McConnell

In support of Reconciliation:

Unlocking Indigenous nonprofit and civil society-led solutions for the revitalization of housing in Indigenous communities

A call for partnerships with Canadian civil society

Montreal, 2026.

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Illustrations by Maxwell Dickomeit

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Presentation

This report is an overview of Indigenous housing challenges prepared by the McConnell Foundation's outgoing Indigenous Housing fellow, Dominique Collin, in the context of the foundation's efforts to support Indigenous housing innovation.

Dominique has been active in Indigenous finance inside and outside the government of Canada for over 30 years and was involved in the development of the Indigenous Financial Institution network, the First Nations Finance Authority, the Aboriginal Savings Corporation of Canada, and currently sits as a director on the board of Yänonhchia' Housing Finance.

The objective of this report is to stimulate interest, debate, and engagement, starting with what we ourselves have learned and, perhaps more importantly, with what dialogue with Indigenous partners has brought us to unlearn. It is primarily addressed to Indigenous and non-Indigenous civil society funders, innovators, allies and impact investment leaders that share our interest in Indigenous housing and our commitment to reconciliation.

It aims to show that Indigenous and Canadian civil society leaders, working alongside but at arm's length from Indigenous and Canadian government structures, can play a catalytic role in resolving the housing crisis in First Nations, Métis, and Inuit communities by supporting the growth and replication of known, tried and proven Indigenous civil society-led and designed solutions that complement and build on government housing solutions.

The author wishes to express gratitude to the McConnell Foundation for its generous support, and to the numerous Indigenous civil society innovators, leaders, and practitioners responsible for the success of the housing solutions described in this report. All ideas expressed here are the result of ongoing conversations with those among them that the author has been fortunate to work with over the years. They are the living proof, if one was needed, of the talent, the capacity and the dedication of Indigenous innovators to drive the design and the implementation of effective solutions to the challenge of Indigenous housing.

"Sure looks big."

"It will be. Five bedrooms."

"Does the chief know you're doing this?"

"Yeah. I've told him."

"You know ***it's illegal****, right?"*

Sections 18, 20, 35 and 53 of the *Indian Act* made it illegal for us to have our own land or houses on the reserves. We couldn't build or sell or buy on our reserve or treaty land without first getting permission from the minister—an empty clause, since he hadn't yet been known to give it.

"I know," I said.

"And he's okay with it?"

"Yep."

"What if everyone does it?" Nicholas said.

I looked around the spruce forest, imagining what it would look like if we took possession of the land we had once roamed. If we built our own houses, instead of the cheap, clapboard houses issued by the Department of Indian Affairs and Northern Development (DIAND). I saw a street of hand-built wooden houses, each with its own unique character, and kids laughing and playing out front.

"Maybe they should," I said.[1]

[1] Excerpt from: 2014 Metatawabin, Edmund, *Up Ghost River: a Chief's journey through the Turbulent Waters of Native History*. Edmund did build that home, raised his family in it, and went on to become Chief of his community.

Executive Summary

Since the forced settlement of First Nation, Inuit, and Métis peoples into the communities we know today, they have been afflicted by health, safety, and overcrowding problems caused by poor housing conditions.

Despite billions invested by Canada, the housing crisis has been worsening year after year, and is now reaching the point where it represents an existential threat for most rural and almost all northern and remote Indigenous communities in Canada.

Throughout this document the expression "Indigenous community" is used to refer to (a) First Nations, Métis, and Inuit communities with a legally recognized and defined land base and with local governance structures that include responsibilities in the housing area; and (b) "virtual"communities consisting of First Nation, Inuit and Métis individuals living in urban or rural concentrations without formal recognition or governance structures, but with shared civil society institutions, including Indigenous housing providers.

More of the same won't do.

Nor will the policy of transferring the management of current programming, insufficient budgets, and the responsibility for the mess to Indigenous governments.

Indeed, the exclusive focus on government-managed remedial housing programs has now become part of the problem: transitional market correction programs are at risk of permanently replacing access to market and civil society solutions—with the perverse negative consequences one can expect.

A resolution of the crisis will only become possible with the implementation of a funcitonal equivalent of the mainstream housing ecosystem...

...with all sectors of the Indigenous community engaged and having access—under comparable conditions—to an equivalent to the tools and the market capital that enable their counterparts in the mainstream to resolve their housing issues.

This approach starts with the recognition that the Indigenous housing crisis is not just a variant of the mainstream housing crisis, exacerbated by distance and poverty—the general assumption behind the current approach. Indeed, almost all Indigenous communities still live under non-conventional refugee camp-type land and property regimes that were initially designed and put into place by Canada for what was expected to be a short transition period, during which residential schools and similar policies paved the way for assimilation and integration of Indigenous individuals and families into the Canadian mainstream. As a result, these regimes focused more on protecting the integrity of the federal land base than ways to support a full continuum of public and private housing solutions for permanent populations. Among other characteristics, they concentrated all housing decisions, levers, and initiatives in the hands of Canada and, over time, of local governments put into place by Canada with little or no provisions to enable personal, market, and nonprofit initiative and responsibility for housing.

And yet, Indigenous market and civil society forces have been active on the ground since inception, devising a proliferation of housing solutions, some with the capacity to turn the housing crisis into an opportunity to revive communities, economies, and cultures.

Innovative and replicable locally-designed and led solutions, often involving partnerships with mainstream civil society institutions, have been developed in all aspects of housing—materials, design, climate change adjustments, energy efficiencies, land regime change, cooperative housing, and housing finance in every part of Canada. Some have resulted in home ownership rates comparable to those of mainstream Canada. However, for lack of access to housing finance on affordable terms, most of them have only had limited and local impact.

Scaled up nationally and supported by Indigenous civil society forces across Canada, this approach could result in the revitalization of Indigenous housing across all of Canada.

The paper provides a historical overview of these solutions and a description of the current plans and opportunities to replicate, expand, and accelerate their impact to all Indigenous communities, and suggests why and how Canadian civil society funders, allies, and impact leaders can contribute to the effort.

