenous population for their housing needs, could be explored. Such a body could be tasked with implementing Indigenous housing programs in the province, including the planning and financial forecasting necessary to address and meet future Indigenous housing demands and increase Indigenous control, management, vision and direction in the sector. The body could also provide more of an oversight function for the sector to ensure that resources are distributed equitably and programs are administered consistently through Indigenous leadership. In addition, this body could be tasked with coordinating the many programs available to support upgrading in education, job preparation, skills development and upward social mobility. At the present time, coordination is left to the already overworked and understaffed people at the housing provider level.

Considering their current level of resources, Indigenous community housing providers have expressed concern over the potential for further loss to the sector if resources are redirected, for example to a province-wide body. However, the proposed plan is based on the investment of additional resources, and would help to guard against the loss of existing funding. As such, exploring the development of such a body would require broad sector-wide engagement with Indigenous housing providers to fulsomely represent the sector's diverse interests, as well as an increase in capacity at the service provider level, inclusive of upgrading, new equipment and more human resources. The implementation of such a body would also require increased partnerships with governments at all levels, based on principles of truth and reconciliation.

Case for an Ontario-Wide Indigenous Housing Support Organization

The 56 urban and rural Indigenous housing providers are all operating under different circumstances. Their funding, networks, agreements, partnerships, ability to meet objectives and available resources are all different. The consequence is that as urban and rural Indigenous housing providers seek to meet the basic needs of their tenants with ever-diminishing funding, they are having to divert much needed resources away from advocacy, partnership building and growth objectives to make ends meet. As Indigenous housing providers operate in different sectors along the housing continuum, a province-wide housing support organization could provide an opportunity for the housing continuum to be addressed in a comprehensive manner, breaking out of the silos that currently permeate it.

This report recommends the exploration of a province-wide body, acknowledging the importance of engaging the Indigenous housing sector as a whole to ensure that the diverse needs and perspectives of the sector are represented. Three potential options for the development of such an organization or body are presented in Appendix 5.

Recommendation #5: Develop a Comprehensive Database

Data is the key to forecasting, be it demographic, financial or activity-based. The lack of a standardized data set for Indigenous housing, including the number and condition of units, is a major obstacle in the development of a massive housing transformation program that aims to address current and future gaps and needs. As such, this report relies on the limited data available, including a number of assumptions that may not accurately represent the current and future needs, gaps, and capacity across the province. Therefore, a comprehensive, community-supported Indigenous housing database, which would include asset condition assessment and management basics, should be developed.

Recommendation #6: Leverage Opportunities to Engage Private Sector Through the Use of Tax and Other Incentives.

Government has levers it can use to stimulate any economic sector. The main lever, of course, is the tax system. Government, either federal, provincial or both, could create tax incentives that would provide stimulus to support a construction program for the creation of subsidized Indigenous housing units that would be operated by Indigenous service providers. These would have to be worked out in detail (which is beyond the scope of this report), but at a very high level, could be a beneficial mechanism to support the creation of the necessary housing units and the development of jobs and skills while doing so. This mechanism has been used in the United States and has resulted in the creation of millions of new affordable housing units (see Appendix 3). Like Recommendation #4, the exploration of the use of private sector incentives to support the construction of subsidized Indigenous housing units would require broad sector engagement to ensure the representation of all interests.

Tax and Other Incentives for Affordable Housing

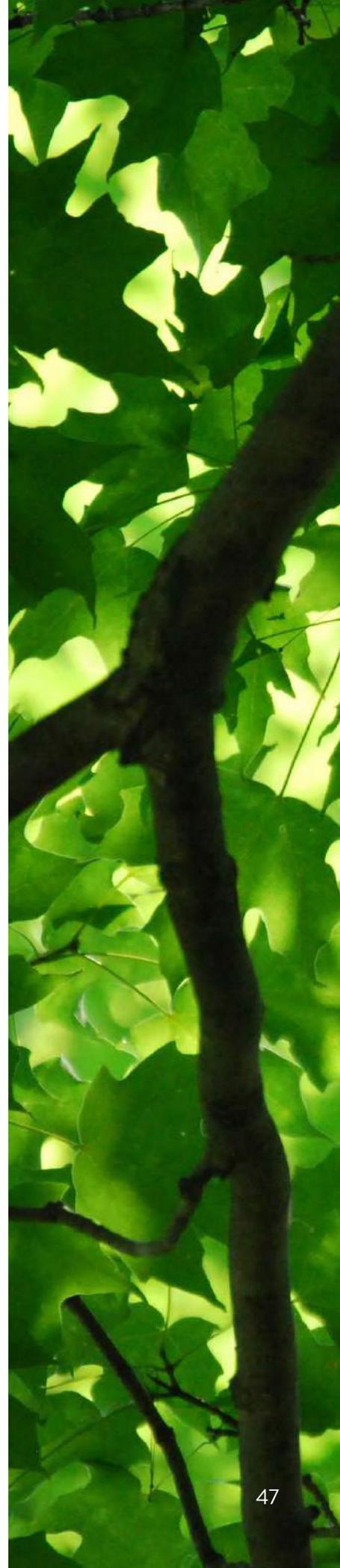
Affordable housing should not solely be the responsibility of the public sector. There is an economic case for the use of public-private partnerships in developing affordable housing solutions.

Homelessness and the low socio-economic conditions that result from insecure housing situations depress neighbourhoods both economically and socially. Businesses prosper when the communities they exist in are healthy and socially strong. Moreover, local services which could otherwise be directed to promoting community prosperity, are often focused instead on social challenges that are brought on by homelessness. Nevertheless, the (Canadian) market economy often does not provide a direct incentive or route to internalize these benefits. For this reason, governments should play a role in encouraging private enterprises to purvey and/or invest in the provision of affordable housing by setting up economic structures that favour private participation.

One significant reason that there is a lack of affordable housing is because private housing developers do not earn enough money to justify the investment. Governments can encourage private firms to develop affordable housing by strategically providing subsidies or tax breaks to developers who take on affordable housing projects. Tax incentives to build affordable or social housing exist in the United States. One important example is the Low-Income Housing Tax Credit (LIHTC). The LIHTC partly funded over 3 million housing units over the 1987-2017 period, and operates on an \$8 billion annual budget.¹⁵⁷ This program uses a competitive procedure: private housing developers submit their plans and the participating governments and agencies allocate funding to the best plans. States are allowed to set their own guidelines and criteria for projects. Developers who get funding through this program do not receive funds or tax breaks directly; instead, they receive tax credits that they then sell to investors in exchange for funding their project. The investors then claim those credits on their own tax returns.

