

Expanding Your Housing Options

Financing for First Nations Communities



Housing Investments in First Nation Communities

Atlantic Policy Congress of First Nations Chiefs Sec.

September 2011 – All Chiefs and Councils Assembly

Dartmouth – Nova Scotia

About the Fund...

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

...About the Fund

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

How does the Fund support investments?

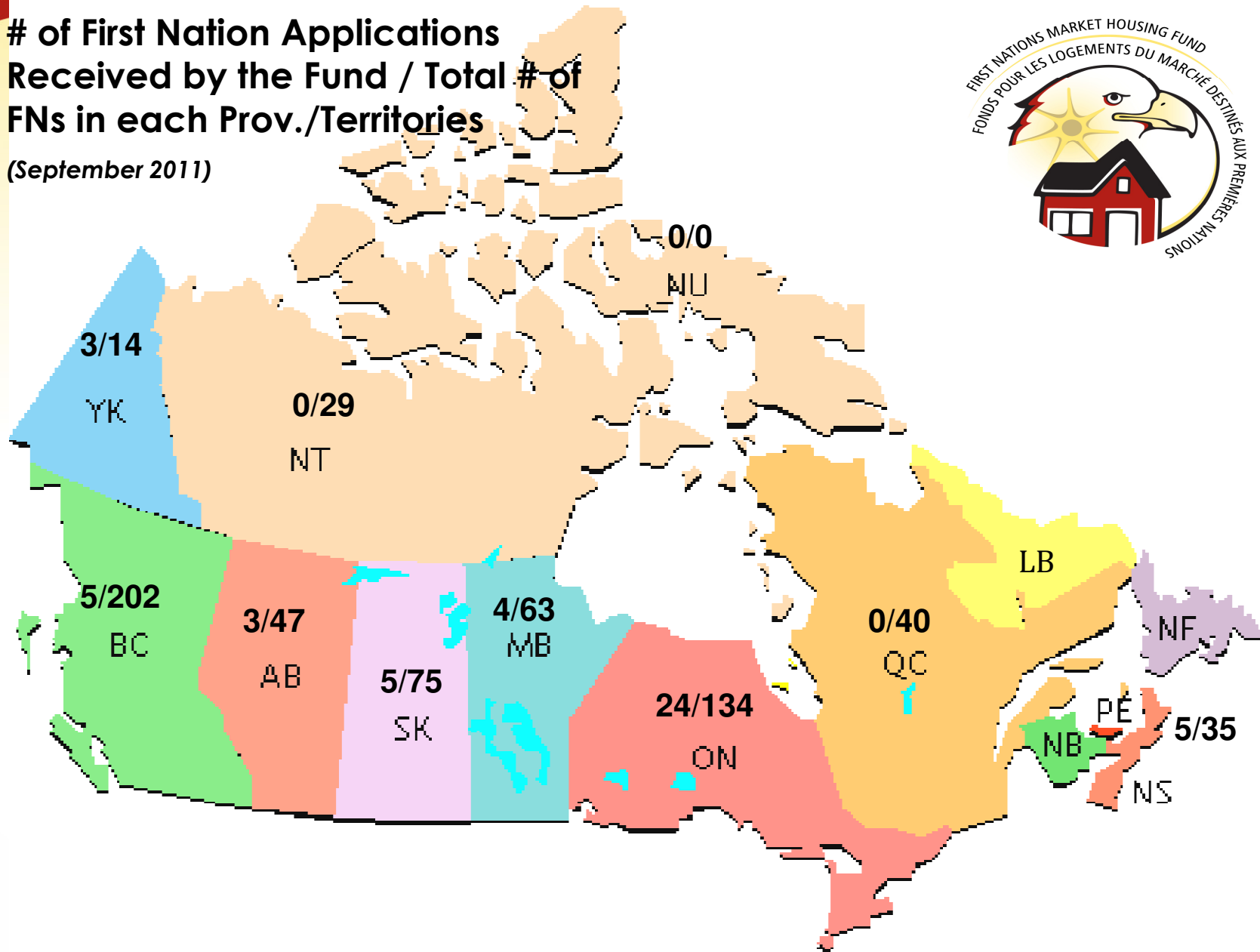
- 10% backstop for housing loans – credit enhancement
- Leverage to negotiate with lenders:
 - lower interest rates
 - reduced program access fees
 - risk-sharing
 - administrative arrangements
- Capacity Development - initiatives jointly identified and eligible costs are covered by the Fund

Success to Date

- 49 applications received from First Nations
- 18 applications approved for Credit Enhancement and Capacity Building
- 16 First Nations approved for Capacity Development only
- 6 lenders approved to participate across Canada

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

(September 2011)



First Nations announced for Credit Enhancement as at September 1, 2011

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

Profile of First Nations approved to date

- \$118 million of housing investment over 5 years – 19 First Nations
- Homeownership contemplated in all – plus some with renovations, rentals, elders and foster homes
- Rural, remote, urban First Nations
- Small to medium size populations – a few hundred to a few thousand

