

## MÉTIS NATIONAL COUNCIL

The Métis National Council (MNC) represents the historic Métis Nation in Canada at the national and international level. At a regional level, the Metis Nation is represented through democratically elected, province-wide Governing Members who come together to form the MNC. The Metis Nation's homeland includes the three Prairie provinces and goes into part of Ontario, British Columbia, the Northwest Territories and the northern United States. The Metis people constitute a very significant proportion of the overall Aboriginal population in all areas of the Metis Nation homeland. This is especially true "off-reserve" where Metis account for approximately one half of the Aboriginal population from Ontario westward

The Government of Canada cannot purport to address housing issues of the Aboriginal peoples of Canada without including the Metis or addressing the housing conditions of Aboriginal people off reserve. Without wishing to detract in any way from the dire housing needs of First Nations people living on reserve, the Government of Canada must be reminded that Metis are the fastest growing segment of Canada's Aboriginal population and that, while our housing problems may differ significantly from First Nations on-reserve, the historical impoverishment of our people and the legacy of colonialization means that a disproportionately high percentage of Metis households live in "core housing need". In the Metis Nation homeland, Metis households accounted in 2001 for 38.6% of off-reserve Aboriginal households in core housing need, and the proportion was closer to 50% in the three Prairie Provinces. Based on CMHC data, over 20,000 Metis households are in core need in this region – about one in every five Metis households.

Currently, 70.7% of Canada's Aboriginal population lives off -reserve. This proportion is likely to grow in the years ahead as Aboriginal demographic growth continues to exceed the Canadian average, as the effects of the two-generation rule (Bill C-31) begin to manifest themselves, as the number of persons reporting Metis ancestry and identity increase, and as more band members leave reserves for economic opportunities off-reserve. The *Aboriginal Housing Background Paper* prepared by the Government of Canada concedes that very significant disparities exist in the housing conditions of Aboriginal compared to Non-Aboriginal Canadians off reserve<sup>1</sup>. The MNC accordingly calls on the Government of Canada to develop and implement an Aboriginal Housing Strategy, in partnership with the representatives of the Aboriginal peoples of Canada, which would address both on reserve and off-reserve housing needs.

In this paper, the MNC outlines what the main elements of that Strategy should be for the Metis Nation. We begin by presenting a brief summary of the main housing problems facing Metis, and then elaborate the four core issues identified by the Housing Round Table Planning Committee before presenting a general design of an off-reserve housing strategy for Metis people.

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<sup>1</sup> Aboriginal Housing, Background Paper, September 23, 2004.

## **Review of Metis Nation Housing Situation**

Shelter is a basic human need; but housing is a commodity. The ability to access adequate and suitable housing is as a consequence largely linked to income. Metis, as other of the first peoples of this country, have known a history of marginalization and impoverishment as they were overcome by settler societies. The Royal Commission on Aboriginal Peoples described the Metis reality in Canada as one where they were once powerful and self-sufficient brokers in the fur trade to being forced in an existence of being 'road allowance people' within a few generations. This on-going effects of this history is the persistence of low-income levels within a very high proportion of our overall population. Persistent and hard to eradicate poverty is the fundamental cause of most of our housing problems.

Across the Metis Homeland, close to 60% or better of self-identifying Metis adults live on less than \$20,000/annum (before tax). Household income figures do not capture the full extent of the disparity between Metis and Non-Aboriginal populations owing to the relatively large proportion of mixed Aboriginal/Non-Aboriginal households: Non-Aboriginal partners tend to increase household income. Individual income is the better indicator of the true level of income disparities between Metis and the mainstream population. The poorest households tend to be households where both spouses are Aboriginal, single parent Aboriginal households, and one-person non-family Aboriginal households. This is a reflection of the lower individual income of Metis and other Aboriginal people generally.

Low income levels translate into higher incidence of affordability problems: the lower the income the more likely is the individual or household, as the case may be, to have to spend more than 30% of gross income on shelter. This is compounded in many larger urban centres by the high cost of housing, both rental and homeownership, and by shelter costs rising faster than income. All of this dramatically affects the total wellness of families as there is no money left for other necessities of life such as medical or educational needs.

For those in subsidized housing paying 30% of gross family income there is no incentive to improve their situation as they are penalized for every additional dollar they earn to the point of being forced out of their home. Market caps should be established, especially in rural areas..