Another example from the United States is the Opportunity Zones (OZ) program. The OZ program designates a number of low-income areas in the country in which to favour new development. Under this program, investors may access Qualified Opportunity Funds, which are then used to invest in property in one of the opportunity zones. As of 2018, there were 169 such zones in 75 municipalities across the country. Some programs in the United States are also targeted directly for Native American affordable housing,

¹⁵⁷ See Appendix 3 for Case Study on a USA approach to Affordable Housing



but the biggest ones are aimed at on-reservation (or equivalent) housing. (More information about USA tax-based approaches are included in Appendix 3).

Ontario does provide some tax incentives to encourage new developments. For example, the Brownfields Tax Incentive Program (BFTIP) provides financing to developers with plans to clean up “brownfield property”, places that are currently vacant, but where past commercial or industrial activities might have left the soil contaminated.¹⁵⁸ Property owners who participate in this program receive tax breaks on some portion of their property taxes.

Given that targeted tax break programs exist in both Canada and the United States, it is certainly possible to imagine new programs aimed at the development of affordable housing for Indigenous Canadians. Taking the LIHTC program as an example, developers (or the Indigenous Housing Providers) could apply with plans for new housing, and a competitive process could be in place to select the best options and provide these developers with credits to sell to investors. These developers could then develop the housing units using the investors’ funding. That being said, such a solution would imply some level of self-funding from the developers (or the use of loans), as is the case under the LIHTC program. In the model developed above, we assumed that the whole development was directly subsidized by the government. One possibility would be for governments to directly finance a portion of the new housing projects, and then put in place avenues for developers to finance their own projects.

Beyond direct tax breaks and subsidies to developers, governments can also use direct transfers to individuals to rent housing directly through the private market. Such housing subsidies are used in other countries, such as the Housing Choice Voucher Program¹⁵⁹ used in the United States. This housing subsidy is determined based on the total income of the family, as well as the family size, but could theoretically include other criteria, as well. Housing subsidies can be effective at providing affordable housing. In Finland, for example, Eerola and Saarimaa find that direct housing allowances cost about the same as social housing, but are more targeted towards low-income people and result in less segregated neighbourhoods (even when social housing is explicitly built to avoid segregated neighbourhoods).¹⁶⁰

Governments also have other effective tools at their disposal to encourage the provision of affordable housing by non-government actors. Adjusting zoning laws or requiring developers to allot a minimum threshold of affordable units in new developments are also common and effective means to promote greater supply of affordable housing. Governments should also be creative and look for new structures and incentives that are attuned to the realities of the new economy to encourage the development of affordable housing. This might include giving tax breaks to firms that can help reduce housing insecurity.

¹⁵⁸ Ontario Ministry of Finance. (2004). *A guide to the brownfields financial tax incentive program*. Toronto, ON: Queen’s Printer for Ontario. Retrieved from <http://www.ontla.on.ca/library/repository/mon/11000/254773.pdf>

¹⁵⁹ See Appendix 3 for Case study on a USA approach to Affordable Housing

¹⁶⁰ Eerola, E., & Tuukka, S. (2017). Delivering affordable housing and neighborhood quality: A comparison of place- and tenant- based program. *Journal of Housing Economics*, 42, 44-54. <https://doi.org/10.1016/j.jhe.2017.12.001>



Summary

The plan to build 22,000 new Indigenous-owned and operated, subsidized AHUs for the Indigenous population of Ontario in core housing need comes with a price tag for construction of \$7.3 billion over the next ten years. This amount is commensurate with the needs of the population, as Indigenous Ontarians have a greater reliance on social services, especially affordable housing, than the general population. The number of units is just enough to satisfy the current unmet demand for AHUs (i.e. those households in core housing need), replace aging units, and keep up with growing demand for AHUs due to growth in the Indigenous population.

Building these units will create an estimated 95,000 year-jobs (i.e. sustain 9,529 jobs over ten years) and pump an additional \$3.8 billion into the economy as the initial investment circulates. This investment will also see cost savings associated with reduced pressure on social services that support individuals experiencing homelessness (\$10.4 billion).¹⁶¹ There will also be additional gains made through increased employment and improved performance in education, resulting in a more educated workforce (\$3.9 billion).¹⁶² In summary, the benefits come to \$14.3 billion, exceeding the investment cost of \$7.3 billion for construction by nearly two times.

To offset some of the costs to government, tax incentives and structures can be created to encourage public-private partnerships in developing affordable housing solutions. This would lessen the immediate fiscal burden to the government. But in spite of the initial expenditures for AHUs, the investment in AHUs will have a significant payoff well in excess of the initial outlay.

Again, the opportunity for Indigenous community housing to help meet government objectives is second to none. It provides an opportunity to reduce taxes, support families and help them grow together, and cut costs to other provincial budgets! Indigenous-led community housing, precisely because of the wrap-around services and community supports that are built into the model, plays an instrumental role in helping people overcome intergenerational trauma and the lasting effects of colonialism and racism, and empowers individuals to reach their family, educational and employment goals.¹⁶³

¹⁶¹ After applying homeless continuum scaling factor

¹⁶² After applying homeless continuum scaling factor

¹⁶³ Ontario Federation of Indigenous Friendship Centres. (2019). Connecting for the dream: Urban Indigenous Homeward Bound program evaluation. *OFIFC*. Retrieved from <http://www.ontarioaboriginalhousing.ca/wp-content/uploads/2019/09/UIHB-Evaluation-Final-Report.pdf>

Appendices

Appendix 1: Case Study on the Urban Indigenous Homeward Bound Program

The Urban Indigenous Homeward Bound Program (UIHB) is supported by the Ontario Aboriginal Housing Services (OAHS), the Ontario Federation of Indigenous Friendship Centres (OFIFC), the Ontario Trillium Foundation and local poverty-reduction initiatives. The UIHB program currently runs in 7 different Friendship Centres in Ontario and is a culture-based employment program that includes a significant housing component. The primary criteria for candidates is that the parent has at least 1 child under the age of 18 and is serious about making changes in their life through post-secondary education and employment. Parents enrolled in the Urban Indigenous Homeward Bound Program are supported through a 4-phase program: upgrading education (academic upgrades, financial literacy, computer skills, cultural teachings and life skills), completing a technical degree or college degree of their choice, completing an internship or placement, and ultimately finding full-time work and benefiting from supports through the transition.¹⁶⁴ Child care, housing, health and support services, community, culture and partnerships with industry are all part of the equation that make this program a success.