Benefits of Market-Based Housing

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

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Access Criteria

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

Capacity Development Program

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

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Atlantic FN - CD Support

- Financial Training for FN Staff-Auditing Consultant Firm
 - Reconciliation of housing payments with process controls
 - Customized Housing ACCPAC Training
 - Changes to Job responsibilities
- Support for Accredited Training of FN Staff:
 - AFOA Course Tuition Fees – 2 Staff working towards CAFM
- Arrears Management process and system workshop –
 - Multi-community - 4 First Nations – Travel Support
- Emerging Leadership Rebuilding – National Centre for FN Governance
- Updating and creating new Housing Policies –The Housing Policy Says
 - Interactive workshop
 - Common Property Management Issues
 - Enhancing existing Housing Policies
- Accounting I and II – Cape Breton University

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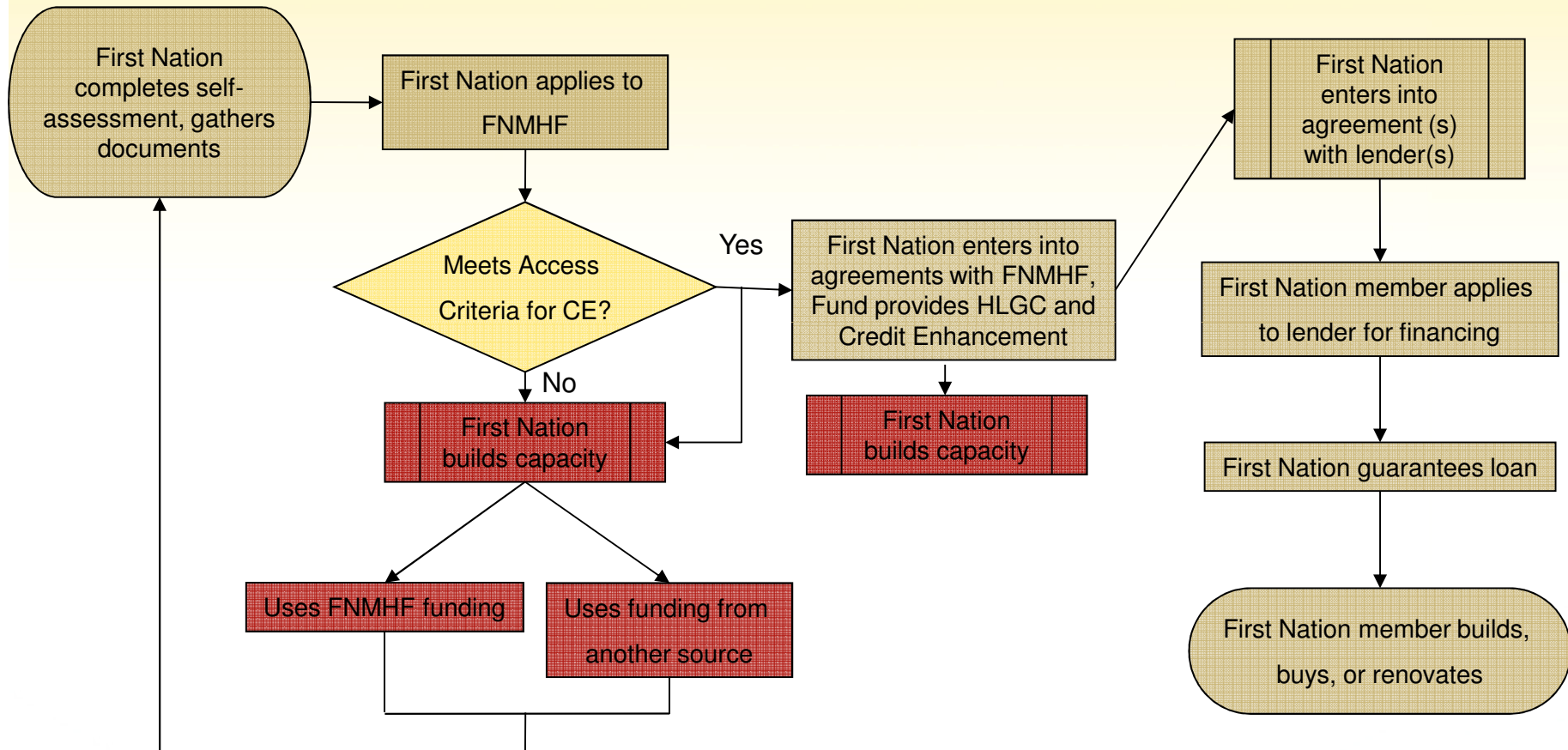
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How is Capacity Development implemented?

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

OVERVIEW



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Participating Lenders in Atlantic Region

- **Bank of Montreal**
 - Contact: Stephen Fay
 - Email: stephen.fay@bmo.com

- **Peace Hills Trust**
 - Contact: Tony Shirt
 - Email: tony.shirt@peacehills.com

Changing Environment – good governance a key element.

- FNMHF tests the FN readiness for Market based approach through our 12 Access Criteria.
- FNMHF goes beyond the policy creation down to policy implementation and support e.g. - we pay for community member level information sessions.
- Securing Lenders with our Credit Enhancement or mortgage loan insurance – opens relationships for other kinds of financing.

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Benefits to First Nation

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

FN Housing Relations - Atlantic

How FNMHF continues to reach out to Atlantic FN -

- Continue to be involved in all APC forums with information booths, accept all opportunities to speak.
- Report regular Fund Updates to APC.
- Atlantic chapters of AFOA, - Demystifying the FNMHF Application Process workshop for Band Managers
- APC Hosted Housing Workshops – Tradeshow, three Housing Forums over last three years
- Accept all First Nation invitations.

Summary of FNMHF Approach

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



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