It also translates in fewer Metis households becoming homeowners, particularly in urban areas, where housing costs are higher. Fewer can afford or can qualify for the down payment on a house – and more remain renters as a result. Metis low-income households are more likely to be tenants, despite the fact that in many areas of the country, it is now cheaper to own than to rent. Low-income households are forced to pay high rents for what are often in fact sub-standard accommodations, because they continue to be considered high-risk by CMHC and mortgage lenders generally. For those most in need, the only recourse is slum housing or homelessness. It is not surprising therefore that over 1/3 of Metis tenant households are in core housing need.

Of those who do become homeowners, one in ten are in core housing need, due above all to affordability problems, at least in urban areas. In rural and remote areas, adequacy and

suitability problems are more pronounced. The high cost of home maintenance discourages homeownership for those on modest incomes, and is prohibitive for low-income households. For example, in the Rural and Native Housing Program, it was not unusual for homeowners to return to rental tenure just to ensure that the home in which they resided was fixed, because they did not have the resources to maintain the house themselves.

A second consequence of the commodity nature of housing is that housing supply is primarily driven by the price of housing. Housing price and housing or construction costs are two different things. In many parts of Canada, including most of the rural and remote communities where Metis, First Nations and Inuit people often form the majority of the population, construction costs exceed the market value of the home that is to be built. There are several reasons for this: the absence of a true housing market (which only exists in the larger population centres), the high costs of importing construction materials (which increases construction costs) and the requirement to meet building and environmental codes, standards and regulations developed for serviced-land in southern Canada (which both increase construction costs and prevent innovation). There is a strong case to be made to use innovation and creativity in the application of building code requirements. In addition, provinces have artificially held down market rents through their very low shelter payments thus discouraging any private rental investment. The consequence is that the private housing market cannot be relied upon to provide housing in these non-market and low-market areas. Mortgage lenders do not normally lend in these areas without excessive loan guarantees; those who do build find that their home has next to no equity value once the mortgage is paid off. Hence, housing can become a liability instead of an asset. High construction costs, coupled with the usually higher maintenance costs of housing in rural and remote areas, discourage even higher income households from building their own home and make it impossible for those on low or modest incomes to do so. Consequently, public investment has traditionally been necessary to provide adequate, suitable and affordable housing in these areas and to maintain the existing housing stock. Provinces should be encouraged by the federal government to increase rental rates into the \$550 per month range.

Public investment was also very important in alleviating the housing problems of those most in need in housing market areas. From 1944 to 1993, CMHC social housing programs created a housing stock of some 636,000 units, the bulk of which were rented to low-income households on a rent-geared-to-income (RGI) basis. Some 11,000 units were built under the Urban Native Non-Profit Housing Program and 23,000 units under the Rural and Native Housing (RNH) Program. The MNC does not have any data on the number of Metis households that are presently in social housing, but we estimate that approximately 40% of Urban Native Non-Profit Housing units and about 30% of RNH units in Western Canada are occupied by Metis, while Metis would also constitute a smaller but nonetheless significant proportion of tenants in existing public and non-profit housing units of mainstream programs. There is no doubt that thousands of Metis households rely on the existing social housing stock to provide them with affordable housing.

The effect this has had on reducing the number of Metis households in core need has never, to the best of our knowledge, been calculated, but is likely not negligible. Anecdotal evidence suggests that, were it not for social housing, the percentage of Metis households in

core housing need would be an estimated 10% to 20% higher than it is at the present time. We expect this number could also grow significantly in the future due to the impact of Bill C-31.

The MNC is acutely concerned with what is happening to this existing social housing stock. In 1993, the Government of Canada ceased making new commitments under CMHC social housing programs, except for on reserve housing. At the same time, it sought to transfer its social housing portfolio to the provinces, an offer which most provinces in Western Canada accepted. This signaled a federal withdrawal from social housing, which, though justified on jurisdictional grounds, was in fact motivated by the need to reduce the federal budget deficit.

Eliminating new social housing commitments in fact had a relatively modest impact on the federal budget deficit because the bulk of CMHC's annual \$2 billion in social housing expenditures was made up of contractual subsidy obligations to the existing social housing stock. For most social housing programs, subsidies are tied to the amortization period of the mortgage; this is true of both direct mortgage subsidies and operating subsidies. Consequently, any real reductions in CMHC social housing expenditures will in fact only be realized as mortgages under social housing programs, including Urban Native Non-Profit and RNH housing, are retired. This is already beginning to occur and will accelerate in the next ten to twenty years to the point that, if nothing changes, by the 2030's CMHC's social housing expenditures will dwindle to zero.

