



FIRST NATIONS
MARKET HOUSING FUND

BUSINESS PLAN SUMMARY | 2021-2025

LEARNING FROM THE PAST, BUILDING TRUST IN THE PRESENT, CREATING A BRIGHTER FUTURE



THE FUND'S 2021-2025 BUSINESS PLAN AT A GLANCE

Environmental Scan

In early 2020, Canada and the globe were thrust into the COVID-19 pandemic and an altered world. Historic responses were initiated by federal, provincial, municipal, and First Nations governments to address the health and well-being of citizens. To fight the spread of COVID-19, businesses and citizens adopted new ways to respond to restrictions imposed by the pandemic, most notably the transition to a virtual world. Some First Nations across Canada made decisions to restrict access in and out of their communities to protect their citizens from the spread of COVID-19, especially those communities with limited access to health care facilities. The pandemic highlighted gaps in societal and racial inequalities and economic vulnerabilities, in particular the lack of adequate housing in many First Nations communities. Pandemic related restrictions also impacted First Nations businesses with many having slowed or closed completely. Health, travel, and economic challenges continued into 2021, as the first of Health Canada approved vaccines began to be administered in the latter half of December 2020.

In response to the pandemic, the First Nations Market Housing Fund ("the Fund") adopted new ways to remain connected with clients, and to smoothly transition operations and finances to accommodate business processes virtually as staff worked remotely from home. New and refreshed opportunities have also been identified with the completion of the onboarding of a new Board of Trustees in 2020. This includes learning from the past, building trust in the present, and creating a brighter future. Some new

approaches to serving clients with reduced in-person contact have already been implemented and others will be explored further over the 2021-2025 planning period. The Board of Trustees and staff are committed to facilitating access to financing for market-based housing programs. This effort will continue to contribute to the social welfare and civic improvement of First Nations communities enabling citizens to thrive, contribute, and participate to their fullest potential.

Owning a home remains a dream of many Canadians. A home is not just a place of shelter and safety in which to nurture a family. It also represents an opportunity to participate in asset building and generating personal financial leverage through earned equity. Significant gaps in robust market-based housing systems for First Nations citizens living on reserve remain, placing barriers to participation in the homeownership benefits enjoyed by many Canadians. The disparity of opportunity remains an area of focus to be reconciled between Indigenous Peoples and the Government of Canada.

The Fund's offerings align with the Government of Canada's ("GoC") determination to advance reconciliation with Indigenous Peoples to better respond to their priorities, and to better support their plans for self-governance, self-determination, and their ongoing work of Nation building. The GoC has signalled its plan to continue to work with provinces, territories, municipalities, Indigenous Peoples, and business to drive a stronger and more resilient Canada through the pandemic crisis.

On the cover:
Membertou, Nova Scotia

Fund-backed homes:
Long Plain First Nation, Manitoba; Mohawk Tyendinaga Territory, Ontario; Teslin Tlingit Council, Yukon; Cree Nation of Mistissini, Quebec; Seabird Island First Nation, B.C.; Siksika, Alberta

Priorities and Initiatives

The 2021-2025 Business Plan Summary provides an overview of the Board and staff's work to plan the business and activities of the Fund; building upon the momentum and strong foundation left by the founding Trustees. This includes locally driven strategies, performance indicators, and our financial plans. The Fund's Business Plan is organized around four key strategic directions:

In this pandemic era, the Fund must balance being prepared with being flexible and adaptable. Increasing the opportunities for on-reserve market-based homeownership drives both the short-term objectives and long-term intentions of the Fund. Working together with the Trustees, management, staff, and clients, the Fund will be able to safely navigate its commitment to the four key strategic directions.



2021 – 2025 Planned Operational Results

Projected Activity	2019 Actual	2020 Plan	2020 Forecast	2021 Plan	2022 Plan	2023 Plan	2024 Plan	2025 Plan
Applications								
Received	255	20	4	—	5	5	10	10
Cumulative	255	287	259	259	264	269	279	289
Approved First Nations								
CE and CD* <i>(includes CE approved after "Under Review")</i>	111	3	—	1	2	2	5	1
CD Only*	98	15	—	1	3	3	5	1
CE after CD*	7	1	—	7	5	5	5	5
Applications Under Review								
Received	39	1	4	(9)	(5)	(5)	(5)	3
Cumulative	39	49	43	34	29	24	19	22
New Qualified First Nations for Credit Enhancement								
# First Nations	118	4	—	8	7	7	10	6
Cumulative	118	122	118	126	133	140	150	156
Potential # of Units Approved Under the CE Program								
# of Potential Units **	6,742	240	—	480	420	420	600	360
Cumulative	6,742	7,103	6,742	7,222	7,642	8,062	8,662	9,022
Units Approved								
# of New Units	354	254	67	67	73	80	87	97
Cumulative	354	759	421	488	561	641	728	825
Lenders								
# Qualified	12	12	12	12	12	12	12	12



Our Vision remains:

Every First Nation family has the opportunity to have a home on their own land in a strong community.

* As the Fund will focus on approving existing applications under review and identify First Nations approved for CD who are ready for CE, it is expected that the number of CE approvals will increase in relation to those approved for CD. It should be noted that applications received in the last 2 months of the year will not be completely processed until the following year, and therefore added to Applications Under Review.

** Based on actual results to date (inception of the Fund in 2008 - Sept 30, 2020), the average number of potential units that a CE-qualified First Nation anticipates being back-stopped under the CE Program is 60.

MANDATE

The First Nations Market Housing Fund (the “Fund”) is a unique tool developed with input from First Nations communities and organizations across Canada. It was launched on May 5, 2008 with a federal government investment of \$300 million. The Fund is a standalone, long-term, self-sustaining, non-profit trust established to¹:

- “...facilitate the availability of financing for and the accessible supply of Market-based Housing in First Nations communities and help to create the capacity in First Nations communities to become self-sufficient in developing and sustaining the Market-based Housing...”
- “create a platform for long-term change in housing provision and accommodation, leveraging more private-sector financing, progress in stabilizing the backlog in housing, greater housing investment by First Nations themselves and their members, and enhanced housing capacity in First Nations communities.”
- “...move away from a system that depends almost entirely on government subsidies, to a system that provides to First Nations residents the same housing opportunities and responsibilities in their communities as other Canadians.”

Consistent with these objectives, the Fund is successfully establishing the system through which mortgage-based homeownership – where the acquisition, operation, and maintenance of housing is paid for by owners and occupants – is becoming a reality on First Nations reserves and settlement lands.

For more information about the Fund

You can reach the Fund by email, fax, or letter:



**FIRST NATIONS
MARKET HOUSING FUND**

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Ottawa ON K1J 9L8



RECEPTION/MAIN NUMBER:

1-800-582-2808 or 613-740-1592



FAX:

613-740-9932



E-MAIL:

info@fnmhf.ca



WEBSITE:

www.fnmhf.ca

FOREWARD

This is a summary of the 2021-2025 Business Plan that was approved by the Board of Trustees of the First Nations Market Housing Fund and by the Minister for Canada Mortgage and Housing Corporation (CMHC) in accordance with the provisions of Section 18 of the Indenture of Trust.

The Fund submitted one-year Business Plans for the years 2017, 2018, and 2019 at the direction of the CMHC Minister given the ongoing status of the consultations on the National Housing Strategy. It was anticipated that the On-reserve Housing Reform process would be completed enabling the CMHC Minister to provide the Government of Canada’s direction and how it may impact the Fund. This process remains ongoing today. The Trustees returned to a five-year Business Plan for the 2020-2024 period, despite the Indigenous component of Canada’s National Housing Strategy not yet being finalized. The decision to return to a five-year Business Plan was based upon several factors. During 2017 and 2018, the Fund commissioned an independent research project to identify factors affecting the uptake and success of private financing for First Nations homeownership on reserve lands. Based upon the research findings, and in consultation with thought leadership at the 2018 strategic planning session, the Fund undertook a series of regional engagement sessions during 2018 to sharpen the Fund’s focus. This process, rich in content and passion, provided the Trustees with critical factors to consider in key areas relating to continuous improvement, maximizing the take-up of available, unused loan guarantee space, and moving toward increased autonomy and independence of the Fund.

