

Minister of
Families, Children and
Social Development



Ministre de
la Famille, des Enfants et
du Développement social

Ottawa, Canada K1A 0J9

Mr. Charles Robert
Clerk of the Senate
The Senate of Canada
Ottawa ON K1A 0A4

Dear Mr. Robert:

Pursuant to subsection 12-24 of the *Rules of the Senate of Canada*, please find enclosed two copies, in both official languages, of the Government Response to the Standing Senate Committee on Aboriginal Peoples report, entitled "*We Can Do Better: Housing In Inuit Nunangat*" for tabling in the Senate.

Please accept my best regards.

Yours sincerely,

The Honourable Jean-Yves Duclos, P.C., M.P.

Enclosures: 2

CLERK OF THE SENATE

2017 JUL 19 PM 12 55

GREFFIER DU SENAT

Canada

The Honourable Lillian Eva Dyck
Committee Chair
Standing Committee on Aboriginal Peoples
The Senate of Canada
Ottawa ON K1A 0A4

Dear Senator:

On behalf of the Government of Canada, Minister Bennett and I are pleased to respond to the Fifth Report of the Standing Senate Committee on Aboriginal Peoples, entitled *We Can Do Better: Housing in Inuit Nunangat*, which was tabled in the Senate on March 7, 2017.

The Government would like to thank the Committee for its efforts in preparing the report and examining this very important issue. The Government appreciates the time and expertise that the many witnesses shared with the Committee over the course of its study. The report and its recommendations are timely and provide us with an excellent opportunity to think critically about innovative ways of responding to the unique needs and housing challenges in northern Indigenous communities.

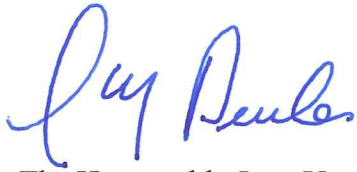
No relationship is more important to Canada than the one with Indigenous Peoples. The Government is committed to a renewed relationship with Indigenous peoples that is based on recognition of rights, respect, co-operation, and partnership. As one of its top priorities within this renewed relationship, the Government of Canada is committed to supporting Inuit organizations and governments, as well as other Indigenous groups, in co-developing strategies to improve housing outcomes in northern and Inuit communities.

The Government is also committed to a renewed partnership with provinces and territories to ensure that the unique housing needs of communities across Canada can be met. Housing is by nature local, and actions need to be tailored to local conditions. By working together towards common goals, we can achieve better housing outcomes for all Canadians.

The Government largely supports all of the recommendations and highlights actions we are already taking or plan to take in order to address these issues. All Canadian families and children deserve a real and fair chance to succeed. We remain committed to working collaboratively with Indigenous and provincial and territorial partners to ensure that all Canadians have access to adequate and affordable housing.

.../2

Sincerely,

A handwritten signature in blue ink, reading "JY Duclos". The signature is fluid and cursive, with the first letters of the first and last names being capitalized and prominent.

The Honourable Jean-Yves Duclos, P.C., M.P.
Minister of Families, Children and Social
Development

A handwritten signature in blue ink, reading "Carolyn Bennett". The signature is fluid and cursive, with the first letters of the first and last names being capitalized and prominent.

The Honourable Carolyn Bennett, P.C., M.P.
Minister of Indigenous and Northern Affairs

GOVERNMENT RESPONSE TO THE STANDING SENATE COMMITTEE ON ABORIGINAL PEOPLES'
FIFTH REPORT ENTITLED
WE CAN DO BETTER: HOUSING IN INUIT NUNANGAT

INTRODUCTION

Indigenous and northern households continue to suffer among the worst housing outcomes in Canada. Poor housing conditions have been linked to poor health and social outcomes and continue to contribute to a lack of employment and overall prosperity in northern and Inuit communities. This is unacceptable and a priority for all of us. There is broad recognition that housing is a critical component to economic and social security, and we remain steadfast in our commitment to improving housing outcomes for Canadians most in need.

Housing is a shared responsibility in Canada. We all have a role to play in addressing housing challenges. The federal government is supporting provincial, territorial and Inuit government efforts to improve housing outcomes.

CURRENT APPROACH

Budget 2016 included significant investments in housing for the federal government in supporting affordable housing. New investments of \$177 million over two years were provided to help address pressing housing needs and higher costs in northern and Inuit communities. These investments were a key first step as long-term solutions continue to be discussed with Indigenous leaders and provinces and territories.