Conventional wisdom holds that once a mortgage is paid off, social housing costs fall to levels that prevailing rents may sustain. This is not the case. Social housing units, such as the Urban Native Non-Profit units, are targeted to those most in need. In Winnipeg, for example, social assistance recipients make up 80% of Urban Native Non-Profit Housing tenants; the province has fixed the maximum shelter component of welfare in Winnipeg for a mother with one child at \$285/month, with two children at \$310/month and so on, to a maximum of \$397/month. Mortgage repayments, which reflect construction costs of 20, 25 and 30 years ago, are in fact by now a minor part of the social housing subsidy, at least for non-profit housing. While mortgage payments are fixed costs, operating and maintenance costs have risen over the years and as units' age, and are now the most important cost component of social housing units. If operating subsidies to existing Urban Native Housing units in Winnipeg were discontinued, it is estimated that rents would have to be increased by 50% on average, just to cover operating costs, taxes, insurance, maintenance, and administration. Current tenants could not afford to remain in these units.

Social housing will be thrown into crisis as federal subsidies are withdrawn. Affordable housing for those most in need is in danger of disappearing. This will have dire consequences for all Aboriginal people off reserve, including Metis. It would indeed be ironic to renew social housing commitments while leaving units go in the existing portfolio: the net effect might well be negative. It is therefore imperative for the federal government to commit to subsidizing operating and maintenance expenditures of existing social housing units targeted at Aboriginal people, even after mortgage retirement. At the same time, provinces should be asked to increase the shelter component of welfare to more reasonable levels.

Action must be taken to preserve the existing social housing stock even as we move to deal with the serious backlog in social housing commitments. The elimination of new social housing commitments in 1993 did not eliminate the need for more social housing. Aboriginal persons on waiting list for Urban Native Non-Profit housing units in Winnipeg number in the thousands; for native RNH units in Manitoba, over 600. Given the limited supply of social housing units, problems of over-crowding have begun to emerge in existing social housing units as people crowd into available units. Adequacy has also become a problem as units age and owing to under-funding of maintenance and renovation budgets and replacement reserves.

The federal government's Affordable Housing Initiative (AHI) is no alternative to social housing. To begin with, it is not targeted at those most in need, but rather is premised on the "helping hand" approach targeting a minority that just needs a little help to become more self-sufficient. Like the Homelessness Initiative, the AHI is not, at any rate, reaching Aboriginal people, owing to the manner in which the program is being managed and delivered. There may be a place for programs such as the AHI, and with some modifications, it could actually be of assistance to Metis and other Aboriginal people. However, affordable housing initiatives can never replace the need for social housing. Although social housing was clearly never intended as an entitlement program, this cannot justify not building any new social housing at all. Social housing commitments must be reinstated.

### **Core Issues**

The following summarizes the MNC's position on the core issues identified by the Roundtable Planning Committee.

#### ***1. Jurisdiction***

As stated in the MNC's Position Paper of April 19, 2004, the Metis housing sector is one sector where the federal government must play a lead role – otherwise nothing gets done.

It has been and remains the longstanding position of the MNC that the federal government has jurisdiction and responsibility with respect to the Metis Nation by virtue of section 91(24) of the Constitution Act, 1867. With this jurisdiction comes an obligation to act.

In addition, the MNC categorically rejects the notion that Metis are an exclusive provincial responsibility or that provincial jurisdiction over housing prevents the federal government from taking a leadership role in funding housing programs for Metis. For example, the on-going federal investment in the Aboriginal Human Resource Development Strategy, in light of the labour market agreements entered into with most provinces, flies in the face of this type of jurisdiction situation being used as an excuse as a practical matter.

Finally, irrespective of the on-going federal positioning vis-à-vis 91(24), federal investment in off-reserve Aboriginal housing is fully justified and well within the federal government's constitutional spending power.

For the Metis Nation, the key concern is the recognition of Metis governance structures in the implementation of any new Aboriginal Housing Policy. This means

- that there must be a Metis-specific funding stream for any new Aboriginal housing initiatives off-reserve;
- that funds should flow through the recognized governance structures of the Metis Nation; and
- that the administration and management of any new Aboriginal Housing initiatives for Metis must be placed with the governance structures of the Metis Nation – not provincial governments or pan-Aboriginal decision-making bodies. The MNC calls for a direct “government-to-government” relationship between the federal government and the MNC and its Governing Members in the development and implementation of a Housing Strategy for Metis people which would be enabled through the MNC’s proposed framework agreement which was tabled with the Prime Minister on April 19<sup>th</sup>, 2004.

The MNC categorically rejects integrating any new Aboriginal Housing initiatives to the Urban Aboriginal Strategy (UAS) or the use of UAS-like delivery mechanisms for these initiatives. UAS approaches have been and continue to be a complete failures for the Metis Nation. These models are unaccountable and continue to be a waste of valuable resources that could be integrated into well-established Metis authorities.

