

CHARGING AND COLLECTING FOR HOUSING IN FIRST NATIONS

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Many First Nation recognize that ...

- The demand for housing assistance exceeds available resources.
- It is challenging to meet financial obligations for housing loans.
- There are insufficient funds to address maintenance and repairs.
- Housing debt impacts other areas of the First Nations' administration.
- The condition of some homes has deteriorated resulting in health and safety hazards and a shorter life expectancy of these homes.

Common Actions Taken by First Nations:

- Limit repairs and renovations to respond only to health and safety issues.
- Stop borrowing money to build new homes.
- Implement new housing policies for occupant selection and tenant related damage in order to reduce/minimize financial loss to the First Nation.
- Change the way occupants share in the cost of their housing such as implementing (or changing) the approach to the occupants' financial responsibilities for housing.

Change the Occupants' Financial Responsibilities by:

- Charging for **all** tenant damage or neglect.
- Charging for service calls (e.g. pump-outs, water delivery, garbage pick-up).
- Implementing or increasing existing payments for use of the home (e.g. rent, maintenance or service fees).
- Increasing occupant payments (rents or fees) on a regular basis.
- Requiring homeowners to pay for their own loans, services calls, repairs, or renovations.

Before Changing the Occupants' Financial Responsibilities, Confirm.....

- The current housing need in your community (is it increasing or decreasing?).
- The annual cost of providing housing and related services.
- How the occupant currently contributes to the cost of housing.
- The revenues that are associated with housing.
- The amount of housing subsidy provided annually for each occupant by your First Nation.
- How this subsidy is funded and planned for.
- If there are ways to decrease the First Nations' operating costs or subsidy.
- How the community perceives the value of housing.

The Decision to Charge or to Increase Payments is Made by your First Nation

When deciding if this is right for your community consider the following questions:

- Will such an approach improve how we address housing needs?
- How will it affect the community (e.g. benefits and impacts)?
- Which programs and services will changes apply to (which tenure of housing and/or which housing services)?
- Will there be any exemptions to this policy?
- How will payments be determined?
- What payment and collection procedures must be included in the policy?
- What consequences will be enforced in the event of non-payment?
- How this will be introduced/phased-in?

Before Adopting a Change Be Sure that your First Nation:

- Identifies the true cost of housing by examining revenue and expenses.
- Confirms how the First Nation currently covers housing expenses and the impact of housing on the entire community.
- Consults and informs the membership on the need to change the approach to housing.
- Develops or amends housing policy, procedures and agreements to support the change.
- Retains sufficient staff to implement and enforce the change.
- Will support the enforcement of the policy.

If Increasing Occupants Financial Responsibility, Consider:

If increasing payments:

- Have payments been increased before? If so when and why?
- What would be a reasonable amount of an increase?
- What would be the negative impact of increasing payments?
- What would be the positive impact of increasing payments?
- How would an increase be introduced and managed?
- How should regular increases be planned and managed?

To Help Influence Change, Inform Leadership and the Membership About:

- The financial value of the housing portfolio and an estimate of annual operating costs.
- Changing demographics in the community which will impact housing.
- The demand for housing such as the number of applications on the waiting list and type of assistance they are looking for.
- The current housing situation and potential risk to the community if concerns are not addressed.

Questions?