SECTION 1

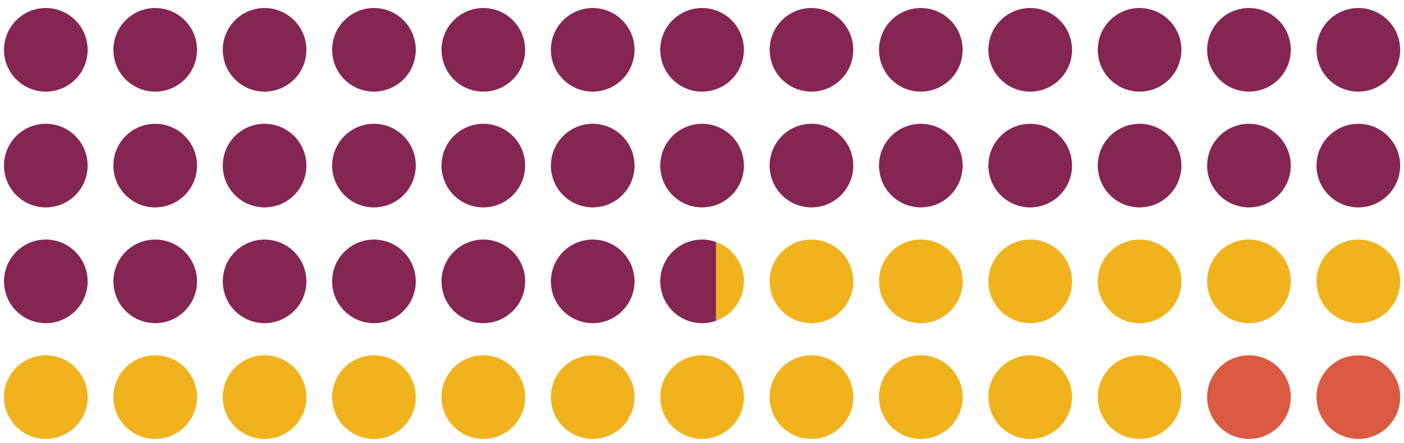
The Indigenous Housing Challenge

Box 1: Population by Heritage Group

The total 1.8M Indigenous population in Canada (5% of the total Canadian population, according to the 2021 census) **falls into three main groups**, corresponding to the three distinct Indigenous heritage groups recognized in Canada's constitution:

1.8 million

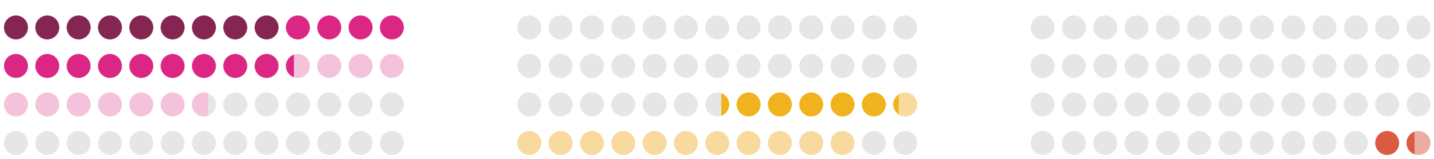
Each circle represents approximately 36,000 people



1,048,405
First Nations

624,220
Métis

70,545
Inuit



- Registered FN individuals residing on reserve land
- Registered FN individuals living outside of reserve land
- Non-registered individuals of FN descent

- Registered members of the Métis nation
- Other individuals claiming Métis or Indigenous descent

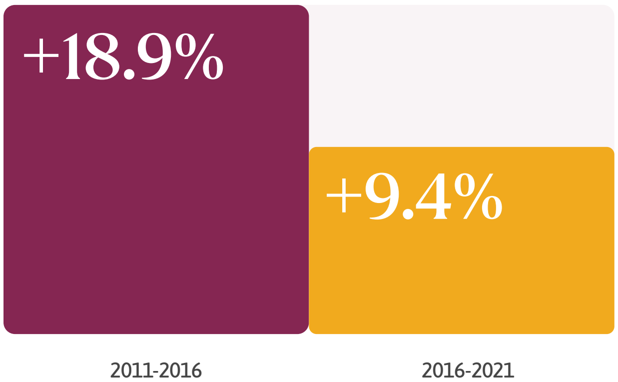
- Inuit individuals living in recognized settlement lands
- Inuit individuals living outside recognized settlement lands

Box 2: Demographic Characteristics

The Indigenous population grew by 9.4% from 2016 to 2021, a **slowdown compared to the 18.9% growth from 2011 to 2016**.

The average age of Indigenous people is **33.6 years**, younger than the non-Indigenous average of 41.8 years. **About 28%** of the Indigenous population is **under 25 years old.**

GROWTH RATE

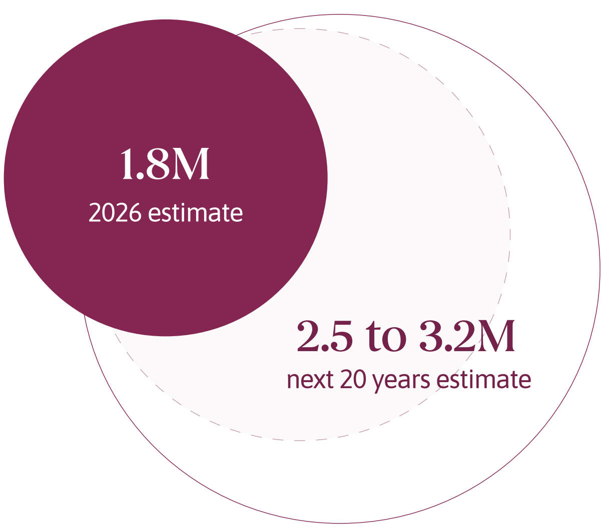


AGE DISTRIBUTION

URBANIZATION

Approximately **56% of Indigenous peoples live in urban areas**

making this the **fastest-growing segment** of the Indigenous population.

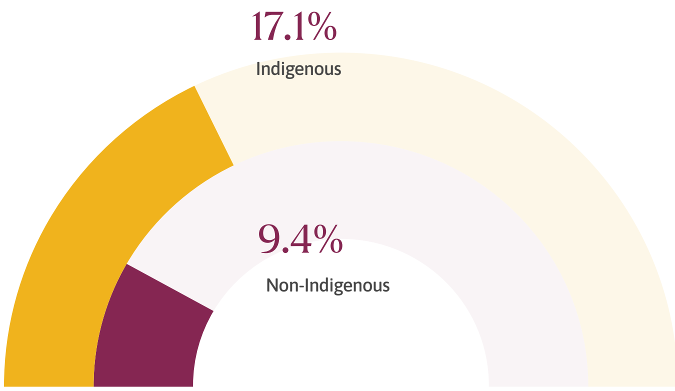


FUTURE PROJECTIONS

The Indigenous population is **projected to reach between 2.5 million and 3.2 million within the next 20 years**

continuing to **grow at a faster rate** than the non-Indigenous population.

Box 3: Housing conditions among First Nations people, Métis and Inuit in Canada[1]



CROWDED HOUSING

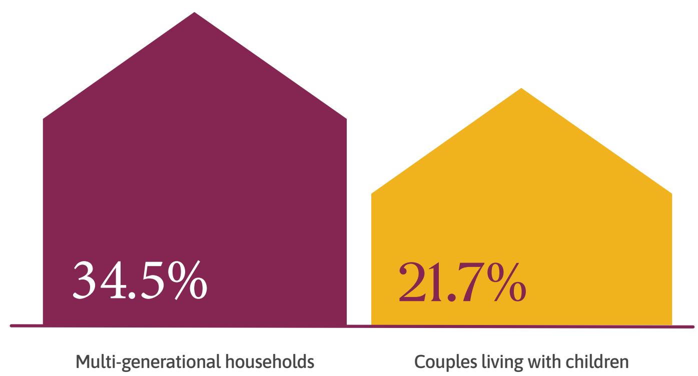
Indigenous people were almost **twice as likely to live in crowded housing in 2021**, compared with the non-Indigenous population

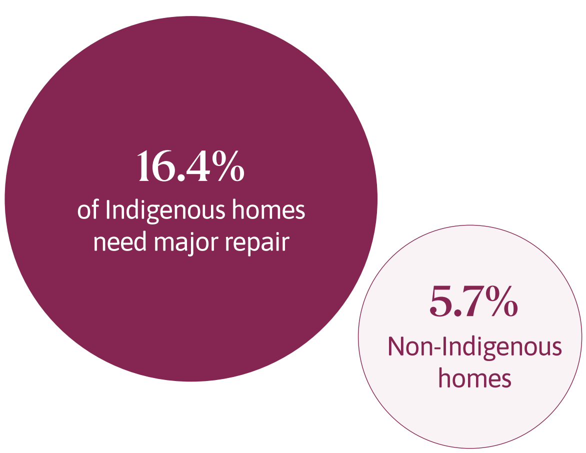
(17.1% versus 9.4%); however, the gap between the Indigenous and non-Indigenous population narrowed by 1.7 percentage points from 2016 to 2021.