If the federal government continues to unilaterally push for a UAS approach and fails to hear the sentiment echoed from all three Aboriginal peoples with respect to the need to recognize the diversity of First Nation, Inuit and Metis peoples – it will be abundantly clear that these policy discussions were nothing more than a costly sham.

The MNC calls on the federal government to ensure any new Aboriginal Off-Reserve Housing Initiatives have a Metis-specific component that are directed through Metis Housing Authorities. Most of the MNC’s Governing Members already have years of experience in operating such housing agencies. The MNC supports the establishment of or enhancement of existing provincially-based Metis Housing Authorities throughout the Metis Homeland.

The MNC recognizes that provincial/municipal authorities have a vital role to play in providing road access and serviced land for any new Aboriginal housing initiatives and in integrating developments to regional plans. Provinces may also wish to make funding contributions to the initiatives. However, these funding contributions should “top-up” federal contributions – under no circumstances should federal contributions be made dependent on provincial cost-sharing.

The federal government will have to assume a lead role in negotiations with provinces to determine exactly what the provincial role will be in this proposed regime.

## 2. *Housing Supply*

Normally, the private market can be relied upon to provide housing. There are three areas where this is not the case and where government intervention is as a consequence required:

Provision of adequate, suitable and affordable housing for those most in need: relying on the private market to house those most in need is tantamount to relying on the “trickle down” effect, where those on lowest incomes occupy the worst and hence cheapest housing or are not housed at all (i.e. the homeless). Only the public sector can build and maintain housing for the lowest income groups that ensures adequate, safe and suitable accommodations for these households.

Provision of housing in non-market or low-market areas where construction cost exceed market value of the homes being built: in these areas, the public sector must support construction and maintenance of housing owing both to higher construction and maintenance costs and to the lack of a private housing market.

Preserving and maintaining the existing social housing stock: without public intervention – particularly the continuation of operating subsidies. There is a real danger that the existing social housing stock will revert to market housing, by being either sold off or transformed into market rent units.

The MNC accordingly calls on the Government of Canada:

To introduce new commitments under a new Métis Urban Non-Profit Housing Program to increase the supply of affordable, adequate and suitable rental housing units in urban housing market areas to be delivered by Métis Housing Authorities. As a starting point accept the RCAP number of 2200 units per annum until a more accurate number can be established. Completing a Métis Registry would assist in this matter.

To develop and implement a new Metis Rural and Remote Housing Program designed to provide new housing in non-market and low-market areas in order to reduce core housing need in rural and remote communities

To ensure the continuation of operating subsidies to the existing stock of Urban Native Non-Profit Housing units and RNH units and to take measures necessary to restore the quality of these units to acceptable standards.

To introduce a Métis Student Housing Program to assist Métis students and encourage higher education.

To examine ways of artificially creating and stimulating a housing market so that Métis families can pass on an asset to their children as do other Canadians.

Owing to the high cost of maintaining a house in rural and remote areas, the MNC believes that the Government of Canada must focus primarily on increasing the stock of

affordable, publicly subsidized rental housing in these areas. Low-income households cannot sustain the high cost of maintaining home ownership.

### **3. *Housing Quality***

The MNC considers it important for the Government of Canada to take steps to reduce the incidence of adequacy and suitability problems of the existing housing stock for Metis households. To this end, the MNC recommends that the Government of Canada:

- a) move to restore the existing stock of RNH units to acceptable standards;
- b) enhance funding to the RRAP and ERP programs and modify their eligibility rules to enable more Metis households to access these programs
- c) target a reasonable proportion of RRAP and ERP funds specifically for Metis households and ensure that these funds be administered directly by Metis Housing Authorities rather than the provinces
- d) expand renovation funding assistance to enable more construction of new additions to cope with suitability (over-crowding) issues
- e) provide assistance specifically to deal with the issues of water quality, land servicing and structural repair of homes owned by Metis people and,
- f) provide new housing accommodation and construction especially targeted to disabled Métis and seniors.

The National Building Code and environmental regulations seriously increase home construction costs in rural and remote communities. The MNC calls on the Government of Canada to initiate a thorough review of building regulations in rural and remote areas. CMHC, the National Research Council and Aboriginal partners should conduct this review jointly.

### **4. *Housing Affordability (Home Ownership and Rental)***

#### **Rental**

The MNC calls on the Government of Canada to introduce a Métis Rent Supplement program to reduce the number of Metis renter households in core housing need due to affordability problems (i.e. paying more than 30% of gross household income on rent and utilities). Also the 30% figure should have a market cap on rent in order to encourage the working poor to aspire to better paying jobs without severe penalty of punishing rent levels. This also affects the total wellness of a family by preventing access to proper health services and educational opportunities for their children.