The basic objective of the program is to eliminate the barriers for single-parents' entry into the work force.¹⁶⁵ This involves all aspects of social and educational life, as well as identifying work opportunities through partnership with industries experiencing labour shortages. After going through the intake, assessment and screening process, the first and most important step in a successful UIHB program is to provide participants with access to safe, stable housing. Housing is the most important piece to eliminating systemic poverty, improving health, and creating lasting positive change. The key to successfully implementing the UIHB program, however, is through cultural services – reconnecting with culture and community. These services support families and as such, break the intergenerational cycles of poverty among Indigenous peoples.¹⁶⁶ The April 2019 evaluation of the UIHB program demonstrated that “wholistic, wrap-around supports are critical to meeting the needs of sole-parent Indigenous women and supporting education to employment transitions.”¹⁶⁷

*The implementation of UIHB coordinates the provision of key community-based supports such as: housing, child care, and health care. It also requires direct partnerships with local industry leaders and post-secondary institutions to increase community capacity to work collaboratively and generate opportunities for Indigenous women to succeed in their education and careers. Integrated, culture-based initiatives like UIHB would benefit from increased inter-departmental collaboration and flexibility in federal-provincial agreements especially between Employment and Service Development Canada, the province, and OAHS.*¹⁶⁸

¹⁶⁴ Marchand, C. (2018, Jan. 24). Homeward bound aims to close gap for Indigenous single moms. *The Dryden Observer*. Retrieved from <https://thedydenobserver.ca/2018/01/24/homeward-bound-aims-to-close-gaps-for-indigenous-single-moms/>

¹⁶⁵ Kenora District Services Board. (2017). A place for everyone – Fourth annual report: 2017 progress 10 year housing & homelessness plan. KDSB. Retrieved from <http://www.kdsb.on.ca/Press%20Releases/2018/August%202018/2017%20KDSB%20Housing%20and%20Homelessness%20Report%20-%20A%20Place%20for%20Everyone.pdf>

¹⁶⁶ Ontario Federation of Indigenous Friendship Centres. (2018). Response to the national housing strategy. *OFIFC*. Retrieved from <http://www.ofifc.org/sites/default/files/docs/2018-policy-housing-strategy%28WEB%29.pdf>

¹⁶⁷ Ontario Federation of Indigenous Friendship Centres. (2019). Connecting for the dream: Urban Indigenous Homeward Bound program evaluation. *OFIFC*. Retrieved from <http://www.ontarioaboriginalhousing.ca/wp-content/uploads/2019/09/UIHB-Evaluation-Final-Report.pdf> at 6

¹⁶⁸ Ontario Federation of Indigenous Friendship Centres. (2018). Response to the national housing strategy. *OFIFC*. Retrieved from <http://www.ofifc.org/sites/default/files/docs/2018-policy-housing-strategy%28WEB%29.pdf> at 9

OAHS funded the UIHB program pilot projects with federal and provincial funding for non-profit housing.¹⁶⁹

While the UIHB program is too new to provide full results on the first cohort (who began the program in 2017), the current trend of the UIHB program is keeping with its inspiration. Woodgreen Community Services in Toronto provided the model to develop the UIHB program and worked with OFIFC to share knowledge and best practices. The results thus far have been astounding:

When people have opportunities for education and employment, they are more likely to advance. Homeward Bound provides up to 4 years of transitional housing and holistic supports that assist single, mother-led families living in unstable conditions to move out of poverty and transition to economic self-sufficiency. Homeward Bound integrates housing, training, and supportive services, including on-site child care for single mothers. Participants also earn tuition-paid college diplomas, complete professional internships, and begin careers targeted to the local labour market. By providing multi-year transitional housing along with wrap-around supports, this innovative model eliminates numerous barriers that prevent precariously-housed mother-led families from gaining stability and financial independence. Upon completion of Homeward Bound, graduates of the program move into independent housing, maintain employment and continue to thrive.¹⁷⁰

Woodgreen's Toronto-based Homeward Bound program conducted a study demonstrating that for every dollar invested, \$4 is returned to society.¹⁷¹ This is on top of \$185,000 generated for every woman enrolled in the program, which translates into a social return on investment of 88%. The program's graduates, who receive a college degree and become fully independent, generate \$295,000 of cumulative benefits to society.¹⁷²

What's more, we know that the children of graduates of the Homeward Bound program have lower dropout rates, improved academic performance, and are now in a better position to obtain higher education, seek employment, have significantly lower rates of unemployment and poverty, and as such, break the cycle of poverty. This is equally an indicator of better health.¹⁷³

It is reasonable to expect that similar results will come from the UIHB program, if the correct resources and funding are invested to make the program viable. Each UIHB program has adapted to its local context and feedback has been positive where cultural context has been involved in shaping program implementation.¹⁷⁴ Of note, initial findings have suggested that the provision of on-site housing, such as at the Dryden UIHB site, has facilitated participants' transition into the program. Participants at the Dryden site have provided positive feedback regarding eased transportation complications, close proximity to daycare services and supports, and living in the same community as other families going through the same program.¹⁷⁵ And while the vast majority of parents enrolled are single mothers, the program is open to all parents, with a view to

¹⁶⁹ Hyslop, K. (2016, Apr 14). A small town with big ideas for housing single parent families. *The Tyee*. Retrieved from <https://thetyee.ca/News/2016/04/14/Dryden-Single-Parent-Family-Housing/>

¹⁷⁰ Ontario Ministry of Housing. (2017). Ontario supportive housing best practice guide. *Government of Ontario*. Retrieved from <http://www.mah.gov.on.ca/AssetFactory.aspx?did=15988>

¹⁷¹ Blum, S. (2015, Apr.). WoodGreen's homeward bound: Social return on investment (SROI). *Canadian Housing Renewal Association*. Presented at 2015 CHRA congress, Winnipeg, MN.

¹⁷² Ibid.

¹⁷³ Ibid.

¹⁷⁴ Ontario Federation of Indigenous Friendship Centres. (2019). Connecting for the dream: Urban Indigenous Homeward Bound program evaluation. *OFIFC*. Retrieved from <http://www.ontarioaboriginalhousing.ca/wp-content/uploads/2019/09/UIHB-Evaluation-Final-Report.pdf> at 20

¹⁷⁵ Ibid. at 22-23

support families with connections to child welfare agencies, corrections services, youth-aged Indigenous parents, Indigenous families with long-term reliance on social assistance programs and Indigenous families living or frequently depending on shelters or experiencing chronic homelessness.¹⁷⁶

Already, results have demonstrated that parents have regained custody of their children and families have been reunified. Participants have been able to receive trauma treatments, return to school, and build communities. The UIHB program has allowed participants to role model positive behaviour for their children. Local industries have been able to find partners to address labour shortages.

In short, the UIHB program has helped the Ministries of Health, Education, Labour and Employment, Service Ontario, and Child and Family Services to reduce their costs, while helping families to reunite and grow in prosperity. It truly is a program that helps meet every citizen's goals and provides the opportunity to see a substantial impact for years to come.