Budget 2016 included other significant housing investments that are benefitting northern and Indigenous households. With a doubling of the amount provided under the Investment in Affordable Housing (\$504 million), provinces and territories have additional funds to address critical gaps within their jurisdictions. The \$574 million set aside for the renovation and repair of existing social housing, \$201 million for seniors, and \$90 million for shelters is also contributing to better housing outcomes, including in the north.

Also in 2016, the Government embarked on cross-country consultations to develop a National Housing Strategy for Canada. During the consultations, special attention was paid to identifying key challenges and opportunities, and potential long-term solutions, for northern and Indigenous housing. What we heard was that there is a need to develop distinct First Nations, Métis, and Inuit housing strategies that are founded in principles of self-determination, reconciliation, respect and cooperation. There is a strong commitment from INAC and CMHC to co-develop these plans with Indigenous leaders and to find long-term solutions that will improve housing outcomes and promote greater Indigenous control of housing.

THE WAY FORWARD

The Government is committed to a renewed relationship with Indigenous Peoples that is based on recognition of rights, respect, co-operation, and partnership. As a top priority within this renewed relationship, the Government of Canada is committed to co-developing targeted strategies in partnership with Indigenous organizations and governments, and with the involvement of provinces and territories, to improve housing outcomes in northern and Inuit communities.

The Government is proud of the progress being made through the permanent bilateral mechanisms announced by the Prime Minister in December 2016. For example, the launch of an Inuit-Crown Partnership Committee (ICPC) in February 2017 is helping to advance joint work on key issues, such as housing. There is also ongoing, collaborative work with First Nations and Métis leaders on housing. There is no relationship more important to the Government than the one with Indigenous peoples.

The launch of a new Ministerial Working Group in February 2017 further demonstrates the Government's commitment to working with Indigenous leaders, youth and expert on legal and policy questions pertaining to laws and policies that impact Indigenous peoples. Chaired by the Minister of Justice, this Working Group will help ensure the Crown is meeting its constitutional obligations with respect to treaty rights, international human rights standards and supporting the implementation of the Truth and Reconciliation Commission's Calls to Action.

The Government is also making significant investments to respond to pressing housing needs in northern and Indigenous communities. In Budget 2017, the Government set aside \$4 billion in long-term funding for infrastructure in Indigenous communities and committed to working in partnership to co-determine how this funding should be applied. This is in addition to the \$11.2 billion in new housing investments announced under the National Housing Strategy to build, renew and repair Canada's stock of affordable housing. The NHS vision is to ensure that all Canadians have access to adequate housing that meets their needs and they can afford, and will prioritize funding for Canadians in greatest need, including Indigenous peoples.

Of the \$11.2 billion in new housing investments over 11 years announced in Budget 2017, \$300 million will be provided to territorial governments to help offset the higher cost of construction in the north and \$225 million will help housing providers maintain affordability and improve conditions of existing social housing serving Indigenous households located off-reserve. A new \$5 billion National Housing Fund will also be launched. The Government also committed to preserve CMHC's baseline funding for social housing. The use and renewal of these funds will be determined over the next year and will be incremental to the investments under the NHS.

A renewed partnership with provinces and territories is central to the successful delivery of Canada's National Housing Strategy. As housing needs vary greatly by community, the Government is committed to working with provinces and territories to ensure that the unique needs of communities all across Canada can be met. Budget 2017 includes approximately \$3.2 billion over the next 11 years to support provinces and territories to address key priorities for affordable housing in their jurisdictions.

We recognize that new investments are only part of the equation for improving Indigenous and northern housing conditions. The federal government and federal funding alone cannot resolve this situation and this is why collaboration with our partners is paramount. In addition, innovation in housing design and development, housing management capacity; developing skills and capacity in housing management and building science; as well as tools and flexible programming across the housing continuum are also critical. In addition, with new investments

announced in Budget 2017, the Government will be strengthening housing-related research and supporting new data analysis

With regard to the Committee's recommendations, the Government is committed to taking specific action. We have highlighted the actions we are taking, or will be taking, in response to each of the recommendations in four key areas: (I) New Solutions for Northern Housing, including Predictable, Long-Term Funding; (II) Supporting a Variety of Housing Options in Inuit Nunangat; (III) Encouraging Innovation, Research and Technology to Support Resilient Housing; (IV) Removing Barriers to Support Better Housing Outcomes.