LIVING ARRANGEMENTS

Multigenerational households were the most common living arrangement among First Nations people living in crowded housing

(34.5%), followed by couples living with children (21.7%). Among Métis and Inuit living in crowded housing, the most common living arrangement was couples living with children.





HOMES NEEDING REPAIRS

Indigenous people were almost **three times more likely to live in a dwelling in need of major repairs (16.4%)** in 2021 than the non-Indigenous population (5.7%)

Nevertheless, the gap between the Indigenous and non-Indigenous population narrowed by 2.3 percentage points from 2016 to 2021.

[1] Government of Canada, Statistics Canada, "Housing conditions among First Nations people, Métis and Inuit in Canada from the 2021 Census" (21 September 2022), online: <https://www12.statcan.gc.ca/census-recensement/2021/as-sa/98-200-X/2021007/98-200-X2021007-eng.cfm>.

A widening gap with no end in sight

The graphs on pages 8-10 on the Indigenous population, demographics, and housing circumstances in Canada[1] confirm the conclusion of the 2024 Auditor General report on First Nations housing: Canada is not on course to resolve the housing crisis facing Indigenous communities.

While these statistics provide a rough sense of the housing gaps and challenges facing Indigenous individuals of different heritage groups…

...they supply little to no sense of the scope and the urgency of the problems faced by individuals living in Indigenous communities as opposed to individuals of Indigenous descent not living in Indigenous communities.

In addition, these statistics tend to underestimate the situation of community members, especially in those communities where the crisis is most acute because they include metrics for the high proportion of individuals of Indigenous descent who are not living in Indigenous communities, who are not affected by the same economic and housing circumstances, and who have full access to mainstream housing services, systems, and incentives not available in Indigenous communities.

A community focus is of particular interest in the context of reconciliation efforts, as reconciliation is not only, and perhaps not mainly, about Canada's relationship to individuals of Indigenous descent, but rather about the relationship with Indigenous Peoples as peoples. Reconciliation would lose much of its meaning in the absence of thriving Indigenous communities with the capacity to support the institutions essential to their survival as distinct cultures.

Housing is central to this, as lack of housing is in large part responsible for the exodus out of most rural, remote, and northern Indigenous communities...

…at a time when rapidly increasing health, education, employment, and income metrics suggest a strong potential for increased community vitality.

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[1] Additional material can be found here:

Government of Canada, Statistics Canada, "Statistics on Indigenous peoples" (4 February 2026), online: <https://www.statcan.gc.ca/en/subjects-start/indigenous_peoples>.

Government of Canada; Indigenous Services Canada, "Statistics and data at Indigenous Services Canada" (27 October 2025), online: <https://sac-isc.gc.ca/eng/1313164698167/1604595012263>.

Government of Canada, Statistics Canada, "Housing experiences and measures of health and well-being among First Nations people living off reserve, Métis and Inuit: Findings from the 2018 Canadian Housing Survey" (4 April 2023), online: <https://www150.statcan.gc.ca/n1/pub/41-20-0002/412000022023001-eng.htm>.

What are those communities, and where are the needs most acute?

Two types of communities need to be considered here.

Legally protected land bases with local governance

The first is well documented; it includes the **communities with legally-protected land bases with local governance structures recognized and funded by governments**. This includes First Nation communities, Inuit communities, and Métis settlements, as well as Indigenous self-governing nations, all of which have a direct responsibility in the provision of housing for their members. Tribal, regional, and national First Nation populations are sufficient to support collective civil society institutions in the areas of health and education. But only a few of the larger, more accessible and better organized communities have the critical mass to create local housing institutions.

"Virtual" Communities

The second group has received less attention. It is mainly composed of "**virtual" communities: urban, rural, and remote concentrations of Indigenous individuals of diverse ethnic and linguistic origin,** often recently landed refugees from communities of the first group, with which they have ongoing and live connection, some commuting on a daily basis, others waiting for homes to return. These virtual communities have neither land base nor local governments. However, a number of powerful and efficient civil society organizations have emerged, especially in urban centres. They are active in cultural, social, and economic areas, with housing for at-risk members of the community one of their main focus of activity.

Critical housing issues—what is usually understood as the Indigenous housing crisis—disproportionately affect communities from these two groups that are home to roughly 25%[1] of the total Indigenous population:

a) **the 279,000 residents of rural and remote land-based First Nation communities** and the residents of Inuit communities (roughly 75% of the "on-reserve" First Nation population, and all Inuit residents).

Despite the highest birth rate in Canada, accelerating out-migration is causing the overcrowding rate and the population of this sub-group to remain relatively stable. Half of that population, the ones living in resource and own-source-income poor First Nations, experience the most dire housing situations—the ones that make the evening news, where the majority of homes are in an advanced state of disrepair, and overcrowding is the norm.

The other half manages to control the most adverse effects, but are quickly reaching the limit of their debt carrying capacity. In both cases, current housing approaches are unsustainable.

b) **the estimated 169,000 members of "virtual" communities** made up of recent (less than 10-year) arrivals. This includes a third of status First Nation members living outside their communities, plus non-resident Inuit.

Many have left the community on a temporary basis, mostly for lack of housing or employment. They have direct, ongoing, and often daily connection to their home community and to shared First Nations services and institutions. This is the fastest-growing Indigenous group.

[1] Author's estimate.

Significant housing hardship, comparable to that of lower-income non-Indigenous people in Canada, affects (in different ways) communities that **make up another 20% of the total Indigenous population**.

a) 76,000 residents of urban and economically successful land-based First Nation communities, where higher income or community resources mitigate housing needs, but where the mainstream housing finance and support instruments continue to be unavailable, restricting access to homeownership and creating a continued dependency on government-funded social housing.

b) 149,000 residents, or a third of the status First Nation population, living outside their communities of origin for 10 years or more, but who still have direct connections to their community of origin, and who tend to be better established in terms of housing.

c) Half (113,000) of the Métis Nation members that are living in rural and remote concentrations, including the 5,000 members of the eight Métis settlements with a land base in Alberta.

The rest—over 50% of the Indigenous population surveyed by the census—include a third of the status First Nation population born or permanently living outside their communities, often with little or no direct contact with communities; Métis Nation members in similar circumstances; non-status Indigenous individuals, also with little or no direct contact with Indigenous communities; and the rapidly growing number of "small m" metis (mixed Indigenous and non Indigenous ancestry individuals that self-identify as Indigenous, but have no direct connection with the Métis Nation). This portion of the Indigenous population is close to or fully integrated into the mainstream Canadian housing system, but, with a lower average income, tends to be somewhat more affected by the mainstream housing crisis than non-Indigenous people in Canada.