¹⁷⁶ Ibid. at 10

Appendix 2: Case Study on the Sioux Lookout Transitional Housing Development

Sioux Lookout has a chronic homeless population. In an effort to help those in most dire need, Ontario Aboriginal Housing Services (OAHS) has partnered with the town of Sioux Lookout and the Kenora District Services Board to build a 20-unit transitional housing development. The aim of the project was to help homeless Indigenous people move into a home, while simultaneously providing the supports needed to help bring stability to their lives and, later, move into more permanent housing. The transitional housing complex provides life-skills training and one-on-one care with trained caseworkers in a culturally-appropriate way. The complex is staffed 24 hours a day.¹⁷⁷

The results of housing 20 individuals, however, have been impressive. The mayor of Sioux Lookout recognized that a savings of between \$192,000 and \$300,000 has occurred from a decrease in interactions with police and ambulance calls. On this basis alone, the complex will have paid for itself in 5 years.¹⁷⁸ The Chief Administrative Officer (CAO) of the Kenora District Social Board, Henry Wall, noted that it has helped decrease high policing costs, hospital visits, social assistance costs and the use of other local services, like emergency shelters.¹⁷⁹ What's more, the housing provides stability in the lives of those living there.¹⁸⁰

Providing housing allows for intergenerational trauma to be addressed, in part because culturally-appropriate care is provided to those living there. Of note, there are roughly 30 children of the residents of the complex who are currently in care. By providing counselling services, residents can regain a healthy lifestyle and hope to eventually regain custody of their children.¹⁸¹ As such, not only does this project provide immediate cost savings to the system, it is also an investment in future cost savings that helps Indigenous families in Ontario heal and seek a better future – together.

¹⁷⁷ Thompson, J. (2019, June 3). An Ontario Mayor has linked his town's issues to colonialism. Will it make a difference? *TVO*. Retrieved from <https://www.tvo.org/article/an-ontario-mayor-has-linked-his-towns-issues-to-colonialism-will-it-make-a-difference>

¹⁷⁸ Ibid.

¹⁷⁹ Young, R. (2017, Feb. 9). Social Housing units coming to Sioux Lookout. *KenoraOnline*. Retrieved from <https://kenoraonline.com/local/social-housing-units-coming-to-sioux-lookout>

¹⁸⁰ Rinne, G. (2019, Apr. 24). Indigenous housing group explains expansion of Junot transitional housing project. *tbnewswatch.com*. Retrieved from <https://www.tbnewswatch.com/local-news/indigenous-housing-group-explains-expansion-of-junot-transitional-housing-project-1390022>

¹⁸¹ Thompson, J. (2019, June 3). An Ontario Mayor has linked his town's issues to colonialism. Will it make a difference? *TVO*. Retrieved from <https://www.tvo.org/article/an-ontario-mayor-has-linked-his-towns-issues-to-colonialism-will-it-make-a-difference>

Appendix 3: Case Study on a USA approach to Affordable Housing

An undersupplied housing market jeopardizes housing affordability for families, especially those in lower-income brackets. Over the past few decades in the United States, various mechanisms have been created to respond to the growing demand for housing. These tools aim to address the challenges associated with housing costs by tackling both the demand and supply sides of the equation. On the supply side, all levels of government in the United States use their tax systems to partner with the private sector on affordable housing development. On the demand side, support for households incapable of paying market rent is facilitated through systems of housing allowances or vouchers.

The American Indian and Alaska Native populations in the United States participate in all of these systems; however, they need to consistently advocate for due focus. The following case study outlines the supply- and demand-side mechanisms and provides a brief summary on how American Indians and Alaska Natives support affordable housing for their nations.

Part I: Existing Mechanisms to Drive Affordable Housing in the United States: Supply Side Mechanisms

Supply-side mechanisms aim to spark investment in affordable housing development, thereby increasing the housing supply in the market. These mechanisms incentivize investors primarily through tax credits. Typically, capital gained through tax incentives lowers the debt burden, making it easier for developers to offer lower, more affordable rents. Additionally, as the housing supply increases, the market reflects a larger inventory by lowering prices.

This section covers the following supply side mechanisms:

- Low-Income Housing Tax Credit (LIHTC) Program
- New Market Tax Credit (NMTC) Program
- The National Housing Trust Fund (HTF) Program
- Opportunity Zone (OZ) Program

1) Low-Income Housing Tax Credit (LIHTC) (Federal Program)

According to the United States Department of Housing and Urban Development (HUD), the Low-Income Housing Tax Credit (LIHTC) is the most important resource for creating affordable housing in the United States today. Between 1987 and 2017, 47,511 projects and 3.13 million housing units have been placed in service.¹⁸²

The LIHTC program is codified in Section 42 of the Internal Revenue Code, and was created as part of the Tax Reform Act of 1986. While operating through the federal tax code, the LIHTC program gives state and local LIHTC-allocating agencies approximately \$8 billion in annual budget authority to issue tax credits for

¹⁸² User Office of Policy Development and Research. (2019). Low-income housing tax credits. *United States Department of Housing and Urban Development*. Retrieved from <https://www.huduser.gov/portal/datasets/lihtc.html>

acquisition, rehabilitation, or new construction of rental housing targeted to lower income households.¹⁸³

Under the LIHTC program, authorized governments and agencies allocate tax credits to developers of low-income housing through a competitive process. States are allowed to set specific allocation criteria for awarding tax credits that prioritize housing needs. Developers receiving allocations then sell the credits to investors in exchange for equity financing. The equity financing is used to fund investments in affordable housing and the tax credits are claimed by investors on their tax returns.

“Two types of credits exist depending on the nature of the development project. A 9% credit is for new construction and a 4% credit is used for rehabilitation projects or if new construction is financed with tax-exempt bonds. Each year, for ten years, a tax credit equal to approximately 9% or 4% of a project’s qualified basis (cost of construction) is claimed. The credits are approximate because they are based on market interest movements. Generally, the LIHTC program delivers a subsidy equal to 30% of the present value of a project’s qualified basis in the case of the 4% credit, and 70% in the case of the 9% credit”.¹⁸⁴

2) New Markets Tax Credit (NMTC) Program (Federal Program)

According to the Community Development Financial Institutions (CDFI) Fund, the New Markets Tax Credit (NMTC) program has generated \$8 of private investment for every \$1 of federal funding, created over 178 million square feet of manufacturing, office, and retail space (includes affordable housing), and financed over 5,400 businesses.¹⁸⁵

The NMTC program is codified in Section 45D of the Internal Revenue Code, and was created as part of the Community Renewal Tax Relief Act of 2000. The NMTC program introduced after the LIHTC program uses a similar structure while subsidizing a wider array of economic activity. While operating through the federal tax code, the program is administered by the CDFI Fund of the United States Treasury Department.