Three new Trustees joined the Board in October 2019. Five additional new Trustees were onboarded in July 2020. The reappointment of the former Chair at the same time completed the complement of nine Trustees. All nine Trustees are First Nations citizens; a commitment the former Board of Trustees secured with the Government of Canada. Following a smooth transition process to inform the new Board of Trustees, the new Trustees considered how the Fund can be reformed to achieve improved and sustained outcomes, and enable the evolution to First Nations’ care, control, and management over the next five-year planning period. The new Board of Trustees is excited about the opportunity before them to contribute to improving the Fund, of making it more autonomous and more responsive to First Nations. The Trustees recognize that they will need to be agile and responsive to the Government of Canada’s direction, and the fluctuating impacts of the COVID-19 pandemic, while still shaping the path for the future.

¹ Excerpted from the March 26, 2008 Indenture of Trust between the CMHC on behalf of the Government of Canada and the Original Trustees.

TABLE OF CONTENTS

9 Executive summary

Who we are

14 Vision

14 Governance

15 Board of Trustees

What we do

16 What is market-based housing?

16 How does the Fund accomplish this?

16 Access criteria

Core services

18 Credit Enhancement Facility

20 Capacity Development

Strategic directions

24 Strategic planning

37 Risk management

EXECUTIVE SUMMARY

Through the Fund's Credit Enhancement Facility, a 10% guarantee provides backing for on-reserve housing loans to build, buy, or renovate individual homes and multi-suite rental units, and will leverage \$3 billion in on-reserve housing investments.

The Fund has successfully established a system through which mortgage-based homeownership – where the acquisition, operations and maintenance of housing is paid for by owners and occupants – is becoming a reality on First Nations reserves and settlement lands.

The Fund respectfully works at the pace of each First Nation within a complex and competitive environment to establish the engagement approach, application processes, supporting programs and relationships needed to build the confidence of First Nations governments, individual community members, and lenders. The Fund has often served as the first experience for many First Nations communities in the concept of market housing. Building the foundation to expand an emerging market-based housing system in First Nations communities is often a multi-year process to build expertise, administration systems, and governance models to prepare themselves for a sustainable homeownership program in which citizens will have confidence to participate in. As at September 30th, 2020, 40% of First Nations across Canada have chosen to participate at their own pace with the Fund's Credit Enhancement Facility and Capacity Development programs. As First Nations build expertise, administration systems, and governance models to prepare themselves for a sustainable homeownership program in which citizens will have confidence to participate in, the Fund is seeing dramatic increases both in practical results and movement towards achieving its ambitious goals.

Housing is an economic driver on multiple fronts. A home is not just four walls – it has a multi-functional role. A home offers safety and shelter, but it also is an economic asset to build a nest egg, and leverage equity. Nation building must include Indigenous Peoples participating in the opportunity to own a home in their community and to create the conditions to benefit from their investment. Although there remains much work to be done in terms of Nation building to support and sustain homeownership opportunities, the good news is that there is a growing recognition that private loan-based financing for homeownership is an approach that can improve the housing situation for a portion of the First Nations population in a timelier manner. Every house that is built or renovated provides multiples of value to the community – freeing up resources for those most in need; providing local economic stimulus; improving living conditions; and inspiring others to aspire to homeownership. The inclusion of homeownership opportunities in communities helps address the rapidly growing First Nations population, desire of young individuals/families to access affordable housing opportunities close to family and their culture, and to build strong personal financial foundations.



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I want to have an impact on people and dream of setting a standard of what we can do as Indigenous People. My dream was to have a home that would make the most of the resources we have, and to make a commitment to live in a home that would last 30+ years to cement my legacy”

– Shawnrae Gabriel

//

We poured our hearts and souls into building this home. It’s our forever home”

– Brandy McCallum



The new Board of Trustees brings a wealth of business experience and new ideas to grow the Fund and take it to the next level, building on the solid foundation achieved by the founding Board. While expressing appreciation for the work of the founding Trustees, the new Board is not satisfied with the status quo. They see a direct relationship between their responsibility for the market-based housing option available with the First Nations’ housing continuum and their contribution to addressing broader housing, reconciliation, and decolonization issues within the First Nations-government relationship. A number of barriers and challenges to overcome have been identified to transition to market-based housing on-reserve, to create greater autonomy of the Fund, and to create on-reserve financing options beyond the Fund’s existing product.

The 2021-2025 Business Plan recognizes the need to continue to build upon the foundation of market-based housing on reserve created by the Fund over the past 12+ years. This includes moving forward with the input received from the 2018 regional engagement sessions and exploring new approaches to reform the governance, products, and service delivery approaches of the Fund, especially during the current altered world of navigating a pandemic. This planning period will build on the Fund’s partnerships with First Nations across the country to exercise self-determination in the care, control, and management of housing on reserve, settlement lands, and urban First Nations communal lands. Relationships with other institutions will be pursued to ensure coordinated efforts to support Nation building and growth in communities in supporting their citizens.

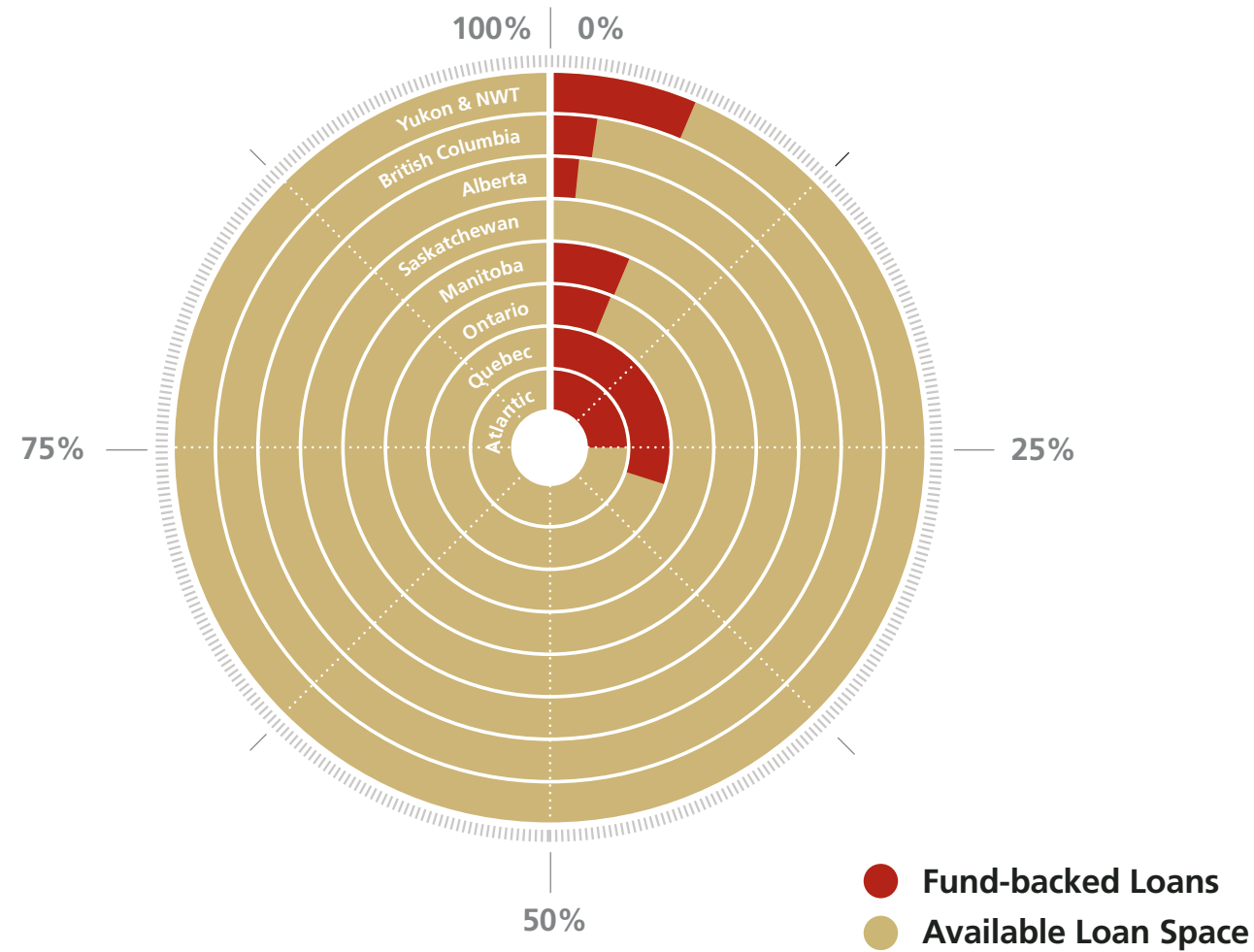
The Fund’s Credit Enhancement Facility provides a backing, in addition to First Nations guarantees, that attracts lenders by offsetting some security issues inherently imposed under the Indian Act. This enables First Nations to leverage favourable financing terms and conditions. For example, interest rate discounts, loan features, and risk-sharing opportunities which typically are not achievable.