I. New Solutions for Northern Housing, including Predictable, Long-Term Funding

Recommendation 1: That the CMHC work with other federal departments, and the relevant provincial, territorial and Inuit organizations, to develop a funding strategy for northern housing. This funding strategy should address concerns about declining funding under social housing agreements and provide adequate, predictable, stable and long-term funding for housing in the Northwest Territories, Nunavut, Nunavik and Nunatsiavut.

Recommendation 2: That the CMHC work with Inuit organizations in the Northwest Territories, Nunavik, and Nunatsiavut to ensure funding for Inuit housing is provided directly to those organizations, where appropriate.

Recommendation 13: That the CMHC, in collaboration with Indigenous organizations and other relevant partners, ensure that the proposed national housing strategy include a specific strategy to address the housing challenges in northern Indigenous communities located in the Northwest Territories, Nunavut, Nunavik and Nunatsiavut.

On February 9, 2017 the Government of Canada signed a joint Declaration with Inuit leaders to advance shared priorities, including housing. An Inuit-Crown Partnership Committee (ICPC) has been launched to monitor and report on progress. The ICPC will provide oversight for joint work to identify and develop long-term housing solutions in Inuit Nunangat. CMHC is a member of the housing working group of this committee, which is co-chaired by INAC and ITK.

The Government will also be working with Indigenous leaders over the coming year to determine funding allocations for the \$4 billion set aside in Budget 2017 to build and improve housing, water treatment systems, health facilities and other community infrastructure in Indigenous communities. In addition, the National Housing Strategy will provide predictable, long-term federal funding, including additional funding to provinces and territories, which can support the housing needs in Inuit Nunangat.

The Government also recognizes that Indigenous governments and organizations have a right to self-determination and that some capacity support and collaboration may be required to help address housing needs within their communities. As such, ongoing discussions between the federal government and Indigenous leaders are focused on ways to increase Indigenous delivery and control of housing.

Towards this objective, the Government of Canada provided Budget 2016 funding for housing directly to Inuit land claim holders in Nunavik, Nunatsiavut and the Inuvialuit Settlement Region. This direct funding approach respects the principles and intent of a renewed Inuit to Crown relationship. Expenditures in fiscal year 2016-17 focused on the purchase and shipping of materials for the next summer's sea lifts to prepare for the upcoming 2017-2018 construction season. There are also longer term benefits that can be achieved by increasing Inuit construction capacity and fostering closer coordination and collaboration between all parties, including provinces and territories.

CMHC and INAC, in collaboration with other federal partners, are undertaking these activities which, taken together, offer many opportunities to consider different models and ways to improve housing outcomes in Inuit Nunangat.

These targeted investments will supplement the significant annual funding provided through the Territorial Formula Financing, an annual unconditional transfer provided to the territories to enable them to provide their residents a range of public services, including housing, comparable to those offered by provincial governments, at comparable levels of taxation. In 2017-2018, the TFF will provide a total \$1.23 billion to Northwest Territories and \$1.53 billion Nunavut. In addition, long-term federal funding is provided to Nunavik and Nunatsiavut related to Canada meeting its obligations available through existing land claim agreements.

II. Supporting a Variety of Housing Options in Inuit Nunangat

Recommendation 4: That the CMHC provide sufficient funding to northern housing authorities to permit the construction and operation of additional transitional housing options based on community needs.

Recommendation 6: That the CMHC, in co-operation with the relevant provincial, territorial and Inuit housing authorities, explore ways to support homeownership, such as co-operative and cohousing ownership, home buy-back and grant programs, that are suited to community needs in the Northwest Territories, Nunavut, Nunavik and Nunatsiavut.

The Government is committed to supporting a continuum of housing options to address different housing needs and markets across Canada. As part of the Investment in Affordable Housing (IAH), transitional and supportive housing and homeownership programs are eligible activities that are currently supported by provinces and territories. However, funding levels have to provide further insights into ways of supporting homeownership in the north.

CMHC and INAC will continue to work with the territories and Indigenous representative organizations and governments to identify ways of removing barriers and improving opportunities for homeownership in the north. This could include, for example, exploring ways of facilitating access to mortgage loan insurance, direct lending and other financing tools to support homeownership opportunities, where feasible and financially viable.

The Government recently launched two new initiatives that will help spur innovation and provide more housing options for Canadians. The \$200 million Affordable Rental Innovation Fund is helping to encourage new funding models and innovative building techniques that will help create up to 4,000 new affordable units across Canada over the next 5 years. The Government is also offering \$2.5 billion in low-cost loans through a new financing initiative that is expected to support the construction of more than 10,000 new rental housing units across Canada.