While it is not possible to redeploy aggregate census housing statistics across these groups, this rough breakdown suggests that the Indigenous housing crisis is primarily an Indigenous community housing crisis, and that it is much more severe than the aggregate numbers suggest.

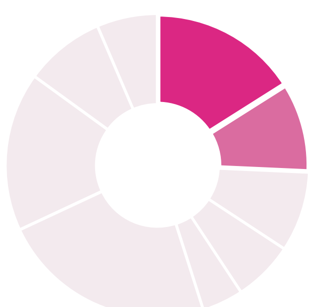
Population distribution by types of communities and by housing circumstances

The intent of this graph is to provide a relative sense of the scope and the urgency of the housing circumstances faced by individuals living in and out of Indigenous communities. The breakdown, based on the author's estimate, suggests that the housing crisis affecting members living in Indigenous communities much exceeds Census averages based on all individuals of Indigenous descent or status, with Indigenous community members driving the lion's share of the variance with Canadian averages.

26%
448,259 members of commmunities with critical core housing problems

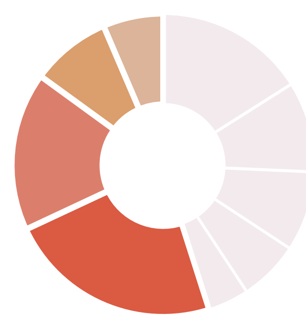
19%
337,950 members of groups with housing challenges above Canadian averages

55%
957,196 individuals of Indigenous descent, not attached to communities, having full access to Canadian housing ecosystems, and with comparable housing circumstances



- Remote/rural FN/Inuit communities
- FN/Inuit members of "virtual" communities

- FN members permanently living off reserve
- Métis Nation members in regional or rural remote concentrations
- Urban/accessible FN communities



- Integrated self-identified Métis individuals not recognized by Métis Nation
- Integrated non status individuals of First Nation descent
- Off-reserve, integrated FN member individuals
- Métis Nation members integrated into the mainstream

The cost of *"more of the same"*

According to the most recent evaluations, an estimated 130,000 units are needed over the next 10 years to close the core housing gap for the First Nation community segment of the Indigenous population alone.[1]

The cost of this effort in 2025 is estimated at $135B, up from $60B in 2018. This estimate is part of the total infrastructure and housing gap of $349.2B jointly identified and published by the Assembly of First Nations (AFN) and Indigenous Services Canada (ISC) in late 2023.[2]

Current levels of housing finance support for on-reserve housing for First Nations are unequal to the task. According to the Auditor General, ISC and the Canadian Mortgage and Housing Corporation (CMHC) have invested $3.86B between 2018 and 2022, an average of less than $775M per year. The 2022 and 2024 budgets have added an estimated additional $100-200M per year to this amount.

Despite this, housing allocations—relatively unchanged since the 1990s—have failed to keep up with housing inflation and population growth. The aforementioned Auditor General's report on First Nations housing concludes that the federal government is not on course to reach its goals of closing the housing gap by 2030, addressing long-standing mold remediation issues, and transferring housing responsibility to First Nations.

Because of climate, geographical isolation, and the high cost of construction, Inuit communities face an even more acute housing crisis. Inuit organizations estimate the cost of closing the housing gap at $75B; however, major infrastructure investments are additionally needed for this housing activity to take place. These challenges are exacerbated by the speed and the severity of climate change on northern building conditions.

Métis settlements and concentrations in rural and isolated Canada face serious challenges in many ways similar to those of First Nations, less the regulatory issues tied to the *Indian Act*. Métis representatives estimate the cost of closing core housing gaps for all members at $2.8B.

The rising number of Indigenous individuals from all heritage groups living outside their home communities in urban and rural centres, many of them refugees from settlements with severe housing shortages, has housing needs estimated in the range of $60B.[3] This figure primarily addresses the needs of the "virtual" urban, rural, and remote Indigenous communities.

While Canada has not stepped up investment into Indigenous communities significantly, it has recently announced a major housing investment for Indigenous persons in urban and rural Canada. The 2024 budget provided for a second tranche of the $4B investment provided by Canada, to increase the reach of the network of Indigenous housing providers under the umbrella of the National Indigenous Collaborative Housing Inc (NICHI).[4] This investment will help scale up the successful network of Indigenous housing authorities operating in urban and rural centres and provide much-needed relief for the increased number of Indigenous community members forced to leave their communities. However, it also falls very short of identified needs.

[1] For reference, the current number of homes on the ground now—half of which are in need of major renovations—is 119,000 (source: Office of the Auditor General of Canada, Report 2-4—Housing in First Nations Communities(Ottawa: OAG, 2024). This means that more new homes are needed than the number of homes on the ground now, assuming that existing homes are renovated to meet health and safety standards.

[2] Closing the Infrastructure Gap by 2030: A collaborative and comprehensive cost estimate identifying the infrastructure investment needs of first nations in Canada, by Assembly of First Nations et al (2023) online: <https://afn.bynder.com/m/4cefcc8de0fbd2d5/original/Closing-the-Infrastructure-Gap-by-2030-Summary-Document.pdf>.

[3] See CMHC 2024 Urban, Rural and Northern Indigenous Housing – "What We Heard" Report and companion fact sheets on housing funding and needs.

[4] See National Indigenous Collaborative Housing Incorporated (NICHI) (10 April 2025), online: NICHI <https://nichi.ca/>.

Diagnostic and Indigenous Solutions

Need estimates and expenditure figures are useful to identify total access to capital requirements and the level of federal effort made available. What they don't show is how and where federal funds are used, or to what extent federal support can be used by Indigenous individuals, organizations, and communities to leverage market capital, in the absence of Indigenous access to federal support available to other Canadians.

The federal effort is almost exclusively focused on local government provision and management of assisted housing, and federal guarantees are only available in small increments to communities that have the ability and accept to backstop them. This means that Indigenous individuals and nonprofits can only access commercial housing finance if their community has sufficient internal resources to guarantee their housing loans.

This approach is based on the perception that the Indigenous housing crisis is much the same as the Canadian housing crisis, exacerbated by distance, poverty, and the restriction on seizure of Indian property resulting from section 89 of the *Indian Act*. As a result, this approach calls for a single one-size-fits-all strategy inspired by mainstream governmental remedial housing programs.

It is important to note that the mainstream programs they are based on are designed to operate on the margin of functional market housing systems, not in replacement of the market. They were developed in response to the needs of individuals temporarily unable to take responsibility for their housing needs, not as permanent solutions in the absence of the tools, systems, and programs that enable other Canadians to resolve their housing needs and build up home equity. This exclusive focus on assisted housing in First Nations has resulted in a culture of dependence on social housing programs funded by governments, with leverage of government subsidies limited to communities with the ability to guarantee housing finance on their territory.

The diagnosis that current federal programs are based on is not only at fault for ignoring the full range of tools needed to support a healthy mix of private and public housing, it also fails to address the wide diversity of Indigenous community circumstances.