The Fund’s principal is used to create the Credit Enhancement Facility. There is over \$989 million in credit that has been approved to borrow against – enough to finance approximately 6,750 home loans (as of September 30, 2020) in 118 First Nations communities. The Fund is doing what it was intended to do with the Government of Canada’s \$300 million contribution. That is to leverage this investment to \$3 billion in additional on-reserve housing investment. The Fund is close to one-third of the way there with an investment of almost \$1 billion in First Nations communities across the country. During the planning period, the Trustees will explore expansion of the Fund’s ability to leverage financing and investment to grow the Fund.

Exploring, developing, educating, implementing, and sustaining a market-based housing system at the leadership, administration, community, and individual level takes time and a prolonged dedicated effort before sustained market-based housing opportunities fully function. A significant contributor to the lag in the take-up of Credit Enhancement already approved for First Nations communities relates to the creation of a market-based housing system in each First Nation. Of the 118 First Nations communities approved for credit enhancement, only 36 First Nations have Fund-backed home loans in their community. Five First Nations initiated Fund-backed loans in their communities for the first time in the first three quarters of 2020.

National Summary

Fund-Backed Loans as at September 30, 2020



During the planning period, the Fund will focus on enhanced measures to support the 118 First Nations approved to access the Credit Enhancement and Capacity Development Program (as of September 30, 2020) in realizing upon and drawing down their credit, rather than actively seeking additional First Nations clients. Unlocking the credit the Fund has approved to its full potential will have an incredible impact on closing the housing shortage gap for those citizens seeking and accessing financing for homeownership with Fund partnering communities – citizens like Shawnrae Gabriel and Brandy McCallum.

In addition to these 118 First Nations, another 98 First Nations have been approved to use the Capacity Development Program (as of September 30, 2020). The Fund will work closely with these communities to assist them in qualifying for a home loan program under the Credit Enhancement Facility.

Additionally, the Fund will revisit several fundamental issues and policy positions to consider expanding access for First Nations entities, individuals, lands, and supporting a First Nations resale market.

There are twelve (12) partnering lenders that have been approved to facilitate Fund-backed home loans. Additional lenders willing and able to serve First Nations with an excellent level of service, and favourable terms and conditions, will be welcomed by the Fund.

Capacity Development services offered by the Fund support Nation building – governments and citizens – to make use of the Credit Enhancement Facility on a sustained basis. The Capacity Development Program is funded by the net income of the Fund. The Fund will continue to advocate for a more flexible

investment policy, compliant with the Minister of Finance framework, that will provide greater investment revenues in a prudent way. The Fund will also continue to advocate for a revised method of financing its Capacity Development Program from the Fund's resources to ensure this vital element, so critical to the sustainable success of First Nations communities, continues to be available at an optimum level.

The following table outlines the revenue and expense budgets of the Fund for the years 2021-2025:

Statement of Operations

Statement of Operations	2019 Actual	2020 Plan	2020 Forecast	2021 Plan	2022 Plan	2023 Plan	2024 Plan	2025 Plan
\$M								
Revenue								
Investment Income	10.496	10.992	9.110	11.385	11.482	11.794	11.935	11.956
Realized gain (loss) on sale of investments	0.976	(0.269)	4.382	2.786	—	—	—	—
Total Revenue	11.472	10.723	13.492	14.171	11.482	11.794	11.935	11.956
Expenses								
Administration	3.726	6.469	3.431	5.441	5.820	5.919	6.037	6.108
Capacity Development	2.034	4.000	4.000	4.000	4.000	4.000	4.000	4.000
Credit Enhancement Guarantee	(0.107)	0.205	0.048	0.019	0.041	0.034	0.037	0.041
Evaluation	—	—	—	—	—	—	0.331	—
Total Expenses	5.653	10.674	7.479	9.460	9.861	9.953	10.405	10.149
Excess of Revenue over Expenses	5.819	0.049	6.013	4.711	1.621	1.841	1.530	1.807

WHO WE ARE

Vision

Every First Nation family has the opportunity to have a home on their own land in a strong community.

Governance

The Fund was established through an Indenture of Trust on 26 March 2008 between CMHC and the Trustees. The governance, management, and operations of the Fund are in accordance with the terms and conditions of the Fund's enabling documents. These documents include an Indenture of Trust, and a Funding Agreement with CMHC. The documents were designed to protect both the Fund's federal funding and the parameters put in place for the administration of the funding over the long term. A Management Agreement between CMHC and the Fund describes the services CMHC agreed to provide with respect to the management of the Fund. This agreement expired March 31, 2015. CMHC's role as manager is unclear, and, in light of new investment management arrangements with third party professional managers which came into effect on July 1, 2020, this agreement is now likely entirely defunct. The new Board of Trustees will be moving to seek the Minister's approval of revised enabling agreements in 2021 which do not include a management agreement with CMHC.

The Fund received a one-time contribution of \$300 million from the Government of Canada. Interest earned from investing the contribution is used to pay

for the Fund's administration costs and its Capacity Development Program. The Fund is self-sustaining through the investment of the Government of Canada's capital contribution and the reinvestment of a portion of its revenues.

Nine (9) Trustees who have been drawn from the First Nations community, the Government of Canada community, and the private sector financial community provide oversight to the Fund. The Minister for CMHC appoints six (6) Trustees and the Minister for ISC appoints three (3) Trustees. All nine Trustees appointed by the Ministers in 2019 and 2020 are First Nations citizens. The former Board of Trustees were instrumental in securing the commitment of the Government of Canada that all incoming Trustees be First Nations citizens.

The Trustees are responsible for meeting the Fund's objectives and ensuring prudent investment and safeguarding of assets, financial accountability, and regular reporting of results. In support of these responsibilities, the Board of Trustees have established five Committees – Audit, Investment, Human Resources, Governance and Operations.

BOARD OF TRUSTEES



LYDIA HWITSUM

JD (B.C.)
(Chairperson)



PETER DINSDALE

MA, ICD.D (Ontario)
(Vice-Chairperson)



JOHN BEAUCAGE

BA, D.Litt.
(Ontario)



KATHLEEN BLUESKY

MBA
(Manitoba)



STACY MCNEIL

MBA, CAPA (B.C.)