Under the NMTC program, the CDFI Fund allocates approximately \$3.5 billion annually in tax credits to authorized Community Development Entities (CDEs). CDEs then sell these credits to investors in exchange for equity financing. The equity financing is used to fund investments in affordable housing and the tax credits are claimed by investors on their tax returns. NMTC investors receive a tax credit equal to 39% of the total Qualified Equity Investment made in a CDE with the credit realized over a seven-year period, amounting to 5% annually for the first three years and 6% in the final four years.¹⁸⁶

3) The Housing Trust Fund (HTF) (Federal Program)

The Housing Trust Fund (HTF) is a federal program authorized by the Housing and Economic Recovery Act of 2008. Historically, the program has been funded through assessments from Federal National Mortgage Association (Fannie Mae) and the Federal Home Loan Mortgage Corporation (Freddie Mac). The FY2020

¹⁸³ Ibid.

¹⁸⁴ Keightley, M. P. (2019). An introduction to the low-income housing tax credit. *Congressional Research Service*. Retrieved from <https://fas.org/sgp/crs/misc/RS22389.pdf>

¹⁸⁵ Community Development Financial Institutions Fund. (2019). New markets tax credit program. *United States Department of the Treasury*. Retrieved from <https://www.cdfifund.gov/programs-training/Programs/newmarkets-tax-credit/Pages/default.aspx>

¹⁸⁶ New Markets Tax Credit Coalition. (2019). New markets tax credit fact sheet. *New Markets Tax Credit Coalition*. Retrieved from <https://nmtccoalition.org/fact-sheet/>

President's Budget proposes to eliminate the assessments on Fannie Mae and Freddie Mac, thereby discontinuing any new funding of the HTF. In 2018, HTF received approximately \$245 million, which will be distributed to states in 2019.¹⁸⁷

The program allocates its funds to states for the development, rehabilitation, and preservation of affordable housing for very low income and extremely low-income households. States select state agencies to receive and administer HTF dollars. HTF requires that states develop a formula for distributing funds using specified factors reflecting the number of very low and extremely low income households with severe cost burden (paying more than 50% of their income for rent and utilities) as well as the shortage of rental properties affordable and available to these households. No state can receive less than \$3 million annually.¹⁸⁸

Opportunity Zone (OZ) Program (Federal Program)

The Opportunity Zone (OZ) program, as part of the Tax Cuts and Jobs Act of 2017, was enacted to drive long-term capital investments into low-income rural and urban communities. The program offers a federal capital gains tax incentive that encourages private investors to support investments in designated low-income distressed communities (Opportunity Zone census tracts) through participation in Qualified Opportunity Funds (QOF). QOFs are special vehicles to invest in Qualified Opportunity Zone Property. There were 169 Opportunity Zone census tracts in 75 municipalities approved by the US Department of the Treasury in 2018.

The OZ program is designed to spark investments in areas that typically rely on support from philanthropic organizations, federal, state, and local governments, CDFIs, and CDEs. As a result, pending guidance from the United States Treasury, the OZ program should be compatible with LIHTC or NMTC incentives. How the OZ program differs from LIHTC or NMTC programs, however, is the lack of competitive process to participate. LIHTC and NMTC programs involve a competitive application process, however, any eligible taxpayer – individuals or corporations – can make investments and take advantage of the tax incentive as part of the OZ program.

Investors benefiting from the tax incentive can defer tax on any prior gains invested in a QOF until the earlier of the date on which the investment in a QOF is sold or exchanged, or December 31, 2026. If the QOF investment is held for longer than 5 years, there is a 10% exclusion of the deferred gain. If held for more than 7 years, the 10% becomes 15%. Further, if the investor holds the investment in the QOF for at least 10 years, the investor is eligible for an increase in basis of the QOF investment equal to its fair market value on the date that the QOF investment is sold or exchanged.¹⁸⁹

¹⁸⁷ Carson, B. S. (2019). Fiscal year 2020 budget in brief. *United States Department of Housing and Urban Development*. Retrieved from <https://www.hud.gov/sites/dfiles/CFO/documents/HUD2020BudgetinBrief03072019Final.pdf>

¹⁸⁸ National Housing Trust Fund. (2017). National housing trust fund: Frequently asked questions. *National Low Income Housing Coalition*. Retrieved from https://nlihc.org/sites/default/files/NHTF_FAQ.pdf

¹⁸⁹ IRS. (2019). Opportunity zones frequently asked questions. *IRS*. Retrieved from <https://www.irs.gov/newsroom/opportunity-zones-frequently-asked-questions>

Demand Side Mechanisms

Demand side mechanisms aim to support direct provision or subsidization of low-income housing for households incapable of paying market rates. These tools make homeownership or renting more affordable thereby strengthening the demand for housing.

This section covers the following demand side mechanisms:

- HOME Investments Partnerships Program (HOME)
- Community Development Block Grant (CDBG)
- Housing Choice Voucher Program
- Homeowners' Property Tax Credit Program

4) Community Development Block Grant (CDBG)

The Community Development Block Grant (CDBG), beginning in 1974, is one of the longest continuously run programs at HUD. CDBG provides annual grants on a formula basis to 1,209 general units of local governments and states. HUD determines the amount of each grant by using a formula comprised of several measures of community needs, including extent of poverty, population, housing overcrowding, age of housing, and population growth lag in relationship to other metropolitan areas.¹⁹⁰

CDBG has several program areas including, CDBG Entitlement program, CDBG State Program, CDBG HUD Administered Non-Entitled Counties in Hawaii Program, CDBG Insular Area Program, CDBG Program Colonias Set-Aside, Section 108 Loan Guarantee Program, and the Neighborhood Stabilization Program. These programs work to ensure affordable housing, services to underserved and vulnerable communities, and to create jobs through the expansion and retention of businesses.¹⁹¹

The FY2020 President's Budget does not request funding for CDBG, arguing to devolve community and economy development to the state and local level.¹⁹² In FY2019, approximately \$3.3 billion was allocated to states and local governments.

5) Housing Choice Voucher Program (Federal Program)

Created in the 1970s, the Housing Choice Voucher Program, also known as Section 8, is the federal government's program for assisting very low income families, the elderly, and people with disabilities to afford housing.¹⁹³ "Housing choice vouchers are administered locally by public housing agencies (PHAs). The PHAs receive federal funds from HUD to administer the voucher program. Eligibility for a housing voucher is determined by the PHA based on the total annual gross income and family size. A housing subsidy is paid to the landlord directly by the PHA on behalf of the participating family. The family then pays the difference

¹⁹⁰ U.S. Department of Housing and Urban Development. (n.d.). Family of sites. USA GOV. Retrieved from <https://www.hud.gov/>

¹⁹¹ Ibid.