Some are located on high-value, accessible land in urban areas, while others are remote, inaccessible, and small, with limited access and infrastructure. Some were still mainly relying on land-based economies well into the 1950s, while others integrated into the colonial economy in the mid-19th century. Some have implemented *Indian Act* land and home property regimes, others not; and an increasing number are now opting out of its land, property, and taxation regime altogether and have access to municipal government-type bond financing for infrastructure and social housing through the First Nations Finance Authority—a powerful instrument for Nations with important own-source revenues.

Federal assistance has been made available to implement more efficient access to capital instruments for financially better-off First Nations, often those with important resource-based revenues...

...but this still falls short of providing them with an equivalent of federal access to capital tools available to other Canadians.

Poorer First Nations, however, those with limited or no capacity to guarantee housing loans, have no access to commercial finance, even for social housing; these include some of the communities with the highest housing-related health and safety issues.

Solutions to the crisis need to rest on a better understanding of its causes, how it has evolved over time, and, most importantly a better understanding of the solutions that Indigenous leaders have developed.

When Canada first implemented the *Indian Act,* the expectation was that residential schools would prepare the ground for the gradual movement of Indigenous individuals off reserves and their assimilation into mainstream Canada. Since reserves were meant to be temporary and Indian status a transitory "ward of state" protection for individuals, there was no need to provide Indian reserves with a functional equivalent to the complex and quickly evolving land, property, housing, and private homeownership finance regime available in the mainstream.[1] Instead, a limited land title regime and a "bare-bones" land registration system were built into the *Indian Act*, which did not evolve for half a century until First Nations leaders began to develop alternatives that are now available on an *Indian Act* opting-out basis.[2]

In the early days, homes were built by the government to minimal standards, allocated by the "Indian Agent", and often financed by the sale of community resources (land, lumber, or other resources). Access to welfare-funded housing was limited to families in dire need, as successful individuals were expected to support themselves or to leave, since they were deemed not to need further government protection.[3] Individuals were discouraged from taking personal responsibility for their housing.

By the 1970s, the population of Indigenous communities began to increase rapidly, and it became clear that the expected integration of the Indigenous population into the mainstream would not happen. Temporary government-run remedial housing programs expanded and became permanent fixtures, with increasing local responsibility for delivery, but not design.

Beginning in the 1980s, as employment income began to grow, modest rents for communal homes were introduced in most communities in the face of strong internal resistance, as "free" homes, initially provided to accelerate relocation on reserves, were understood to be compensation for lost territories. But rental income remains unable to cover the high building and maintenance costs of remote housing, resulting in large community deficits and, as an unintended consequence, in major disincentives for private homeownership.[4]

[1] In the mainstream system, homes are built and financed within a complex ecosystem of interrelated institutions, regulations, and incentives. Banks rely on municipal assessments, private appraisals, insurance products, and credit scores. Building codes and inspectors ensure quality. Homeowners can draw on government programs to save for deposits and expect their homes to appreciate in value, building equity over time. This network of actors and checks creates both responsibility and opportunity for individuals, markets, and civil society.

[2] Self-government legislation provide for alternative land regimes; with the adoption in 1999 of the First Nations Lands Management Act, First Nations can now opt out of land-related sections of the *Indian Act* and implement their own land codes, including lease regimes that are consistent with commercial home finance requirements for security, a solution that has yet to translate into a visible increase in commercial lender activity for individual Indigenous home ownership.

[3] For a detailed historical overview of this process, see Sylvia Olsen, Making Poverty: A History of On-reserve Housing Programs, 1930-1996 (PhD dissertation, University of Victoria, 2016).

[4] The monthly cost of homeownership finance and maintenance often represent as much as three times the monthly rent for community rentals; despite this, and perhaps because of the long wait lists and the poor quality of communal homes, the appetite for homeownership remains surprisingly strong.

Currently, waitlists are often more than 15 years long. Pressure to build more with less has led to lower quality build...

...resulting in homes not suited for extreme climate and overcrowding, and vulnerable to mold and other issues that shorten home lifespans.

Efforts to support private homeownership in order to free up government resources for social housing have been successful, but limited by the incapacity of Indigenous communities to guarantee private housing finance on their territory, even with the support of instruments such as the First Nations Market Housing Fund. This system has now reached the end of its capacity. It must be noted that no other local, municipal or regional jurisdiction in Canada is held to offer full and unconditional guarantees for all housing finance activity in its jurisdiction.

Considerable effort is now invested in Indigenous-led efforts to improve Indigenous government-managed infrastructure and housing in collaboration with Canada. The AFN has been negotiating the transfer of care and control for housing to First Nations[1] on the basis of a framework agreement signed with Canada in 2017.[2] Similar efforts are taking place with national Inuit and Métis organizations and, for Indigenous populations in and out of communities, with the national association of housing providers. The First Nations Financial Management Board, one of the fiscal institutions created under the *2006 First Nations Fiscal Management Act*,[3] has developed, in close cooperation with First Nations governance and economic agencies, an ambitious and detailed roadmap of the institutional developments required to ensure effective First Nation control over their economies.[4]

College and university-level training programs for housing professionals were implemented over 10 years ago and are now offered in several regions of Canada. A national First Nations Housing Professional Association was incorporated in 2019 and is now offering certification for trained housing officers.[5] The national First Nations Infrastructure Institute was established through legislation in 2023.[6]

Private sector efforts to finance community-owned and managed housing have accelerated, especially for First Nations with important own-source revenue sources. Most commercial financial institutions, including Indigenous-owned institutions, such as Peace Hills Trust, the First Nations Bank of Canada, and the network of Indigenous Caisse Populaires in Quebec, have introduced increased flexibility for housing finance for communities (and individuals where First Nations accept to backstop their borrowing needs).

Vancity has recently announced a program in partnership with a private Indigenous credit investment fund, Keewaywin,[7] to increase investments in some of the communities where needs are highest.

An Indigenous-owned and controlled investment fund, the Raven Indigenous Outcomes Fund,[8] brings together communities, investors, governments, and funders to support investments that improve lives and advance the well-being of Indigenous Peoples. It supports innovative community-designed approaches to reach community housing, clean energy, health, and employment goals. The McConnell Foundation has been one of the seed investors of this fund, which is expected to reach $50M by the end of 2026.

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[1] Assembly of First Nations, National First Nations Housing Strategy (2020), online: <https://afn.ca/wp-content/uploads/2020/10/National-First-Nations-Housing-Strategy.pdf>.

[2] Canada, Office of the Prime Minister and Assembly of First Nations, Assembly of First Nations-Canada Memorandum of Understanding on Joint Priorities (12 June 2017) online: <https://www.afn.ca/wp-content/uploads/2019/01/MOU_Memorandum.pdf>.

[3] Information on the Act is available at: https://www.rcaanc-cirnac.gc.ca/eng/1393512745390/1673637750506.

[4] https://fnfmb.com/en/about/initiatives/roadmap.

[5] First Nations Housing Professionals Association (FNHPA), online: <https://fnhpa.ca>.

[6] First Nations Infrastructure Institute (FNII), online: <https://fnii.ca/>.

