

Evaluation of the On-Reserve Housing Program

Evaluation Coverage:

- Both A-base (\$789.5 million) and B-base (approximately \$1 billion) funding from 2016-17 to 2020-21.
- This evaluation focuses exclusively on the ORH program delivered by ISC and does not cover the programs delivered or administered by the Canada Mortgage and Housing Corporation (CMHC).
- Ministerial Loan Guarantees and the Indigenous Homes Innovation Initiative not included given timing of implementation and limited evidence available during the evaluation period.

Evaluation Issues:

- Relevance, effectiveness and efficiency; and crosscutting issues including service transfer, COVID-19 impacts, Gender-Based Analysis Plus, climate change impacts

Evaluation Methodology:

- A survey targeting 1,098 respondents across 588 First Nations with 93 questionnaires completed on the ORH program.
- 57 Interviews with 123 individuals representing First Nations community members, partners and technical organizations, CMHC, as well as ISC staff both at the national and regional levels.
- Focus group with members of an Ontario First Nation community.

Relevance

- While there is a continued need of the ORH program in providing essential services to communities on reserve and they continue to align with federal and departmental mandates and priorities, its relevance is limited as they did not fully meet the needs of First Nations.
- The magnitude of existing and future demands of housing far exceeds the funding available. A few intensifying or emerging factors, including population growth on-reserve, impacts of climate change and COVID-19 and the growing needs of diverse segments of the communities have placed additional pressure on already limited resources.

Effectiveness

- The ORH program has delivered numerous housing projects, which contributed to the achievement of program outcomes and resulted in positive social and economic impacts in the communities; however, the reliability and sustainability of these housing units could not always be ensured. The Capital Facilities and Maintenance Program (CFMP)'s overarching objectives of maximizing the life cycle of assets, mitigating health and safety risks and ensuring assets meet applicable codes and standards were not fully achieved.
- Data availability and reliability remain as issues in project tracking, reporting and capturing asset conditions.

Efficiency

- The asset-focused and project-based approach in program delivery without systemic integration across asset areas has resulted in more administrative burdens on First Nations and lost opportunities to better support communities in addressing their needs and priorities from a whole-of-community lens.
- Cost-efficiency was not achieved due to a lack of more proactive and preventative measures in repairs and maintenance of investments
- Inefficiencies are exacerbated high staff turnover, and the use of lower-quality materials, compromising long-term housing sustainability and effectiveness.

Service Transfer

- While First Nations communities are at different stages in service transfer, the vast majority are not positioned to assume control of their community infrastructure program indicating the importance of meeting the right conditions before taking control, such as addressing existing infrastructure gaps, capacity building, sustainable funding, and strategic planning.

COVID-19 Impacts

- The pandemic exacerbated existing housing challenges on-reserve, including overcrowding, supply chain delays, increased costs, and mental health issues, highlighting the need for improved housing conditions
- COVID-19 revealed the critical link between overcrowding and respiratory illnesses, stressing the importance of "swing space" for isolation and suggesting that more durable, adaptable housing solutions could offer long-term benefits beyond immediate crisis response.

Climate Change

- Climate change is increasingly and negatively impacting housing on-reserve, particularly for remote communities. While housing decisions and designs are determined by First Nations, there is a growing need for support to incorporate infrastructure resiliency into these plans to mitigate climate change impacts.

Gender-Based Analysis Plus

- As the communities have become more diverse, programs have not fully considered the needs of the various segments of the populations on reserve especially youth, singles, senior and those with special needs, disabilities and health issues.



Management Response and Action Plan (MRAP)

Recommendation #1: Better support community-led infrastructure planning and prioritization to meet First Nations' needs.

#1.1 Review and adapt community infrastructure planning processes to better support First Nations in having reliable, sustainable, and community-led infrastructure

Action 1): Advance the initiative to review and modernize ISC's infrastructure policy and funding delivery models that support long-term, whole-of community infrastructure planning in collaboration with First Nations partners. (Q3 2023-24)

Action 2): Update and modernize Operations and Maintenance (O&M) national funding formulas including annual updates to the cost indices to keep pace with inflation. (Ongoing)

#1.2 Explore opportunities to better align program design and implementation with the evolving priorities identified in this evaluation by First Nations to address the unique needs in their communities, which could include health outcomes, climate change, and accessibility.

Action 1): Develop a plan for further collaboration between Regional Operations branches and regions, including First Nations and Inuit Health Branch, to better support health outcomes in First Nation communities. (Q2 2024-25)

Action 2): Integrate climate change mitigation and adaptation considerations and resiliency tools, aligned with ISC's Climate Change Strategy, into project selection decisions and implementation. (Q4 2023-25)

Action 3): Develop a plan that best supports First Nation identified accessibility needs on reserve (TBD)

Recommendation #2: Prioritize or allocate dedicated funding or efforts to areas identified as top needs or gaps by the communities.

#2.1 Conduct an analysis to identify the barriers for communities that are smaller, more remote and with lesser resources in accessing funds.

Action 1): Conduct a review and analysis of existing studies and reports that identify gaps in addressing First Nations' needs, including smaller, more remote communities. (Q2 2024-25)

#2.2 Raise awareness among First Nations that diverse types and sizes of housing units can be built with program funding.

Action 1): Continue to inform First Nations, through regional communication, on the diverse types and sizes of housing that can be built with program funding. (Q2 2024-25)

#2.3 Provide dedicated funding for capacity development activities to support the management and maintenance of community infrastructure and service transfer, including to provide funding for housing managers' salaries

Action 1): Provide funds, including \$157,040,500 over five years, for a Housing Management Subsidy plus an additional \$4.5 million over three years starting in 2024-2025 for training and certification and \$61.5 million over three years starting in 2024-2025 for technical services. (Q4 2026-27)

Recommendation #3: Improve data quality in departmental systems, including to establish clear definitions of the fields and categories used in the Integrated Capital Management System (ICMS) Project Tracking module to help ensure data entry is consistent to improve data quality.

Action 1): Extend the ACRS inspection program to provide data that forecasts future capital investment needs for existing infrastructure and ensures a comprehensive inspection of major components of each asset. (Q4 2025-26)

Action 2): Update ICMS to allow for import and export of the capital investment forecasts from the extended ACRS inspection program and create reports to be generated from ICMS. (Q3 2024-25)

Action 3): Conduct an analysis of the data collected in ICMS – Project Tracking module to determine its reliability and assess information gaps to implement improvements related to data quality and lead a regional standardization business process exercise (tools and practices) in the ICMS – Project Tracking module to ensure a common understanding and usage of the data to improve reliability and the planification and tracking of infrastructure investments. (Q2 2026-27)

Recommendation #4: Implement strategies to mitigate impacts of staff turnover to better support collaboration with First Nations.

Action 1): Review existing human resources, succession and onboarding plans, processes and guides, and develop strategies to ensure new staff have been sufficiently trained to carry out their duties in working with First Nations. (Q3 2024-25)

Action 2): Review communities of practice and other knowledge sharing tools/forums to develop a toolkit to improve collaboration, information sharing and knowledge transfer during staff turnover. (Q3 2024-25)