The MNC calls on the federal government to initiate discussions with provinces to significantly revise upwards the shelter component of welfare to enable low-income households to access accommodations at median market rents for the family size concerned

The management and delivery structure of the Homelessness Initiative must be reviewed with a view to ensuring that the program is actually delivered to Aboriginal people (which is not the case at the present time). Metis Housing Authorities should have primary responsibility for delivering this program in urban areas to Métis people, not some non-descript pan-Aboriginal groups..

More transitional housing must be built in core areas of Western Canadian urban centres to provide shelter for the growing numbers of homeless Aboriginal people in these cities. A long-term strategy of capital investment, supported by long-term commitments to capacity building and operating costs of transitional housing, must be put into place to deal with this problem. The transfer of ownership, appropriate subsidies, and administration of existing RNH and Urban Native housing portfolios to 'Métis Housing Corporations' should be initiated. This step would disentangle us from provincial administration and duplication.

### Home Ownership

The MNC calls on the Government of Canada to designate a significant proportion of the funding of the Affordable Housing Initiative to Aboriginal people off-reserve, within which there should be a Metis-specific envelop to be managed and delivered through Metis Housing Authorities. As presently managed and delivered, the program is not reaching Metis people.

- i. Up-front capital grants under the AHI for northern residents must be increased to allow greater access by low-income households. At the same time, the program must be revised to take into account the ongoing maintenance costs associated with home ownership. Note on AHI Inequity: up to \$50,000 grants in the south are used to bring apartment rents down to a modest level including all utilities. However, \$50,000 grants in the north are expected to generate affordable payments for single family construction excluding utility costs. There is substantial inequitable treatment here for urban renters versus northern residents.
- ii. Encourage Métis homeownership

### Towards a Metis Housing Strategy

In April 2004, the MNC called for the development of a Metis Housing Strategy to address the housing needs of our people. These Round Table discussions provide an opportunity to move forward in developing such a strategy.

Our starting point should be the RCAP Report. In 1997, the Royal Commission recommended the implementation of a 10-year strategy to address the housing needs of Aboriginal people off-reserve and called for the renewal of social housing commitments along the lines the MNC is proposing. The analysis and recommendations made in the RCAP Report are still cogent today.

The MNC believes that the following principles which should guide the formation of a Metis Housing Strategy:

- 1) Public sector interventions in housing should be targeted to those in need
  - a. The Strategy must focus on providing adequate, suitable and affordable housing to those Metis households most in need (low-income households, the working poor, and the homeless). New social housing commitments under a Métis Urban Housing Program and for Métis Housing in Rural and Remote areas and capital investments in transitional housing for the Métis homeless must be cornerstones of the strategy. The AHI does not replace the need for new social housing commitments.
  
- 2) The Strategy must be developed on a nation-to-nation, government-to-government basis between the Métis Nation and the Government of Canada. It is unacceptable for programs to be developed and managed on a unilateral basis by the federal government. Nor should programming be delivered through the provinces, municipalities or pan-Aboriginal bodies, which would circumvent the governing structures of the Metis Nation. Programs should be managed and delivered by building upon the existing infrastructure of MNC structures and establishing formal Metis Housing Authorities who are accountable to their people through Métis locals
  
- 3) The Strategy must focus on producing results and closing the “gap” between Metis and Non-Aboriginal Canadians
  - a. The Strategy must generally focus on reducing the number of Metis households in core housing need. The objective should be to close the “gap” between Metis and Non-Aboriginal Canadians in this regard. However, the precise measurement of these gaps must be discussed with the Government of Canada and must be designed with care and ingenuity.
  
- 4) The Strategy must be sustained and long-term and be implemented at a minimum over a ten-year period
  - a. The Strategy cannot be implemented over-night, nor should it be expected to produce results over-night. In line with the RCAP recommendations, the MNC would call on the Government of Canada to implement the Strategy over a 10-year period.

5) The Strategy must be adequately funded

- a. All elements of the Strategy must be adequately funded, based on a realistic appraisal of need and the costs of meeting program objectives to impact these needs. Funding levels must be periodically reviewed as new data becomes available.

6) Economic spin-off effects should benefit the Metis and other Aboriginal peoples

The RCAP Report pointed to the significant economic spin-offs of new social housing construction on Aboriginal communities. Every effort must be made to ensure that spin-off's of the Metis Housing Strategy benefit Metis above all.

7) The Strategy must be delivered by Metis institutions and developed in partnership with the Government of Canada