[7] See more at: https://news.vancity.com/news/keewaywin-capital.

[8] See more at: https://www.ravenoutcomesfunds.com/.

These are significant developments that illustrate the dynamism and imagination of the Indigenous leadership in developing alternatives to the failed approaches of the past. They hold the promise of increased scope, quality and cost-efficiency of community housing.

In parallel to these efforts, Indigenous civil society has been active in identifying solutions to release and engage the pent-up energies of personal, market, and nonprofit organizations to address their share of the responsibility for housing outcomes. This is essential to the development of balanced housing continuums with a mix of private and public housing and to ensure that Indigenous communities do not remain locked into exclusive government responsibility for housing.

SECTION 2

Indigenous civil society initiatives

In parallel to federal efforts and policies that, for all practical purposes, limit housing assistance to basic shelter for those in need, Indigenous authorities, civil society, and individuals have mobilized across the country, in both land-based and virtual communities, to find solutions for the issues left unaddressed. Their energies have focused on two main areas: appropriate housing design and housing finance.

Innovative Indigenous housing design

Indigenous housing design efforts have mainly been directed at climate- and culture-appropriate design, energy efficiencies, solutions for at-risk demographics including homelessness, use of local materials, entrepreneurs and labour, provision of affordable rentals paired with health, education, and social services to individuals at risk and ownership models designed to improve affordability. They frequently operate in partnership with Canadian civil society organizations.

The most impressive innovation is, without a doubt, the development of a national network of regional nonprofit housing providers serving urban, rural, and remote concentrations of First Nation, Inuit, and Métis members living outside their home communities.

This network is active in over 100 locations across Canada[1] and has become the primary housing solution for the rapidly growing number of Indigenous persons who leave their communities temporarily or permanently.

These providers work across Indigenous heritage, tribal, linguistic and membership divides, free from the local political interference that often hampers housing provision in communities where decisions are centralized under local governments. They have the critical mass to deliver cost-effective housing and health, education, and social services. They are now supported by both federal and provincial governments. As they are located outside Indigenous communities, they are not subject to the *Indian Act* or similar regulatory barriers to accessing commercial finance, but, like mainstream nonprofit housing societies and cooperatives, they face important challenges to access commercial financing for growth, and have a limited capacity to leverage their asset base.

Within Indigenous land-based communities, the single greatest obstacle to civil society housing initiatives is the institutionalized monopoly of local governments over all housing decisions, levers, and finance. This is compounded by the thin distribution of the Indigenous population across small and isolated communities, making it difficult to mobilize and organize around shared goals. Native women's associations, among the earliest civil society groups to form, did not emerge as a significant national force until the 1970s, after decades of organizing, largely because of the high costs of informing, convening, and mobilizing members across diverse cultural and linguistic groups scattered across the country.

Canada has always been reluctant to support what it views as "private" initiatives proposed by nonprofits and non-political community organizations as opposed to "rightholder" initiatives led by elected Indigenous leaders.

As a result, the type of housing activity usually led by civil society organizations in the areas of homelessness, disability, or housing for demographics with special needs tend to be carried out by political organizations like the AFN, whose housing priorities are elsewhere—the provision of community-owned and managed housing for all members.

Yet, inspiring stories of individual and collective housing initiatives running parallel to community housing programs are found in nearly every Indigenous community.

[1] NICHI regroups some 104 such providers; see https://nichi.ca.

The degree of individual member commitment is an inspiration. Members regularly invest personal savings to renovate and expand homes they do not legally own,[1] build new homes with credit cards, informal family loans, and volunteer labour from relatives, friends, and sometimes local administrations. In the early days, this actually occurred in open defiance of Indian agents and *Indian Act* restrictions—as the quote from Chief Edmund Metatawin on page 5 reflects.

Some First Nations have issued *Indian Act*–defined certificates of possession (rights of occupation registered with the federal government), while others rely on locally defined but unregistered "customary" titles to make homeownership possible. Many communities provide assistance to help members build and maintain homes, including down payment assistance, building materials, and home insurance.

Collective, cooperative, and private rental housing development within communities is rare but does exist, particularly in communities where certificates of possession have led to the concentration of land ownership.

Housing authorities at arm's length from local governments have been established in many First Nations, although full independence from political interference in day-to-day decisions is difficult to ensure because all housing policies and financing flow through band councils. Regional multi-nation housing authority structures—modeled on successful off-reserve examples—have often been proposed to achieve greater independence and cost-efficiency, but local leaders have been reluctant to release control over housing.

Nonprofit housing solutions for populations with special needs (e.g. elders, single-parent families, women at risk, returning offenders) have been developed in communities with sufficient populations and financial flexibility, where private homeownership has freed community funds for other purposes and where demand is strong enough to justify such facilities. Multi-national civil society solutions, however, remain to be developed for smaller communities without the critical mass to sustain them.

Independent nonprofits serving Indigenous communities collaborate with, but maintain some distance from, political leadership. These organizations tend to serve multiple groups both inside and outside communities. Indigenous-controlled nonprofits with a housing interest include Indigenous Clean Energy (ICE), which supports communities in becoming green energy leaders through capacity-building and training, and Indigenous Disability Canada/BC Aboriginal Network on Disability.

Many mainstream nonprofits have developed extensive partnerships with Indigenous communities and institutions, and are active on the ground with housing initiatives. Notable examples include Ecotrust's Indigenous Homelands Program,[2] Habitat for Humanity,[3] and the many schools of architecture across Canada that are working on culturally appropriate housing design (especially in the North). At the initiative of the McConnell Foundation, Ecotrust Canada has prepared an inventory of these initiatives. Its Indigenous Housing Landscape Report[4] highlights the richness of Indigenous civil society housing innovation both inside and outside communities.

Despite the high number of successful pilot projects and one-off successes, the lack of financing has proven a major obstacle to the growth and adoption of these solutions. In communities, scarce local resources and guaranteed capacity tend to be reserved for community-managed social housing and housing initiatives under local government control.

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[1] In many First Nations, members considered the homes provided to them free of charge and with no rent by Canada through their band council to be their "property" even if there is no formal title—a perception that may have largely influenced census data on Indigenous homeownership. See https://youtu.be/bsrcocyNPlE for a short video of one such story—a community home modernized and renovated at their expense by its occupants decades before they were permitted to purchase title to it from the band under a home privatization program. As rents had been paid since their introduction, title to that particular home was transferred for a symbolic amount. (French version at: https://youtu.be/DhsCIv_b2rU).

[2] See more at: https://ecotrust.ca/priorities/home-lands/.

[3] See more at: https://habitat.ca/en/how-we-help/indigenous-housing-partnership.

[4] Ecotrust, "Breaking Down Silos: The need for collaborative action in Indigenous housing" (11 September 2025), online: Ecotrust Canada <https://ecotrust.ca/latest/blog/breaking-down-silos-the-need-for-collaborative-action-in-indigenous-housing/>.

Innovative Indigenous housing finance

The lack of access to housing finance seems to have been the critical issue for both government housing activity and for civil society innovation in the housing sphere.