CHIEF SIDNEY PETERS

(Nova Scotia)



MICHAEL RICE

MBA (Quebec)



JEAN VINCENT

MSC, FCPA, FCA,
CAFM (Quebec)



ERROL WILSON

MBA, ICD.D
(Alberta)

WHAT WE DO

The Fund is a self-sustaining, independent, and not-for-profit trust. It is the only federally established mechanism dedicated to homeownership in First Nations communities. Building on the successes of innovative communities, the Fund facilitates the availability of private-sector financing for First Nations, helps to ensure an accessible supply of market-based housing in First Nations communities and increases the capacity of First Nations seeking to expand or develop market-based housing.

What is market-based housing?

Market-based housing is recognized as a necessary component of any long-term effective approach to meeting the current and future housing needs of Indigenous peoples in Canada. It is a broad term that encompasses private homeownership, rentals, and rent-to-own housing. Simply put, market-based housing means the owners and occupants pay for the cost of their housing, either through rental or loan payments. Successful First Nations market housing systems are a critical recovery building block by creating and sustaining a culture that sees homeownership as a path to economic opportunity. A home is not just a place of shelter and safety in which to nurture a family. Owning a home also represents an opportunity to participate in asset building to build a nest egg and to generate personal financial leverage through earned equity. Non-Indigenous Canadians take it for granted that they can accumulate wealth by investing in their home. Significant gaps in robust market-based housing systems for First Nations citizens living on reserve remain, placing barriers to participation in the homeownership benefits enjoyed by many Canadians. This disparity of opportunity remains an area of focus to be reconciled between Indigenous Peoples and the Government of Canada.

How does the Fund accomplish this?

The Fund qualifies a First Nation and provides partial financial backing (10%) to approved lenders for housing loan guarantees made by the First Nation to financial institutions. The First Nation then uses this backing to negotiate an arrangement with an approved lender or lenders, to facilitate their citizens applying directly to the lender(s) to finance their home. The financing will help build, buy, or renovate a home on reserve or settlement lands where appropriate, to either own or rent. Due to the communal nature of the land, the First Nation needs to guarantee the housing loans of its members.

If a borrower defaults on an eligible loan, the lender will first seek compensation from the First Nation. Should the First Nation not honour its obligation as guarantor, the lender will be able to turn to the Fund for compensation up to the amount of Credit Enhancement accumulated by the lender for loans made in the community. The Fund itself does not provide loans.

Access criteria

The idea of building housing markets on-reserve to respond to housing needs has been implemented in some innovative First Nations across the country. Establishing housing markets in these communities did not happen overnight. First, leadership and citizens made a commitment to changing the nature of housing in their communities. First Nations committed financial resources and to building capacity to develop the processes necessary to support better housing systems. These communities now enjoy the benefits of living in good quality homes, experience the pride of homeownership and benefit from the associated economic opportunities.

The Opaskwayak Cree Nation worked to complete a sustainable housing strategy while enhancing their housing policy to make it robust. Chief Christian Sinclair has expressed his desire to have everything in place to offer homeownership options backed by the Fund to his citizens by 2021. The strategy builds enhancements to the current stock, as well as exploring options to meet the varying needs of citizens going forward, including tiny homes. Opaskwayak surveyed what was working elsewhere with a view to bringing home learnings and making it their own. Developed with input from the community, the strategy is a living document that can be adapted to the community's needs as the future unfolds.



The Fund's Access Criteria were developed in relation to the demonstrated examples of these innovative communities as well as the input of First Nations and financial institutions from across the country. Access criteria are based on principles, not rules. The criteria are separated into three pillars:



First Nations choose how to best satisfy each principle by demonstrating their own strengths in each of the pillars. Application to the Fund's offerings is strictly voluntary.

OVERARCHING PRINCIPLE TO BE ASSESSED:

The First Nation demonstrates that it has good governance and administration within the community. In particular, it has sustainable processes and systems which will support the community's commitment to housing management over the long-term.

First Nation demonstrates competency in financial management, a history of paying its obligations, and an adequate financial position.

There is evidence that community members support the concept of market housing and can afford homeownership and/or market rentals in the community.

CORE SERVICES

Credit Enhancement Facility

The Credit Enhancement Facility was established to provide additional security to backstop on-reserve housing loan programs. This facility supports First Nations to establish on-reserve housing loan programs with lenders. The backing provided by the Fund, in addition to First Nations guarantees, attracts lenders by offsetting some security issues.

This enables First Nations to achieve favourable financing terms and conditions:

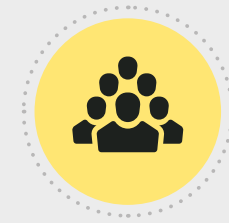
- Interest rate discounts
- Loan features
- Risk-sharing agreements
- Reduced loan program access fees
- Favourable administrative arrangements

Initiatives such as establishing more touchpoints after a First Nation's application is received, conducting ongoing regional sessions, and supporting additional homeownership and personal finance sessions for citizens, will build on the Fund's partnership with 40% of First Nations across the country. The restrictions imposed by the pandemic have required the Fund and First Nations partners to reimagine new ways to work together. This included moving from in-person to virtual interactions with First Nations leadership and their staff. It is to be noted that this transition has presented some challenges in terms of connectivity capacity and a learning curve in online platforms in some First Nations communities. Additional supports, such as internal online and platform guidance resources, will be explored and implemented over the planning period.

The Fund's strategies in preparing individuals to understand and be willing to take on the responsibilities of being a homeowner were forced to pivot as a result of the pandemic. The Fund's CE Specialists have been conducting Outreach, Homeownership, Personal Finance, and One-on-One seminars for several years and some have been well attended in the communities. In the wake of the pandemic, the Fund's CE Specialists worked closely with our partners to shift planned in-person sessions to a virtual platform to ensure continued momentum. Since 2019, close to 1,000 individuals have participated in these workshops. These numbers demonstrate the growing interest and willingness to look at and potentially prepare for the responsibilities of homeownership. Through these workshops and in discussion with lender partners, it has been the Fund's experience that many individuals considering and/or applying for loans are not initially financially prepared. Many individuals must first address bruised credit issues; this can mean choosing to change spending patterns. Individuals also require time to save for their downpayment. The Fund's Personal Finance and One-on-One sessions are in high demand as individuals prepare to qualify to obtain financing for a housing loan. To address this demand, the Fund has been working with interested citizens earlier in the process and has established some new internal positions, which once filled, will be similarly focused. The Fund's new Housing Navigator position was a key recommendation stemming from the 2018 regional engagement sessions conducted by the Fund aimed at improving Fund services. In addition, new collaborative partnership opportunities will be explored to expand the financial literacy learning opportunities in communities, including with youth.

It is to be noted that the impact of the Fund on improving life in First Nations communities cannot be simply quantified. There is no obligation for a First Nation working with the Fund to use Fund-backed financing. For example, there have been instances where the Fund provided capacity development funding for lot surveys for market-based housing, various policies, staff training, and community education sessions, and then private financing was put in place. When this occurs, the Fund's attribution in providing the community with a positive impact in respect to changes cannot be measured in terms of Fund-backed housing loans. The Fund's impact to the community well-being is just as important as the number of loans and units backed by the Fund. This empowerment is important for First Nations communities.

The Fund's efforts to enable Credit Enhancement communities to guarantee loans will remain one of the priorities over the 2021-2025 planning period in support of the Fund's strategic directions.