The National Housing Strategy itself will help better align efforts of governments, the private sector and community groups, and streamline processes to achieve better results. It will encourage collaboration and investment in housing, promote innovation and new approaches, and help achieve better housing outcomes and options for Canadians.

Recommendation 7: That the CMHC continue to provide funding to Habitat for Humanity's Indigenous Housing Program.

As a founding partner for Habitat for Humanity's Indigenous housing program, CMHC provided in kind contributions and personnel support during the program's initial launch. The program's unique approach of providing interest-free loans in exchange for volunteer work, has enabled a number of families to become homeowners, including in Iqaluit. The program has also successfully provided more employment opportunities for Inuit youth. For example, in 2017 through the Carter Project, construction will commence on one Habitat for Humanity project in Iqaluit in 2017. CMHC is committed to working with Habitat for Humanity and other partners to explore ways of further supporting the program across Canada.

III. Encouraging Innovation, Research and Technology to Support Resilient Housing

Recommendation 8: That the CMHC allocate a portion of the Affordable Rental Housing Innovation Fund specifically to the development of alternative housing options in communities in the Northwest Territories, Nunavut, Nunavik and Nunatsiavut.

The goal of the Affordable Rental Innovation Fund is to encourage new funding models and innovative building techniques that will stimulate new construction in the rental housing sector. The Fund is not geographically-based, but is merit-based according to established criteria, which includes minimum standards for energy efficiency and accessibility.

CMHC is actively working with partners to identify innovative projects in northern and Inuit communities. An Innovation Lab has also been established within CMHC to help incubate new proposals. The Lab provides access to technical resources and input for projects that have great potential but aren't quite ready for funding. With support from the Lab, projects are further refined and prepared for a future funding request to the approval committee.

Recommendation 9: That the CMHC work with relevant federal departments and appropriate housing agencies in order to develop a coordinated strategy for government research and development into northern housing.

The Government is committed to coordinating research and development on northern housing and there are some key activities already underway.

CMHC currently participates in an Ad-Hoc Northern Technical Research Committee in collaboration with National Research Council (NRC), Natural Resources Canada (NRCan), INAC, and POLAR Knowledge Canada (POLAR) to share information and develop joint opportunities for research. A key next step for this committee is a Northern Housing Forum planned for January 2018 which will bring together federal, territorial, provincial, Indigenous and northern stakeholders.

A key deliverable from this committee has been the launch of a joint initiative among CMHC, NRCan and NRC to develop and support energy efficient ventilation technologies for northern housing. As a part of this, new technologies are being developed and tested in laboratory settings by NRCan and NRC to be later field tested by CMHC in northern communities. Ventilation research is also being undertaken at the Canadian High Arctic Research Station in Cambridge Bay supported by Polar Knowledge, NRC, and CMHC.

With new investments announced in Budget 2017, the Government will be strengthening housing-related research and supporting new data analysis. The products of this work will include more design and demonstration projects that involve experts and key stakeholders, such as the Northern Sustainable Housing project undertaken by CMHC in collaboration with federal, territorial and Indigenous partners.

The Government is also encouraged by best practices and initiatives that have been initiated and delivered by Inuit organizations, such as the Pivallianiq initiative in Nunavik. Pivallianiq is an Inuktitut word meaning a change for the better, and the initiatives has successfully reduced rental arrears and improve housing conditions by instilling tenant pride and incentivizing tenants.

Recommendation 10: That the National Research Council work with the provinces and territories and other stakeholders to develop model building codes tailored to the conditions and limitations of the north.

The federal government through the National Research Council provides the financial, technical and administrative support to develop and maintain the Model National Codes. These model codes form the foundation for the Provincial Government codes which are adopted into law within the Provinces and Territories.

The Government agrees that model building codes tailored to the conditions and limitations of the north are needed. The National Research Council (NRC) is in early discussions with INAC and CMHC on the need for model building codes tailored to the conditions and limitations of northern and Indigenous communities. These discussions will include the conditions under which NRC could participate in these activities.

The NRC is also involved in the Pan-Canadian Framework on Clean Growth and Climate Change to develop and update building codes for both new and existing buildings to meet the net zero ready energy targets established by the Provincial and Federal governments. INAC and CMHC are part of the consultation group on this project.