Indigenous governments are constrained by their limited capacity to leverage federal housing support with commercial financing, an option only available to those that have access to significant discretionary or own-source revenues. Indigenous community members and civil society innovators are, for their part, constrained by the inability of their governments to backstop their housing finance activity. It is therefore no surprise that Indigenous government and civil society innovation efforts were primarily directed to the development of housing finance solutions.

Indigenous member-controlled and managed Desjardins credit unions in Quebec were the first to offer homeownership finance to First Nation members starting in the early 1960s. A decade later, a group of First Nation-managed revolving housing loan funds was created. The most successful enabled their communities to achieve Canadian homeownership rates. In 2005, the Aboriginal Savings Corporation of Canada (ABSCAN), an Indigenous-led nonprofit, demonstrated an approach that could be scaled regionally by investing First Nation savings, supplemented with corporate investments and impact financing. Its growth is constrained by limited access to affordable market capital. To address this, a national initiative—Yänonhchia'—has been developed to expand ABSCAN's model across Canada.

Let's examine each of these innovations in detail.

Indigenous-owned and controlled regulated financial institutions

In the early 1960s, two member-owned and controlled Desjardins credit unions were established in First Nations: the first in Wendake, a small urban community near Québec City, and the second in Mashteuiatsh, a large and well-organized First Nation in rural Lac-Saint-Jean. Both communities have been leaders in Indigenous financial innovation, including the creation of the largest Indigenous pension fund in Canada, the Régime des Bénéfices Autochtones,[1] which now has an asset base exceeding $1B. These are the oldest known surviving Indigenous-owned and controlled regulated financial institutions.

These Caisse Populaires drew on Desjardins' long experience of character-based lending, where loans are approved in the community on the basis of local knowledge and direct relationship with clients. They were able to hold on to this approach, capitalizing on credit strengths that once were, but are now unavailable to modern banking in the mainstream, such as long-term borrower stability, local knowledge, and strong moral suasion to repay loans to an institution owned and operated locally. Modern banking has moved away from character lending, closed local branches, consolidated regional banks, and adopted centralized loan approval methodologies that increase efficiency and profitability in what has increasingly become a mobile urban environment, to the detriment of rural and remote locations and non-standard demographics such as First Nations.[2]

[1] RBA Groupe financier, "Mission" (15 October 2025), online: <https://rbagroupefinancier.com/en/mission/>.

[2] In part because the metrics required by these modern banking are unavailable in First Nations (e.g. public records of real estate transactions or property tax roles) and because modern credit scoring technology tends to penalize populations with non-standard access to credit and bank services—a well-documented issue that, in effect, has resulted in credit scoring becoming the new "red-lining" of economic and visible minorities.

Because deposits in Indigenous Caisses Populaires often exceed loan demand, local member-operated loan review boards have the discretion to approve loans with flexible security arrangements not available to other credit unions or commercial lenders. Housing loans typically required community guarantees, but agreements with local governments allowed these institutions to intervene in problem cases, reducing reliance on guarantees.

The Kahnawake Caisse Populaire developed its own proprietary security instrument—the trust deed arrangement—when it was founded in 1987. This system has enabled it to remain independent of local political authorities, even in cases of loan default and repossession.

The collaboration between Desjardins and Indigenous-owned Caisses is now more than 65 years old. It remains a model of successful partnership between mainstream and Indigenous nonprofit sectors and has resulted in a number of additional Indigenous Caisses Populaires. A Métis-owned credit union, Me-Dian,[1] has also been active in Winnipeg for about 40 years.

Two Indigenous for-profit lenders also operate in Indigenous housing finance: Peace Hills Trust[2] (founded in 1980 in Alberta) and the First Nations Bank of Canada[3] (established in the mid-1990s by the Saskatchewan Indian Equity Fund, in partnership with the Toronto-Dominion Bank). Since the late 1980s, a number of non-Indigenous Desjardins Caisses in Québec, credit unions in western Canada, and most major commercial banks have developed strong relationships with First Nations, Métis, and Inuit populations in their service areas. Many have created proprietary products and services tailored to Indigenous clients, including tools to address housing and infrastructure needs.[4]

However, except for the Caisse Populaire in Kahnawake, homeownership loans for First Nations members on reserve offered by these institutions remain conditional on community guarantees.

The only exception is for loans on reserve land set aside for economic development under the land designation process enabled in the late 1980s, where leases can serve as conventional security. However, most of these loans are for non-Indigenous residents and commercial entities.

A recent development, A to A leases, made possible through land codes developed by First Nations under the *First Nation Lands Management Act*, enables the members of a First Nation to lease themselves a parcel of land for which they hold a certificate of possession. That lease is accepted by lenders as conventional security in place of the certificate of possession. Despite availability in a growing number of First Nations over the last decade, there is no indication that this has significantly increased commercial mortgage activity on First Nations lands, suggesting other factors are at work, such as the lack of market value for land in remote communities or residency restrictions that limit resale market to community members.

Indigenous owned and controlled revolving housing loan funds

A few community-owned and managed revolving housing loan funds were established in the late 60s and early 70s by a group of entrepreneurial First Nations who unilaterally decided to redirect government housing assistance into locally-designed and managed loan instruments—an effective exercise of self-government decades before First Nation self-government became government policy.

[1] Me-Dian Credit Union (2025), online: <https://www.mediancu.mb.ca/about-us>.

[2] Peace Hills Trust (2026), online: <https://www.peacehills.com/>.

[3] First Nations Bank of Canada (FNBC) (2024), online: <https://www.fnbc.ca/>.

[4] See https://ccua.com/blog/truth-and-reconciliation-how-credit-unions-are-supporting-indigenous-reconciliation/ for a review of credit union initiatives; each major bank has its own Indigenous banking web page.

The more successful funds operate on sound business principles and have succeeded in creating local housing markets where homes are not just shelters, but a source of family pride and equity as well as a source of business opportunity for the community.

These First Nation housing loan funds represent one of the best-kept secrets in the First Nation housing finance area. They have made a deep and lasting contribution to the evolution of mentalities toward a personal responsibility for housing. They have helped nations find a better balance between government-provided housing and private homeownership, creating space for a broader continuum of housing solutions.

Because housing loan funds are local grassroots solutions, reflecting local needs and circumstances, they are positioned to manage social and private housing portfolios with loss rates comparable to off-reserve housing, lending only on the basis of reputation, capacity to pay, and value of assets.

The four largest funds, with portfolios of $20 to $30M, operate on a cost recovery basis, with loan decisions at arm's length from local authorities. The Wendake Fund, the first to start operations in 1969, partnered with the local Caisse Populaire. Pari-passu loans resulted in a higher volume of loan capital and enabled the Fund to learn from and adapt the Caisse's lending policies and practices, providing it with a head start over other similar funds. Two large, rural communities accessible by road, Six Nations and Tyendenaga, commenced operations in 1970. The fourth, in the urban First Nation of Kahnawake, started operations in 1987, and, in addition to home finance, offered homeownership transition programs to accelerate homeownership. All four of these First Nations have now reached homeownership rates close to the rest of Canada.

Smaller funds without the critical mass to retain professional lending staff found it difficult to thrive. In some cases, they operate in partnership with a commercial financial institution. But even those that are not financially viable on their own have profoundly transformed housing mentalities in their communities.