COMMUNITY



- **Community Engagement**
- **Managing Credit/Debt & Mortgages**
- **Financial Literacy**
- **Rental & Tenancy**
- **Home Maintenance & Repair**
- **Construction Trades Training**
- **Homeownership**



HUMAN RESOURCES



- Employment Law
- Internal Communications Plan
- HR Training & Workplace Safety
- Workplace Investigations Certificate
- HR/Personnel Management & Policy
- Labour Relations Certificate Program
- Human Rights & Occupational Training
- Team Building

CAPACITY DEVELOPMENT

An established governance framework that includes laws, policies, codes, and practices that are clear, well understood and implemented by qualified people are critical to develop and sustain a market-based housing system. Without same, the system will flounder.

Nation building begins with the land. Is it suitable for housing – to actually hold what is constructed, without it being contaminated or unstable. Is the land spoken for other purposes or is the land better suited for another purpose such as manufacturing or recreation, or should it be respected as a sacred place. Is there potable water, a key component to sustain housing development. These types of elements require study by qualified people and a plan that reflects the vision of the First Nation. Nation building needs met by the Fund in lands have included land laws, land use plans, land allotment policies, land management policies and procedures, as well as several people university-trained and certified to be lands managers.

For the laws to be developed, studied, communicated, voted upon, and proclaimed, there must be a system of governance that lends itself to invite participation. The Fund has supported the development and passage of election codes and laws with communities, needed to set the stage for strong governance. This may include learning from the past and traditional forms of governance, to move forward into the future. Understanding the community's needs as articulated through a comprehensive community plan can be an empowering piece of governance – something the Fund has supported in many communities. A road map which considers what the community needs are in terms of new household formations, including birth/morbidity/migration rates to plan for appropriate housing responses is another key factor in Nation building, in terms of meeting needs both now and into the future.

Financial needs are abundant in First Nations communities. They extend to laws, to policies, to procedures, and to people. Well beyond the cost of a home is its maintenance and upkeep costs. Whether or not a housing loan is in place, housing costs money. It is naive and wrong to think otherwise. Nation building requires those in charge to take care of precious financial resources adeptly. Staff require the proper knowledge and skillset and potentially appropriate professional designations to support a First Nation in taking their financial resources to the next level. Developing, recovering from the pandemic, and/or expanding economic opportunities to create employment for individuals to support their ability to take on homeowner responsibilities is yet another key to sustaining market-based housing and building a resale market. These types of Nation building needs are further examples of capacity development support that has been provided by the Fund to partnering First Nations.

In addition to these 'hard' areas of lands, housing, and finance, there are very important ancillary needs to address within a community. For example, does the First Nation involve citizens in major developments; does the community instill or accept a shared-risk 'skin in the game' approach in borrowing and lending; does the communication process work, does Chief and Council see itself as an employer, respect and apply laws and policies to keep its employees safe. These too are areas the Fund has supported in partnering First Nations across the country. Each community is unique, and each community has needs.

Information technology (IT) and security is considered another key component in Nation building. IT connectivity, capacity, and awareness of cybersecurity are essential to support and protect sensitive data, financial, health, business, and education platforms. Strong IT environments may also support a strategy to attract professionals to return and live in their community, especially as remote working from home is becoming a more permanent option by some employers. The Fund will explore opportunities to support First Nations in strengthening their IT



HOUSING & INFRASTRUCTURE



- Housing Authority
- Housing Policy
- Housing Committee Training
- Housing Standards
- Housing Condition Assessment
- Housing Strategy
- Housing Inventory Management System
- Operational Review
- Housing Legal Review
- Operations, Maintenance & Public Works
- Housing Manager Training
- Staff Workshop & Conference Attendance



FINANCE

capacity, understanding the risks, and the need to remain cyber vigilant in protecting their IT environment. The Fund will seek collaborations with other organizations offering IT support. Activities may include webinars, staff training, CD products, and/or collateral. The Fund will also work with First Nations interested in developing strategies to attract professionals to return home. These types of initiatives will contribute to strong First Nations governance, increase the demand for homeownership within the community, and contribute to the development of a resale market on reserve.

The Fund's Capacity Development Program is essential to these Nation building successes in market housing. The breadth of the program is considered a key element of its success in addressing the unique needs identified by First Nations as areas requiring support on the journey to instituting and sustaining a market-based housing system within their community approaches to housing. The three intertwined pillars of Financial Management, Good Governance, and Community Commitment (including evidence of a demand for market-based housing) foster the positive environment necessary for the implementation and sustainability of a strong market-based housing system. During the planning period the Fund will analyze the outcomes that have yielded the biggest impacts in terms of supporting First Nations to implement and sustain a market-based housing program.

The Fund's Capacity Development Program is a shining example of how our First Nations organization has taken a leadership role in Nation building and is consistent with the continuing efforts of First Nations to exercise self-determination in the care, control, and management of their housing on reserve, settlement, and urban First Nations communal land.



- AFOA Courses
- Financial Literacy Training
- Accounting, Business Accounting, General Ledger & Financial Reporting Training
- Financial Planning
- ACCPAC & Accounting Software Training
- Financial Policy, By-law & Law
- Asset Management Training & Planning
- HST Recovery Training
- Conference Attendance
- Trust Management
- Finance Manual Development
- University Degree Course



GOVERNANCE



- Aboriginal Law & Policy Training
- Leadership, Governance & Management
- Arrears Management
- Matrimonial Real Property Law
- Business Writing
- Membership Code
- By-law Development
- Organizational Review & Development
- CAPA Courses
- Project Management Training
- Capital Planning
- Public Administration Training
- Communications, Web Design
- Staff/Management Development
- Social Media & Toastmasters Training
- University Degree Course
- Community Management
- Effective Management Act Plan
- Community Strategic Plan
- Ethical Decision Making
- Comprehensive Community Plan
- First Nations Sustainable Development Guideline
- Election Code
- Credit Enhancement Implementation
- Engineering Study
- CIL Course / FNTI Course
- Governance Policy
- IT & Computer Training
- Housing Authority
- Housing Policy



LANDS AND ECONOMIC DEVELOPMENT



- Economic Development Training
- Lands Act, Land Tenure, Land Code
- Engineering Study
- Lands Registry System
- Environmental Plan, Assessment, Policy, Program
- National Aboriginal Land Managers Association Certificate
- Environmental Training
- Real Estate Institute of Canada Training and Certification
- GIS & Lands Management Training
- Development on Land Management Information System
- Land Management Manual
- Land Use Plan, Land Use By-law, Zoning By-law

STRATEGIC DIRECTIONS

Strategic Planning

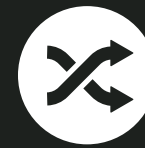
In 2020, the Fund’s annual strategic planning session was postponed from April to September to facilitate a transition session between the former and new Board of Trustees. The virtual session was designed to invoke a well-rounded perspective for the new Board to take stock of the current environment, including the passing wisdom of the former Trustees, and to recast the Fund’s strategic direction for the next five years given the distinctions-based First Nations component of the National Housing Strategy is not in place to inform the Fund’s focus. In accordance with the Trust laws of Ontario, the Indenture of Trust is required to be reconstituted in 2029. As a result, the Trustees also considered the Fund’s strategic direction beyond the next five-year period to include the lead up to the reconstitution of the Indenture.

The new Board of Trustees discussed the Fund’s existing core strategic directions outlined in this Business Plan at their September 2020 strategic planning session. The discussions indicated that the interests identified during these sessions were compatible with the current content. These interests include:

- Revisiting a number of fundamental issues and policy positions; expanding what types of First Nations organizations and lands are eligible to access the Fund; supporting a resale market in First Nations communities; expanding the Fund’s ability to leverage financing and investment; addressing First Nations non-market-based housing interests; addressing decolonization in an effort to create greater awareness and understanding of the Fund and market-based housing;

- Defining what the reform of the First Nations Market Housing Fund signaled by the federal government during the appointment process for the new Trustees and contained within the Assembly of First Nations’ 10-Year Housing Strategy would entail;
- Strengthening the comprehensiveness of the alignment and coordination envisioned within the strategic plan in a manner that clarifies how the Fund will more effectively deliver within its current mandate; create the reforms needed to increase its ability to expand market-based housing respectful of the diversities within and between First Nations; and arrive ready to succeed in a more independent and autonomous governance and operational context; and
- Providing more clarity around other critical strategic issues identified including, but not necessarily limited to, coordinated collaborative relationships; leveraging increased private sector financing; expanding access to the Fund for First Nations entities, lands, and individuals; and supporting a First Nations resale market.

