

uncertainty regarding their relationship to the land and their homes, makes homeownership impossible.

Similarly, Aboriginal people living across Canada in rural areas and in cities have different housing needs and wants.

In the North, many Northerners cannot afford the prohibitively high cost of housing. Availability and affordability are major problems.

In spite of the differences between the many individuals who spoke to the Committee, one common theme emerged. Existing government programs do not meet housing needs not only because resources are inadequate. In fact many witnesses suggested that if programs were more flexible, resources could be utilized better.

ON-RESERVE

Under the Housing Program, DIAND provides a capital subsidy between \$19,080 and \$46,260 depending on the band's location and economic circumstances to bands for the construction and acquisition of new homes. Funds are also provided for renovation.

Witnesses, including the FSIN noted that the subsidy per unit is not sufficient to build a house to the National Building Code. In Saskatchewan, \$50,000 would be a reasonable figure, \$80,000 in the remote Athabasca region. (*Minutes of Proceedings and Evidence*, Issue No. 23:16)

Witnesses told the Committee that the \$6,000 per unit for renovation is simply not enough. In Kasabonika, in northern Ontario, a 1980 consultant's study indicates that \$818,420 is needed to renovate existing units; there is simply not enough money under the programs to accomplish this. (*Minutes of Proceedings and Evidence*, Issue No. 26A:64)

DIAND funds are allocated annually, with the exception of some First Nations participating in AFA's who receive block funding. First Nations who receive annual allocations are frequently frustrated by DIAND delays. Delays often cost the councils more money. In remote areas, if funds are not received in time it may force First Nations to transport materials by air instead of the winter road, a much more expensive alternative.

Because DIAND's Housing Program is inadequate, many First Nations utilize CMHC's On-Reserve Housing Program to supplement it. Under this program, CMHC provides a subsidy which enables First Nations to reduce the interest rate payable on money borrowed to finance a housing project.

First Nations requiring financing must find lenders, and because reserve land is not mortgageable, lenders require guarantors. Witnesses commented that the process, whereby the Minister of DIAND provides that guarantee, is cumbersome. Some communities experience lengthy delays. The CBA commented that DIAND and CMHC have conflicting requirements which result in added work for the lender and delays for the bands. (*Minutes of Proceedings and Evidence*, Issue No. 26:4) The Canadian Bankers Association (CBA) commented that as a result of decentralization, DIAND policies and procedures vary from Region to Region, thereby causing added difficulties for lenders. There are often delays in obtaining guarantee documentation. The CBA has been trying to resolve difficulties with the ministerial guarantee documentation. Despite negotiations since 1985, issues remain unresolved. (*Minutes of Proceedings and Evidence*, Issue No. 26:5)

The CBA made six recommendations for change:

1. Issue a new straightforward and binding guarantee with related documentation, to be made available on a timely basis.