The NRC Construction Portfolio is also working with Infrastructure Canada to address the effects of climate change on both buildings and core public infrastructure, some of these solutions will be adaptable to the northern communities (e.g., permafrost, wild fire). The NRC staff is also involved with the development and review of Standards Council of Canada's Northern Infrastructure Standardization Initiative (NISI) for northern buildings, including the inclusion/referencing of one of these new standards into the building code.

***Recommendation 11:** That Indigenous and Northern Affairs Canada reinstate the Climate Change Adaptation Program to provide funding to help Indigenous communities minimize the impacts of climate change.*

The Climate Change Adaptation Program ended in 2016, but was replaced by two new distinct programs announced in Budget 2016.

The First Nation Adaptation Program provides \$25.4 million over five years to First Nation communities located below the 60th parallel to assess and respond to climate change impacts on community infrastructure and emergency management.

The Climate Change Preparedness in the North Program funds \$21.78 million over five years in climate change adaptation projects in Yukon, Northwest Territories, Nunavut, Nunavik and Nunatsiavut.

The decision to replace the previous national program with two new programs was based on a requirement to better adapt program delivery to the specific regional needs of communities below and above the 60th parallel. Additional funding to both of the programs was announced in Budget 2017 to target key climate change priorities.

These two programs represent an increased funding commitment for climate change and a more responsive approach to supporting Indigenous communities in minimizing impacts than under the previous Climate Change Adaptation Program.

IV. Removing Barriers to Support Better Housing Outcomes

***Recommendation 3:** That Fisheries and Oceans Canada amend the Fee Schedule to exempt all Nunavik communities from marine navigation services fees.*

The Canadian Coast Guard agrees with the Committee's recommendation and will expand the exemption of marine services fees to vessels re-supplying the seven Nunavik communities mentioned in the report.

Recommendation 5: That the Treasury Board Secretariat, in consultation with other federal organizations and Inuit governments, take immediate steps to review and expand the Isolated Posts and Government Housing Directive's eligibility criteria to include local Inuit employees, where appropriate.

Locally-hired Government of Canada employees (those who already reside in the isolated posts prior to being hired) are subject to the *Directive* (including its allowances and benefits) and are eligible to apply for government housing if they do not already own a residence. As such, local Inuit Government of Canada employees are already included in the current directive and may request to be considered for government housing based on the priorities outlined in the *Directive*.

The *Directive* is co-developed at the National Joint Council with the bargaining agents responsible for the collective agreements of employees in the Core Public Administration. Changes to the *Directive* are co-developed through a cyclical review process between the employer side and the bargaining agent side. The latest review was recently completed and the new directive became effective on March 1, 2017.

The purpose of the *Directive* is to facilitate the recruitment and retention of staff delivering government programs in isolated locations within Canada. Government housing is only provided where it is necessary for the delivery of government programs to combine an employee's place of work and residence or for the employee to live at the job location OR where no suitable living accommodation is available in the vicinity. Federal Government departments responsible for delivering programs in isolated locations determine their program needs with regards to government housing as specified in the *Directive* and apply the *Directive* accordingly.

Recommendation 12: That the CMHC ensure that a greater number of young Inuit from Nunavut, Nunatsiavut, Nunavik and the Inuvialuit Settlement Region participate in the Housing Internship Initiative for First Nations and Inuit Youth.

The Housing Internship Initiative for First Nations and Inuit Youth (HIIFNIY) has been in place for more than two decades. Until recently, the program has had a fixed budget of \$1 million annually and demand has exceeded available funds.

With incremental funding provided through Budget 2016, CMHC has successfully expanded the program to provide an additional 79 internships in the north, 62 of which were for Inuit youth. This trend of a greater proportion of Inuit youth participating in HIIFNIY is expected to continue as a result of changes we have made that target Inuit youth specifically. This includes the removal of the wage cap of \$10 per hour and reaching out to new types of sponsors in the north.

With further investments from Budget 2017, this increased capacity will facilitate more youth to enter the job market and pursue long-term employment in the housing sector. CMHC also increased the funding per internship from \$8,000 to \$12,500, which provides better

compensation to attract and support new interns. CMHC has also committed to a new survey to follow-up with interns at the completion of their internship, providing the Government with information to help better measure outcomes of this initiative.

CONCLUSION

In moving forward in partnership, and implementing the aforementioned investments and initiatives, the Government of Canada looks forward to building on past successes and lessons learned and facilitating transformational change for Indigenous peoples. Our collaborative work will continue and expand as we embark on new partnerships with Indigenous peoples, including Inuit, to develop concrete strategies that will improve housing outcomes over the long-term.