As the new Board of Trustees gains further insight and experience, they will consider the scope of change the Fund can influence at its strategic planning efforts in the Spring of 2021.



STRATEGIC DIRECTION

Promoting increased participation and commitment to market-based homeownership.



GOAL

A demonstrated ability to illustrate the positive impact the Fund is having on increasing participation and commitment to market-based housing.



ACTIVITIES

Short Term: Target and sharpen the Fund’s communications and relationship strategies in promoting the impact of market-based housing

- Update/rebrand multimedia communication
- Highlight benefits/pride of homeownership through a variety of initiatives
- Work with First Nations leadership to encourage support for the Fund and market-based homeownership
- Support collaborations and partnerships to best serve communities
- Involve others to embrace market-based housing, including the engagement of the private sector, Indigenous community leaders, champions, youth, elders and special interest groups, and the individual membership at large
- Document/promote where Fund’s support has contributed to First Nations accessing alternative financing for market-based housing
- Seek views of the Fund through engagement with youth, elders, special interest groups, Indigenous community leaders, champions, and committees

Medium Term: Conduct the research necessary to tell the story of the Fund’s successes and lessons learned

- Build upon Fund’s ability to contribute to pre-conditions for successful on-reserve market-based homes
- Promote Fund as mechanism to support members moving home, including realignment of existing stock and accommodation of remote/hybrid working arrangements
- Demonstrate how market-based housing can be used as an incentive to attract and retain a professional workforce and other employers in the community

Long Term: Strengthen the value that the Fund brings to the market-based housing sphere for First Nations

- Attract First Nations communities previously resistant to market-based housing
- Initiate joint projects with other First Nations organizations
- Share the success stories of market-based housing in First Nations
- Respond to the changing needs of First Nations



KEY PERFORMANCE INDICATORS

- 10% of CD only First Nations proceeding from CD only to CE
- 10% increase in number of home loans backed by the Fund, compared to prior 3-year average
- 3 new collaborative Initiatives in 2021 with other organizations
- 20% increase in number of CE First Nations implementing a Fund-backed loan program
- 50% increase in the number of CE First Nations approving Fund-backed loans
- Capture baseline attitudes and awareness towards the Fund
- Capture the value that the Fund brings in terms of unintended benefits/additional opportunities in First Nations



WHAT DOES SUCCESS LOOK LIKE

- Increase in First Nations proceeding from CD only to CE
- More homes built on reserve contributing to a resale market, second generation of homeowners
- The Fund is a recognized major player in the homeownership space for First Nations
- Joint projects/initiatives with other First Nations organizations

The impacts of the COVID-19 pandemic have required governments, businesses, schools, families, friends, and individuals to adopt new ways to engage, communicate and carry out typical everyday transactions and activities. The Fund was no exception. Travel and community restrictions meant that staff could no longer meet with partners in person to ensure ongoing support. Conferences, trade shows, and First Nations events were postponed or cancelled. Attendance at these events is important to meet up with current clients, engage interest in the Fund's program offerings, share insights on the work the Fund is doing in many communities, and showcase successes with partnering First Nations. Digital transformation and virtual communication have become the new normal. The pandemic challenges facilitated opportunities to rethink workflow processes, communications, and relationship strategies.

It is important to continuously update approaches to engage/re-engage with both participating and non-participating First Nations. Responding to input received during the 2018 regional engagement sessions, the Fund analysed its touchpoints with First Nations and increased the frequency of visits in 2019 to meet a community's needs. These in-person touchpoints ceased mid-March 2020 due to the pandemic. The Fund adapted to virtual meetings with clients. There were some bumps in the road. Some communities closed their Band offices in response to efforts to keep citizens safe. Others prioritized their response to the pandemic impacting the availability of leadership and staff to engage with the Fund.

In 2020, the Fund had planned to initiate rebranding, update its website, and create 'plain/friendly language' collateral materials. Regional engagement sessions were to occur to validate the proposed approaches. Due to the pandemic and delayed onboarding of the new Board of Trustees, this initiative was postponed. Collaborating with First Nations on materials and methods that are more likely to have an impact outside of the normal channels of the 'Band Office' and community meetings were identified as key to updating approaches. This included

developing materials to target and support specific audiences such as Chief and Council; housing staff; individual community members, especially youth and professionals; and community housing market interest groups. The Fund wished to explore more proactive ways in using a broad range of communications methods, including technology in creative ways. This initiative is now planned to begin in 2021 and will include the feasibility of developing and implementing an effective social media strategy.

During the short to medium term, the Trustees will pursue a phased strategy for securing the policy adjustments, enhancements, and mandate changes identified by the Fund as necessary to achieving greater success. This includes designing a reformed process for appointing new Trustees, pursuing approval of a revised Statement of Investment Policy, and resetting the formula for calculating the capacity development budget. The foregoing policy adjustments, enhancements, and mandate changes are subject to the approval of the CMHC Minister, the Government of Canada, and/or the Funder.

Measures to document the Fund's attribution to expanding market-based housing on reserve will be undertaken. This will include instances where the Fund's support has contributed to First Nations accessing alternative financing programs for market-based housing. This initiative will contribute to conducting the research necessary to tell the story of the Fund's success and lessons learned in contributing to the pre-conditions for successful on-reserve market housing.

Research efforts also contribute to demonstrating and promoting the Fund as a mechanism for supporting market-based housing as an incentive to attract and retain a professional workforce and other employers. The transition to permanent remote work for some individuals because of the pandemic may inspire citizens to return to their communities from urban areas. The Government's announced infrastructure initiatives such as broadband as part of the plan to boost growth and create one million jobs will support

amenities needed in attracting citizens to return to their communities. Demand for housing and additional amenities/services will spur economic development for these First Nations.

The Fund's long-term objective over the 2021-2025 planning period is to secure the policy changes required to continuously improve the Fund's efficiency and effectiveness. In particular, one goal is to secure policy changes to enable the Fund to participate in backing loans for housing related infrastructure on reserve and settlement lands. One factor in slowing

the progress of Fund-backed loans and market housing in First Nations communities is the lack of available housing related infrastructure. Government funding is not sufficient to address this need in every community. There are some communities which would seek private financing to develop the infrastructure necessary to support market housing and the economic benefits of same. This initiative received support from thought leadership and participants attending the 2018 regional engagement sessions.



Comments received from individuals the Fund sponsored to attend various conferences:

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I learned the importance of building community plans and developing organizational strategies to best manage risks in order to reduce negative impact and damage to the community."

//

I look forward to working with my management team on establishing and updating our policies or bylaws, as they are all very outdated. Since taking this training, I have gone back to their training resources such as the Personnel Policy example and the Housing Policy example and used these reference materials for a few of the situations I have been faced with."

//

This workshop was powerful. We must all work on ourselves to be able to change and work with change in the community. We also must take care of ourselves in order to have the energy for our community."

//

I learned extensive valuable information regarding contracts, contract law, and how it applies in First Nations communities."

//

Great speaker! We learned tips on how to create a more positive work environment even through disruptions. Inspirational."

//

Thank you so much to the First Nations Market Housing Fund for sponsoring me for this training."





STRATEGIC DIRECTION

Supporting expertise for individual homeownership within First Nations communities.



GOAL

An expanded knowledge base and network of qualified, professional public servants and borrowers committed to creating a market-based housing environment in First Nations communities with access to financing for homeownership.