¹⁹² Ibid.

¹⁹³ Ibid.

between the actual rent charged by the landlord and the amount subsidized by the program”.¹⁹⁴

The FY2020 President’s Budget requests \$22.2 billion for the Housing Choice Voucher program, which is \$229 million more than the 2019 annualized amount.

6) HOME Investments Partnerships Program (HOME) (Federal Program)

Since 1992, the HOME Investments Partnerships Program has provided formula grants to states and localities that communities can access to fund a wide range of activities, including building, buying, and/or rehabilitating affordable housing for rent or homeownership, or providing direct rental assistance to low-income people. States are automatically eligible for HOME funds and receive either their formula allocation or \$3 million, whichever is greater.¹⁹⁵ Local jurisdictions are eligible for at least \$500,000 under the formula. Since 1992, HOME has invested \$26.3 billion to support building and preserving nearly 1.2 million homes and to provide direct rental assistance to more than 270,000 families.¹⁹⁶

States and jurisdictions can use HOME funds to provide grants, direct loans, loan guarantees or other forms of credit enhancements, rental assistance or security deposits to eligible households. Eligible households vary depending on the nature of the funded activity. For rental housing and rental assistance, at least 90% of benefiting families must have incomes that are no more than 60% of the HUD-adjusted median family income for the area. In rental projects with five or more assisted units, at least 20% of the units must be occupied by families with incomes that do not exceed 50% of the HUD-adjusted median family income.¹⁹⁷

The FY2020 President’s Budget does not request funding for HOME. In FY2019, approximately \$1.3 billion was allocated to states and local governments.

7) Homeowners’ Property Tax Credit Program (State Program)

The State of Maryland has a program which allows a credit against a homeowner’s property tax bill if the homeowner’s property taxes exceed a fixed percentage of gross income.¹⁹⁸ For households with a gross household income below \$60,000, a tax credit is applied based upon a formula, which calculates the amount by which the property taxes exceed a percentage of income. A tax limit is specified for each income level and property owners receive a credit in the amount exceeding the limit specific to their income level.¹⁹⁹

¹⁹⁴ Ibid.

¹⁹⁵ Ibid.

¹⁹⁶ Habitat for Humanity International Office of Governmental Relations & Advocacy. (2016). Home investment partnerships program (HOME). *Habitat for Humanity*. Retrieved from <https://www.habitat.org/sites/default/files/fact-sheet-home-investment-partnerships-program.pdf/>

¹⁹⁷ U.S. Department of Housing and Urban Development. (n.d.). Family of sites. *USA GOV*. Retrieved from <https://www.hud.gov/>

¹⁹⁸ Maryland Department of Assessments and Taxation. (n.d.). Homeowners’ property tax credit program. *Maryland Department of Assessment and Taxation*. Retrieved from <https://dat.maryland.gov/realproperty/pages/homeowners'-property-tax-creditprogram.aspx>

¹⁹⁹ Ibid.

Part II: American Indian and Alaska Natives Affordable Housing

The majority of affordable housing support available to American Indian and Alaska Native communities is facilitated through the federal government. Specifically, the Office of Native American Programs at HUD facilitates the following programs outlined in this section:

- Indian Housing Block Grant Competitive Grant (IHBG) Program
- Indian Housing Block Grant Program (IHBG) Program
- Indian Community Development Block Grant (ICDBG) Program
- Section 184 Home Loan Guarantee Program
- Title VI Leveraging Program
- Tribal Housing and Urban Development – Veteran Affairs Supportive Housing (HUDVASH) Program
- Native Hawaiian Housing Programs

8) Indian Housing Block Grant Competitive Grant (IHBG) Program

The Indian Housing Block Grant Competitive Grant (IHBG) program, authorized under Title I of the Native American Housing Assistance and Self-Determination Act of 1996, provides eligible Indian tribes and tribally-designated housing entities (TDHEs) with grants to develop, maintain, and operate affordable housing on Indian reservations.²⁰⁰

9) Indian Housing Block Grant (IHBG)

The Indian Housing Block Grant (IHBG) program, authorized under the Native American Housing Assistance and Self-Determination Act of 1996, is a formula grant that provides eligible Indian tribes and TDHEs with grants to develop housing under the Indian Housing Program, support housing services to eligible households, strengthen crime prevention and safety, and model activities that study approaches to address challenges related to affordable housing.²⁰¹

The FY2020 President's Budget requests \$600 million for Indian Housing Block Grants.

10) Indian Community Development Block Grant (ICDBG) Program

As part of the aforementioned CDBG program, the Indian Community Development Block Grant (ICDBG) provides grants to help develop viable American Indian and Alaska Native communities with decent housing, a suitable living environment, and economic opportunities, primarily for low and moderate-income persons.

The FY2020 President's Budget does not request funding for ICDBG.

²⁰⁰ U.S. Department of Housing and Urban Development. (n.d.). Family of sites. USA GOV. Retrieved from <https://www.hud.gov/>

²⁰¹ Ibid.

11) Section 184 Home Loan Guarantee Program

Established in 1992, the Section 184 Home Loan Guarantee program is a home mortgage product for eligible American Indian and Alaska Native households. The HUD Office of Loan Guarantee ensures Section 184 home mortgage loans made to American Indian and Alaska Native borrowers, which ensures the lender that the debt will be repaid in full in the event of a foreclosure.²⁰²

The FY2020 President's Budget requests \$3 million in funding for Section 184.

12) Title VI Leveraging Program

The Title VI Leveraging program is a source of financing that HUD offers to eligible Indian tribes and TDHEs. Eligible entities may use the financing to build and rehabilitate affordable housing, build infrastructure and community facilities, prepare architectural and/or engineering plans, and fund financing costs.²⁰³

13) Tribal Housing and Urban Development–Veteran Affairs Supportive Housing (HUDVASH) Program

The Tribal HUD-VASH program provides rental assistance, permanent homes, and supportive services to American Indian and Alaska Native veterans who are experiencing or at risk of experiencing homelessness.²⁰⁴

14) Native Hawaiian Housing Programs

The Native Hawaiian Housing Programs support affordable housing for American Indians, Alaska Natives and Native Hawaiians residing in Hawaii. The specific programs include Native Hawaiian Housing Block Grant and Section 184A Native Hawaiian Housing Loan Guarantee.²⁰⁵

The FY2020 President's Budget does not request funding for Hawaiian Programs.

