

# The True Cost of Housing

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# CONSIDER FOR A MOMENT.....

- ▶ What does it cost to build a home in your community?
- ▶ What does it cost to manage a home in your community?
- ▶ What does it cost to *not* manage a home in your community?

# WHAT DOES IT COST TO BUILD A HOME?

- ▶ Consider the average cost to build a 3 bedroom home. These costs are a one time expense and only a part of the true cost of housing.
- ▶ If the home is owned by the First Nation the debt financing is the responsibility of the First Nation.
- ▶ To finance the home the First Nation might:
  - Secure a repayable loan
  - Apply a First Nation contribution, OSR, BBC
  - Qualify for the CMHC Section 95 program
  - Utilize eligible AANDC subsidy

# WHAT DOES IT COST TO MANAGE A HOME?

## Expenses

- ▶ Loan Repayment
- ▶ Insurance
- ▶ Maintenance
- ▶ Repairs
- ▶ Replacement Reserve
- ▶ Contingency
- ▶ Administration

## Revenue

- ▶ Band Contribution
- ▶ Rent or Maintenance Fees
- ▶ CMHC Subsidy (for a Section 95 unit)

# WHEN A HOME IS MANAGED...

The First Nation will be able to:

- ▶ Protect people and property.
- ▶ Balance revenue and expenses.
- ▶ Follow a property management plan.
- ▶ Plan for future housing projects.
- ▶ Increase satisfaction of the occupants, administration, leadership.



# WHEN A HOME IS NOT MANAGED...

The cost of not managing a home can mean:

- Having to use non-housing revenues to cover housing expenses.
- A housing deficit will result when expenses exceed revenue.
- Homes are not maintained to an acceptable standard. Lack of maintenance today becomes costly repairs tomorrow.
- Occupant dissatisfaction.
- Increased stress for staff and leadership.
- Limitations on the First Nations ability to build housing projects in the future.



# HOUSING IS A BUSINESS: WE CAN CHANGE HOW WE DO BUSINESS

The First Nation, as the owner, is responsible to manage and protect their investment in housing:

- ▶ A First Nation can choose to manage housing programs and services as a business.
- ▶ The First Nation could use a non-profit approach to housing; the First Nation offers affordable and suitable housing while balancing revenue and expenses.
- ▶ The occupants can be required to share the responsibilities for housing.

# DEMONSTRATE THE TRUE COST OF HOUSING

**Confirm to the occupant how financial responsibilities will be shared**

- ▶ Use housing agreements that detail costs and obligations.
- ▶ Inform occupants how payments are calculated including the true cost of their housing and how much the First Nation subsidizes housing costs.

**Improve reporting to Chief and Council**

- ▶ Confirm budgets and annual expenses, plan to increase budgets if needed.
- ▶ Confirm staff resources that are required and how this impacts housing.

**Share information with the membership**

- ▶ Consult them to gain support to enforce the policy.
- ▶ Offer sessions, newsletter to confirm the true cost of housing.



# QUESTIONS

The background features abstract, overlapping geometric shapes in various shades of green, ranging from light lime to dark forest green. These shapes are primarily located on the right side of the frame, creating a modern, layered effect against the white background.