ACTIVITIES

Short Term: Expand existing relationships, partnerships, and agreements

- Work with new/existing partners to adapt capacity building/financial literacy offerings, including for youth
- Support each First Nations' ability to utilize their approved loan capacity
- Share information/promote expertise to sustain market-based housing knowledge
- Support market-based housing within the First Nations component of Canada's National Housing Strategy
- Identify gaps in products and service delivery of market-based housing to Indigenous People
- Design a data collection strategy to inform decision making and policy work

Medium Term: Expand offerings for developing expertise in First Nations governance

- Create a technical advisory board in First Nations market-based housing
- Expand network of skilled trainers
- Refine a market-based housing research agenda that aligns with the Fund's priorities

Long Term: Support the establishment of a centre of excellence/public policy function to draw on lessons learned and support engagement

- Implement First Nations Housing Resource Centre
- Develop, disseminate research products



KEY PERFORMANCE INDICATORS

- Expanded Consultant Referral Database
- 10% increase in the number of skilled trainers the Fund is utilizing
- Increase the number of people receiving training through the Fund by 20% based on a 3-year average period



WHAT DOES SUCCESS LOOK LIKE

- Fund is a credible resource for identification of First Nations housing trainers, professionals, and consultants.
- Fund is a credible resource for finding knowledge/resources about market-based housing and First Nations housing.
- Bonafide homeownership is accepted as a housing option in a majority of First Nations communities

As a key social determinant, improving housing requires attention to more than just housing, it requires a more holistic approach. The work of the Fund contributes directly to Nation building throughout the continuum of on-reserve housing. For example, the Fund supports participation in the First Nations Financial Management Board's Financial Administration Law development and financial systems certification, accredited housing manager programs, AFOA Canada professional finance and public administration designations to name a few. Supporting Nation building initiatives on an ongoing basis is why the Fund has consistently advocated for changing the formula which determines the annual budget for capacity development. This change is being sought to meet the funding requests from the Fund's partnering First Nations.

Over the short-term, the Fund will seek additional collaborative partnerships to adapt capacity building and financial literacy offerings to include homeownership and credit worthiness. The focus is to secure 'bankable borrowers' to assist individuals to fully utilize the approved loan capacity guaranteed by the Fund in each First Nation. The Fund's efforts will continue to ensure that market housing and the Fund are included within the First Nations component of Canada's National Housing Strategy.

Over the medium-term, the Fund will create a technical advisory board of individuals knowledgeable in issues affecting First Nations market-based housing to provide readily available expertise across all sectors. Additionally, the Fund will strive to expand the network of skilled First Nations housing governance and management specialists committed to market-based housing.

To support expertise for individual homeownership within First Nations communities, the Fund will refine a market-based housing research agenda. Key research topics such as creating a resale market on First Nations lands; relevance, performance, and cost effectiveness of other loan guarantee models; and correlation between global/national economic trends and First Nations communities will inform the Fund in

moving forward and build upon the research project commissioned by the Fund with Deakin University – Factors Affecting the Uptake of Private Financing for First Nations Home Ownership.

The Fund will be exploring opportunities to leverage private sector financing such as investment versatility to grow the Fund in generating access to additional capital for First Nations communities and entities and to support distinct functions such as professional development networks, research, and the creation of a Centre of Excellence. In addition, the Fund will expand its capacity to generate data with respect to factors related to successful Nation building initiatives. These initiatives will feed into the Fund's long-term objective to support the establishment of a 'virtual' First Nations Housing Resource Centre to draw on lessons learned and to support engagement. The Centre will develop and disseminate research products such as discussion papers, case studies, strategies, and developmental tools to ensure that the expertise, capacities, and benefits of market-based housing are readily accessible within First Nations communities. The Fund will continue to have a powerful impact in rebuilding a housing legacy in First Nations communities.

Cree Nation of Chisasibi – Fire Evaluators and Fire Fighter Training/ Certification

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I want to make it very clear how fundamentally important it is to ensure the basic safety and security of our communities, and how important the work is that you graduates are committing yourselves to. Without the security and without a sense of safety in our communities, nothing else is possible. No dreams can be imagined where there is no feeling

of safety...no grand and noble visions can be brought to consciousness, and no inspired ambitions can take root where people do not feel secure. For committing yourselves to ensuring our collective sense of safety, you are making a contribution to our people, the scope of which you may never imagine."

– Dr. Abel Bosum, Grand Chief of the Grand Council of the Crees of Northern Quebec





STRATEGIC DIRECTION

Continuously improving the Fund's offerings to support intended market-based housing outcomes.



GOAL

An agile organizational environment that provides customized and flexible supports to First Nations in achievement of the Fund's mandate.



ACTIVITIES

Short Term: Support the immersion of the new Board/Trustees while continuing to meet legal/fiduciary responsibilities

- Explore how the Fund can support First Nations to provide housing options in urban environments (TLE and other First Nations owned land)
- Pursue phased strategy to secure policy adjustments, enhancements, and mandate changes identified by the Fund
- Develop role of Housing Navigator to support individuals to plan to become potential homeowners
- Explore how the Fund can enable market-based housing using alternatives to a First Nation guarantee
- Explore how the Fund can support other First Nations entities
- Increase investment versatility
- Modify the Fund's delivery approach to embrace new technologies and reduce travel
- Pursue changes to the CD formula calculation
- Explore the role of the Fund in the provision of infrastructure
- Develop an ESG Policy
- Conduct a search and implement a new custodian
- Consider operating through network of regional contact points/offices
- Seek approval of pilot projects

Medium Term: Adapt the Fund's offerings to support diversity of approaches participating First Nations will utilize to continuously expand upon market-based homeownership opportunities in their communities

- Adjust policies, operations, staffing in response to legislative change and increasing volume of participating First Nations, lenders and qualified borrowers accessing loan guarantees
- Formalize Fund's objective quality assurance process for assessing organizational capacity enablers and outcomes
- Utilize insights from pilot projects to guide operational adaptations
- Quantify impact of policy adjustment and seek further improvements
- Explore a corporate on-reserve presence

Long Term: Secure the policy changes required to modify the operational design of the Fund as appropriate

- Assess/revise strategy to pursue identified policy adjustments/enhancements
- Establish strategy for required reconstituting of Indenture of Trust in 2029, including exploring other vehicles



KEY PERFORMANCE INDICATORS

- Research, develop, promote 2 new products in 2021 for First Nations clients
- By end of 2021 have capacity in place to deliver new Fund products
- Increasing usage of existing CD products by 20% of the 3-year average
- Secure a sustainable funding approach for CD
- Increase in knowledge base at the Fund on ESG



WHAT DOES SUCCESS LOOK LIKE

- The Fund has the resource capacity, both human and financial, to respond to First Nations' homeownership needs across the country using customized yet effective approaches
- Fund diversifies its service offering beyond CD and CE guarantees
- Sufficient CD funding available to meet First Nations needs over the long term

Over the short-term period, the Fund will continue to support the onboarding of a new Board of Trustees while continuing to meet its legal and fiduciary responsibilities. Given there are a total of eight new Board members to the Fund, with five of the eight Trustees joining in July 2020, it can be expected that the learning curve will extend into 2021.