In addition to these programs, American Indian and Alaska Native non-profit organizations and tribes lobby to ensure that the needs of the population are consistently given due focus. For example, there is a House Bill on the table that would increase NMTC focus on underserved communities and Indian Country. This Bill, the Aiding Development of Vital Assets in Native Communities and Environmental Acts of 2019 (H.R. 3664), would require the CDFI Fund to create an outreach program for low-income communities with disproportionately low investment from CDEs, including the addition of NMTC application questions that determine whether CDEs intend to invest in Indian country and to the "maximum extent practicable", ensuring that at least one CDE with a primary mission in Indian Country receives allocations each NMTC round.²⁰⁶ Through efforts like this, the American Indian and Alaska Native communities ensure that housing is an opportunity for all citizens

²⁰² Ibid.

²⁰³ Ibid.

²⁰⁴ Ibid.

²⁰⁵ Ibid.

²⁰⁶ Novogradac. (2019, July 19). House bill would increase NMTC focus on underserved communities, Indian country. *Novogradac*. Retrieved from <https://www.novoco.com/news/house-bill-would-increase-nmtcfocus-underserved-communities-indian-country> Accessed 3 August 2019

Appendix 4: Estimates and Assumptions Related to the Analysis of Needed Units and Economic Benefits

Table 1: Distribution and Supply of AHUs

Year	Geographies where AHU to be constructed					AHU Built	Aged AHU to be replaced	Net new AHUs Added to Supply	AHU Supply
	Toronto	Southwest Ontario	Southeast Ontario	Near-North Ontario	Northern Ontario				
0	0	0	0	0	0	0	619	0	5,086
1	463	204	114	1,260	159	2,200	89	1,492	6,578
2	463	204	114	1,260	159	2,200	89	2,111	8,689
3	463	204	114	1,260	159	2,200	89	2,111	10,800
4	463	204	114	1,260	159	2,200	89	2,111	12,911
5	463	204	114	1,260	159	2,200	89	2,111	15,022
6	463	204	114	1,260	159	2,200	89	2,111	17,133
7	463	204	114	1,260	159	2,200	89	2,111	19,244
8	463	204	114	1,260	159	2,200	89	2,111	21,355
9	463	204	114	1,260	159	2,200	89	2,111	23,466
10	463	204	114	1,260	159	2,200	89	2,111	25,577
Total	4,630	2,038	1,143	12,601	1,588	22,000	1,509	20,491	

Assumption: (1) New AHUs to be built in proportion to current geographic distribution of AHUs (Toronto = 21%, southwest Ontario = 9%, southeast Ontario = 5%, near-north Ontario = 57%, northern Ontario = 7%); (2) Aged units are replaced before new units are built

Table 2: Persons affected by the supply of new AHUs

Year	Net new AHUs added to supply (households impacted)	Current AHU waitlist (no new demand)	Core housing need pop. (constant growth)	Adults impacted by net new supply of AHU	Minors impacted by net new supply of AHU	Total impacted by net new supply of AHU
0	0	3,901	20,747	0	0	0
1	1,492	2,409	21,240	2,984	1,492	4,476
2	2,111	298	21,733	4,222	2,111	6,333
3	2,111	0	22,226	4,222	2,111	6,333
4	2,111	0	22,719	4,222	2,111	6,333
5	2,111	0	23,212	4,222	2,111	6,333
6	2,111	0	23,705	4,222	2,111	6,333
7	2,111	0	24,198	4,222	2,111	6,333
8	2,111	0	24,691	4,222	2,111	6,333
9	2,111	0	25,184	4,222	2,111	6,333
10	2,111	0	25,677	4,222	2,111	6,333
Total	20,491			40,982	20,491	61,473

Assumption: (1) Newly-built AHUs to be provisioned to Indigenous households in core housing need; (2) Households are assumed to consist of 2 adults and 1 minor; (3) Waitlist of 83 per ISHP.

Table 3: Direct economic costs and employment associated with AHU construction

Year	Units built (new and replacements)	AHU construction expenditures (\$MM)	AHU construction jobs (FTE)	Construction multiplier (additional spending)	Additional jobs (FTE)	Total economic impact (\$MM)	Total jobs created (FTE)
0	0	0	0	0	0	0	0
1	2,200	\$682.3	5,717	\$354.8	3,168	\$1,037.2	8,885
2	2,200	\$737.2	6,177	\$383.4	3,423	\$1,120.6	9,600
3	2,200	\$737.2	6,177	\$383.4	3,423	\$1,120.6	9,600
4	2,200	\$737.2	6,177	\$383.4	3,423	\$1,120.6	9,600
5	2,200	\$737.2	6,177	\$383.4	3,423	\$1,120.6	9,600
6	2,200	\$737.2	6,177	\$383.4	3,423	\$1,120.6	9,600
7	2,200	\$737.2	6,177	\$383.4	3,423	\$1,120.6	9,600
8	2,200	\$737.2	6,177	\$383.4	3,423	\$1,120.6	9,600
9	2,200	\$737.2	6,177	\$383.4	3,423	\$1,120.6	9,600
10	2,200	\$737.2	6,177	\$383.4	3,423	\$1,120.6	9,600
Total	22,000	\$7,317.5	61,310	\$3,805.1	33,975	\$11,122.6	95,285

Assumption: (1) Each \$180k in construction spending supports 1 FTE; (2) Each \$122k spending in broad economy supports 1 FTE; (3) Economic multiplier in Ontario construction industry is 1.52x; (3) Replacement AHUs cost \$250k while new AHUs are \$300k in south Ontario and \$360k in north Ontario.

Table 4: Recidivism and incarceration channels

Year	Released from custody	Would reoffend w/o AHU	Re-offend with AHU	Reduced custody pop.	Recidivism cost savings (\$MM)	Adults granted AHU	Would be incarcerated w/o AHU	Incarcerated with AHU	Reduced incarceration pop.	Incarceration cost-savings (\$MM)
0	-	-	-	-	-	-	-	-	-	-
1	1,232	228	182	46	\$13.1	1,752	263	10	253	\$4.8
2	1,232	228	182	46	\$13.1	2,990	449	17	431	\$8.2
3	1,232	228	182	46	\$13.1	2,990	449	17	431	\$8.2
4	1,232	228	182	46	\$13.1	2,990	449	17	431	\$8.2
5	1,232	228	182	46	\$13.1	2,990	449	17	431	\$8.2
6	1,232	228	182	46	\$13.1	2,990	449	17	431	\$8.2
7	1,232	228	182	46	\$13.1	2,990	449	17	431	\$8.2
8	1,232	228	182	46	\$13.1	2,990	449	17	431	\$8.2
9	1,232	228	182	46	\$13.1	2,990	449	17	431	\$8.2
10	1,232	228	182	46	\$13.1	2,990	449	17	431	\$8.2
Total	12,230	2,280	1,824	456	\$130.6	28,662	4,299	167	4,132	\$78.9

Assumption: (1) Adults just-released from custody have priority in queue for AHU and are all assumed to be in core housing need; (2) After just-released population's demand for AHU is met then the remaining supply provisioned to the general population in core housing need; (3) Recidivism rate (2-year period after release) is 37%; (4) Recidivism rate decreases by 20% when homeless are given housing; (5) Average tenure for those that reoffend is 2.5 years; (6) Average annual cost of incarceration is \$114,587; (5) 15% chance of homeless to be incarcerated; (0) Indigenous incarceration rate is 584/100k.