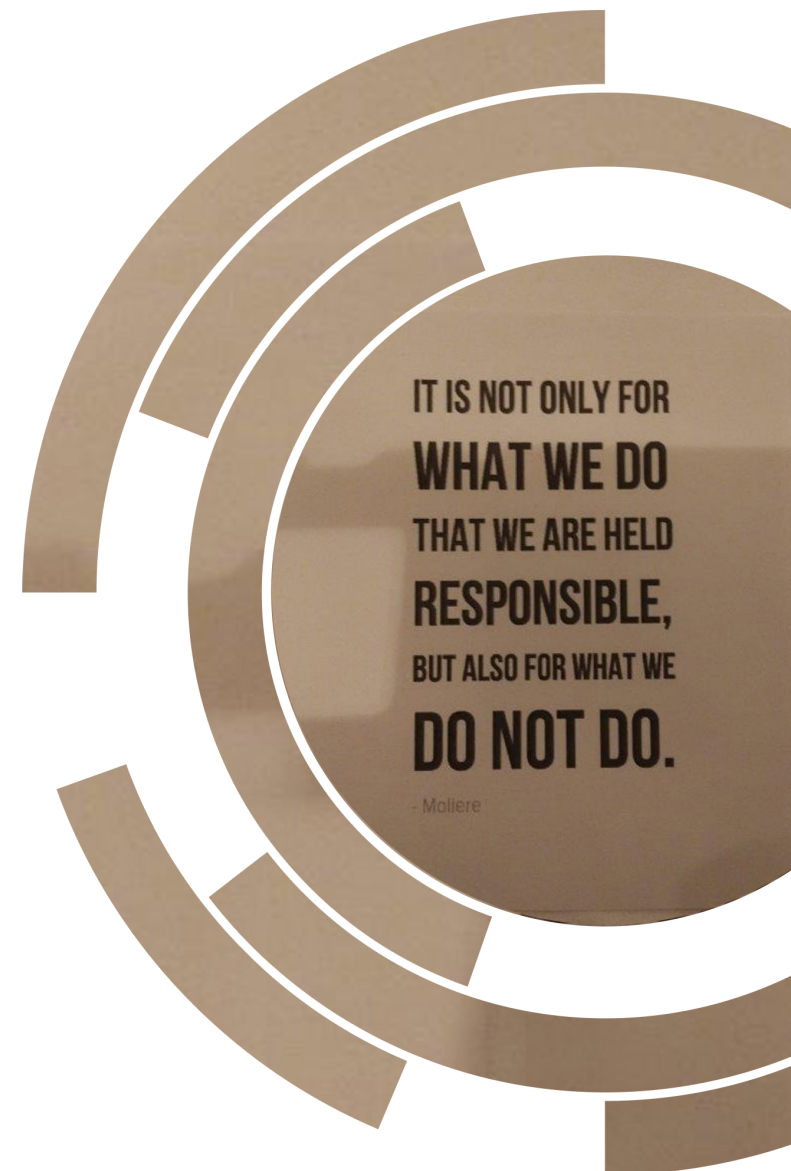
The Fund intends to explore how it can support First Nations that have reserve lands in urban environments (e.g., Manitoba, Saskatchewan, B.C.) to provide housing options to members on TLE and other First Nations owned lands. For example, non-reserve lands held in perpetuity. This is one example of the customized support that the Fund may be able to provide to meet ever changing First Nations market-housing needs and outcomes. This concept was supported by thought leadership and in feedback received during the 2018 regional engagement sessions.

Staffing of new positions within the Fund were impacted due to the pandemic. In particular, the development/staffing of a Housing Navigator position. This position is intended to support individuals to plan to become potential homeowners. This role will expand the Fund's capacity to offer workshops on financial literacy, budgeting, identifying homeownership opportunities with a community, understanding the loan qualification and application processes both within the community and with a lender. The role will also support workshops on the financial and maintenance responsibilities of being a homeowner. It is anticipated that the Housing Navigator would manage a direct call line and work in communities and virtually as required to engage one-on-one with individuals seeking information. This new position will supplement the limited availability of the Fund's Credit Enhancement Specialists already providing these types of workshops across the country.

The new Board of Trustees have set their sights on exploring new tools and/or refreshing existing offerings to support the diversity of needs and approaches that participating First Nations may utilize

to expand market-based housing opportunities. Over the short- to medium-term, the Fund will look to adjust policies, operations and staffing in response to impacts from the pandemic, legislative changes, and the desired expansion of participating First Nations, approved lenders, qualified borrowers, and accessed loan guarantees. The impacts of the pandemic and move to a more virtual world means that the Fund must continue to tailor approaches that meet the uniqueness of each First Nation.

During the planning period, the Fund will develop the strategy for the required reconstituting of the Trust which will occur in 2029, as required by the laws of Ontario.





STRATEGIC DIRECTION

Working with participating First Nations to increase the autonomy and independence of the First Nations Market Housing Fund



GOAL

The development of the capacity and processes to support the transition of the autonomous and independent First Nations Market Housing Fund to governance by First Nations



ACTIVITIES

Short Term: Continue to promote First Nations participation in the growth and sustainability of the Fund

- Shape options for how First Nations could govern the Fund as an independent and accountable First Nations entity
- Identify and align with parties who support the move towards the Fund's independence
- Explore alternatives to increase authorities
- Pursue changes to the foundation documents
- Develop a new Trustee appointment process
- Expand Enterprise Risk Management, internal control framework, and fraud deterrence compliant with COSO standards

Medium Term: Identify creative board approaches to model increased First Nations community governance, responsibility, and accountability for the Fund

- Continue to assert the role of the Board of Trustees in all governance functions
- Determine how identified issues affecting First Nations governance of the Fund can be modified to be more responsive to First Nations communities' needs
- Continue to expand Enterprise Risk Management, internal control framework, and fraud deterrence compliant with COSO standards

Long Term: Engage First Nations, government, and allies in development of a viable range of options for an autonomous and independent FNMHF

- Secure agreement of the Federal government on a plan for implementing increased ownership and control
- Revise foundational documents/Fund's policies to enable the Fund to operate as an independent agency under First Nations governance
- Fully implement governance of the Fund by the First Nations community as defined by the Trustees
- Continue to expand Enterprise Risk Management (ERM), internal control framework, and fraud deterrence compliant with COSO standards



KEY PERFORMANCE INDICATORS

- A strategy to drive change, led by the Trustees, developed with the input of external stakeholders
- Incremental change in latitude of the Fund for decision-making in key areas through changes to the foundational agreements
- Stronger internal controls evidenced through independent assessments
- Increase of knowledge base at the Fund of ERM
- Revised accountability framework that includes First Nations



WHAT DOES SUCCESS LOOK LIKE

- The Fund is a strong First Nations organization, autonomous yet accountable to First Nations and to the Government of Canada through a modernized framework

The Trustees will continue to promote First Nations participation in the growth and sustainability of the Fund. One initiative will be shaping options for how First Nations could govern the Fund as an independent and accountable First Nations entity. The Trustees will continue to assert the role of the Board of Trustees in all governance functions and in determining how identified issues affecting First Nations governance of the Fund (e.g., appointment process, beneficiaries, Minister and Trustee roles) can be modified to be more responsive to First Nations needs.

The long-term goal over the planning period is to transition an autonomous and independent First Nations Market Housing Fund to governance by First Nations. This includes securing agreement of the Federal government on a plan for implementing increased ownership and control by First Nations; revising the foundational documents and the Fund's policies/procedures to enable the Fund to operate as an independent agency under First Nations control; and to fully implement governance of the Fund by First Nations. This will be an initiative of self-determination on the path to reconciliation with the Government of Canada.

Risk Management

The Trustees review and assess risks regularly at Audit Committee and Board meetings. The Fund's policy and risk matrix have been reviewed by KPMG to determine if they were in keeping with best practices and how they could be strengthened. The former Trustees were looking to gauge the relative importance of issues to consider ways to quantify risk and to ensure their attention was focussed on those risks having the biggest impact on the Fund. All the Fund's policies and procedures were documented and reviewed through a risk lens. Best practices to mitigate risks have been developed and implemented. During the 2021-2025 planning period, the new Board of Trustees will explore different frameworks for risk identification, quantification, mitigation, and reporting in the context of enhancing the existing control system. Exploration of an internal/co-managed audit function will be undertaken. These initiatives will continue the Fund's effort in moving toward COSO compliance.