Table 5: Employment and schooling channels

Year	Adults granted AHU	Would be employed w/o AHU	Employed with AHU	Increased employed pop.	Lifetime earnings benefit (\$MM)	Minors housed in AHU	Would finish HS w/o AHU	Finish HS with AHU	Increased HS graduate pop.	Lifetime HS earnings premium (\$MM)
0	-	-	-	-	-	-	-	-	-	-
1	2,984	533	1,611	1,078	\$388.5	1,492	351	1,223	872	\$174.4
2	4,222	754	2,280	1,526	\$550.0	2,111	496	1,731	1,235	\$247.0
3	4,222	754	2,280	1,526	\$550.0	2,111	496	1,731	1,235	\$247.0
4	4,222	754	2,280	1,526	\$550.0	2,111	496	1,731	1,235	\$247.0
5	4,222	754	2,280	1,526	\$550.0	2,111	496	1,731	1,235	\$247.0
6	4,222	754	2,280	1,526	\$550.0	2,111	496	1,731	1,235	\$247.0
7	4,222	754	2,280	1,526	\$550.0	2,111	496	1,731	1,235	\$247.0
8	4,222	754	2,280	1,526	\$550.0	2,111	496	1,731	1,235	\$247.0
9	4,222	754	2,280	1,526	\$550.0	2,111	496	1,731	1,235	\$247.0
10	4,222	754	2,280	1,526	\$550.0	2,111	496	1,731	1,235	\$247.0
Total	40,982	7,319	22,131	14,812	\$5,338.7	20,491	4,815	16,802	11,987	\$2,397.4

Assumption: (1) Employment rate of homeless Indigenous is 17.9% and if not homeless is 54.0%; (2) If homeless Indigenous is otherwise given AHU then they would earn half the average Indigenous wage and the benefit accrues over 20 years.

Table 6: Public services costs of homelessness

Year	Adults granted AHU	Adult annual cost of homelessness	Adult lifetime cost of homelessness	Minors housed in AHU	Minor annual cost of homelessness	Minors lifetime cost of homelessness	Minors in foster care without AHU	Minors in foster care with AHU	Reduced foster care pop.	Foster care savings (\$MM)
0	-	-	-	-	-	-	-	-	-	-
1	2,984	\$145.4	\$1,044.4	1,492	\$58.2	\$417.8	730	104	626	\$34.8
2	4,222	\$205.8	\$1,477.7	2,111	\$82.3	\$591.1	1,032	148	884	\$49.2
3	4,222	\$205.8	\$1,477.7	2,111	\$82.3	\$591.1	1,032	148	884	\$49.2
4	4,222	\$205.8	\$1,477.7	2,111	\$82.3	\$591.1	1,032	148	884	\$49.2
5	4,222	\$205.8	\$1,477.7	2,111	\$82.3	\$591.1	1,032	148	884	\$49.2
6	4,222	\$205.8	\$1,477.7	2,111	\$82.3	\$591.1	1,032	148	884	\$49.2
7	4,222	\$205.8	\$1,477.7	2,111	\$82.3	\$591.1	1,032	148	884	\$49.2
8	4,222	\$205.8	\$1,477.7	2,111	\$82.3	\$591.1	1,032	148	884	\$49.2
9	4,222	\$205.8	\$1,477.7	2,111	\$82.3	\$591.1	1,032	148	884	\$49.2
10	4,222	\$205.8	\$1,477.7	2,111	\$82.3	\$591.1	1,032	148	884	\$49.2
Total	40,982	\$1,997.4	\$14,344	20,491	\$799.0	\$5,737.5	10,018	1,434	8,584	\$477.5

Assumption: (1) The lifetime cost on public services (not including jail) of a homeless person is \$350k; (2) The cost of homelessness of minors is 80% of that of adults not inclusive of foster care costs; (3) Average tenure in foster care is 24 months at a monthly cost of \$2,318; (4) Homeless Indigenous minors have 48.9% chance of entering foster care and 7.0% chance if not homeless.

Appendix 5: Three Options for the Development of an Indigenous-led, Ontario-wide Body to Oversee the Implementation of Indigenous Housing

1) An Overarching Indigenous Administrative Body

Through a province-wide Indigenous housing support group, Indigenous housing providers can see their networks, partnerships and opportunities expanded, while finding savings through economies of scale at the local level. A province-wide body could focus on developing policies with ministries that allow for savings at all levels of government, while focusing on results for housing providers and improving services to Indigenous Ontarians. A provincial administrative body would be perfectly positioned to work with local housing providers to develop links with industry, federal departments, provincial ministries, municipalities, Friendship Centres and educational institutions. It would provide a single point of contact to share best practices and expertise from across the province with different housing providers. It could develop much needed training resources for local housing providers while saving costs, as those providers may not have the same level of expertise and investments in such resources would come at a great expense. These resources would then let local housing providers focus on their primary issues at hand: serving their tenants and local stakeholders. They would also allow for trends and policy options to be more effectively recognized and developed. And while government goals would be met in doing so, it would also help local providers meet the needs of their tenants and stakeholders more effectively, rendering every dollar invested into social housing more effective at creating positive outcomes for all those involved.

2) An Ombudsman

The current system of overseeing supply and administration of Indigenous social and affordable housing, as mentioned, is fraught with inconsistencies throughout. Exacerbating the situation is the fact that only a small portion of the required fiscal resources are currently being dedicated to address the need and demand. The majority of Indigenous housing providers speak of desperate ways to keep their doors open. Some of these providers have no employees, which makes it even more difficult, if not impossible, to maintain a well-managed operation. Planning becomes a luxury when boards and managers do not have long term financial strategies to base their operations on. High level figures for support such as the \$40 billion announced in the National Housing Strategy are published, but the structures and the administrative allocation processes reaching the ground level become a Gordian knot. Relationships between Indigenous housing providers and municipal service managers suffer when information is inadequate or inaccurate.

An Office of the Ombudsman could be set up to provide an avenue for housing providers to receive support and solutions for issues that are affecting their ability to provide services. The Office of the Ombudsman would require semi-judicial authority in order to reach resolutions.

3) A Hybrid

An organization with a mandate as outlined in Option 1, inclusive of the authority within the existing provincial system to identify and address issues of allocation, management and fiscal distribution, could be established. In all the options identified above, it is assumed that these organizations and roles would be Indigenous-led and operated.



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