Because these funds were local initiatives falling outside the federal government's purview, funding was never made available for them to come together and build the alliances that would have addressed their three main challenges: sharing best practices for lending policies and systems, developing a professional association to resist local political interference in their operations, and, most critically, finding strategies to increase their capital base in order to meet the demand they generated. By the year 2000, the most active and successful funds had loaned out their full capital base and were unable to respond to the demand, forcing their communities to guarantee commercial bank loans to compete with their own fund.

In 2016, ABSCAN and the "Housing as a Business" (HaaB) group took the initiative of bringing together all of the funds they were able to locate and that were still active after more than 50 years.[1] Both nonprofit instigators of the meeting have been active with First Nation housing loan funds, ABSCAN as a lender for private homeownership on reserve and as a source of capital for revolving housing funds, and HaaB through its Canada-wide advocacy, training and housing development efforts.

Over the last five years, new community-operated revolving funds are starting to appear in a number of First Nations; however, solutions remain to be found to resolve the challenges that limited the growth of the original ones.

[1] See 'Namgis First Nation, First Nation Housing Loan Fund Best Practices Guide, (February 2017) — prepared in response to a need expressed by the participants of that conference.

Virtual revolving housing loan funds: extended use of community guarantees

A variation of the revolving housing loan fund approach, better suited to communities without the critical mass to implement a loan fund (a minimum of $10M in loans) but that nevertheless have the means to guarantee commercial loans, consists in the operation of a "virtual" housing finance portfolio featuring similar support services, often with down payment assistance for qualifying members.

An example of this is the First Nations of Kebaowek, which has managed to make homeownership available to employed and creditworthy members by guaranteeing their bank loans. However, these guarantees weigh heavily on the community's balance sheet and rapidly grew to the point where they compromise the community's ability to borrow for other purposes, such as participation in regional economic partnerships. Much like the revolving housing loan funds, this solution, which works well to launch homeownership, is unable to sustain continued growth.

Other First Nations with important sources of own-sources of revenue have taken a parallel path. With low-cost loans from the First Nations Finance Authority (FNFA) backed by revenues from other sources, they build homes that are offered to members on a rent-to-own basis. Many of these have been successful in reducing housing backlogs, but politically motivated decisions to charge sub-market rents with no obligation to participate in maintenance have often undermined the motivation for community members to become homeowners, and dependency on government-provided shelter remains high.

Limitations of the revolving loan fund approach

This approach has moved the agenda, but falls short of needs in the three important ways described above:

Political interference: Housing finance programs and policies remain subject to local political priorities and interference, and do not provide for an active role for market and civil society actors.

Insufficient capital base: Their capital base is insufficient to meet demand, even at the low current rate of housing starts. It will not suffice to finance the level of activity needed to resolve the housing crisis.

Lack of synergies: Local funds operate in isolation from each other with neither the mandate nor the capital to expand beyond their local community.

A network solution could result in important economies of scale, professional loan management support and systems, consistent lending criteria and practices, and the possibility of building a single national portfolio for securitization purposes.

Aboriginal Savings Corporation of Canada (ABSCAN)

ABSCAN is a nonprofit created by the Native Commercial Credit Corporation,[1] a member of the National Aboriginal Capital Corporations Association (NACCA),[2] the national network of Indigenous-owned and controlled nonprofits offering business loans and support to First Nation, Métis, and Inuit entrepreneurs across Canada since the late 1980s.

ABSCAN was established as a nonprofit to raise and invest First Nations' savings in First Nations. Since 2005, it has raised over $50M with thirty bond issues compliant with Quebec Financial Market Authority regulations. Underwriting policies, procedures, and loan management systems fully meet industry standards, and its financial statements are produced in conformity with International Financial Reporting Standards. Proceeds of the bond issues were invested, with no losses to date, in community infrastructure, business, and housing.

By 2005, the Huron-Wendat Revolving Housing Loan Fund in Wendake, ABSCAN's home community, had become unable to respond to the exploding demand for homeownership loans it had generated. ABSCAN funded an increasing portion of the excess demand and, in 2012, provided the Revolving Fund itself with a $6.595M facility to extend its reach. In response to pressing demand from other First Nations, ABSCAN expanded its housing loan activity, with loans for well-managed densified social housing in communities with some of the highest overcrowding rates in Quebec. In one of these communities, housing activity had been on hold for ten years due to community deficits—mainly caused by housing deficits—that barred them from accessing Ministerial Loan Guarantees.[3]

In 2012, responding to First Nations with acute housing challenges, ABSCAN decided to test whether its approach could be adjusted for accelerated replication in remote communities without housing markets. A $1.2M pilot project combined First Nations savings, a social finance investment by the McConnell Family Foundation, and a contribution from ISC. The project demonstrated interest, demand, and traction for a program that combined early adopter homeownership loans and support to address housing ecosystem change. The pilot also enabled ABSCAN to identify barriers and disincentives to market housing and test potential solutions. A fully subscribed $4M bond issue for corporate impact investors confirmed an appetite for social finance to participate in this effort.[4]

In 2018, ABSCAN initiated a demonstration project in an extended group of First Nations with a combination of First Nations savings, a CMHC Innovation Fund investment, and a Ministerial Loan Guarantees-backed commercial loan (MLG). Now completed, the project confirmed interest, demand, feasibility, and the ability to control risk in a broad spectrum of communities, even through COVID-19 circumstances.

By 2025, ABSCAN had funded a total of 300 units for $28M.[5] None involved First Nations guarantees or MLGs; no losses have been recorded since inception. But most important is the role model impact of the early adopters funded by ABSCAN,[6] the first in their communities to become homeowners.[7]

ABSCAN housing finance activity has been successful. Risk mitigation has been shown to work,and ABSCAN's approach to addressing needs in communities without housing markets

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[1] These organizations, mainly operating in francophone Indigenous communities in Quebec, are better known by their French acronyms: SÉDAC (Société d'épargne des Autochtones du Canada) and SOCCA (Société de crédit commercial Autochtone).

[2] The network of Indigenous Financial Institutions (IFIs) represented by NACCA has been involved in business finance throughout Canada since the mid-1980s and has invested more than $3B to date into Indigenous economies.

[3] These loans continue to perform without arrears to this day.

[4] Including the Native Benefit Plan, Canada's largest Indigenous pension fund. The CAP Social Finance Fund has since pledged an additional $5 million investment.

[5] The low average loan size ($90K) reflects the significant proportion of mini homes, privatization of community homes, and renovations in the portfolio, as well as the impact on the otherwise strong demand for larger loans of ABSCAN's uncompetitive interest rates, in the 4.5% to 6% range, driven by ABSCAN cost of capital.

[6] ABSCAN is referred to as SÉDAC in the two French language newsreels.

[7] The following links provide a sense of the impact of home ownership: 1. https://youtu.be/bsrcocyNPlE, 2. https://ici.radio-canada.ca/info/videos/media-8450016/crise-logement-dans-communautes-autochtones, 3. https://www.tvanouvelles.ca/2018/10/03/les-autochtones-de-wemotaci-pourront-devenir-proprietaires

has been validated. But it was clear from the start that First Nations savings and ad hoc impact investments would not suffice to grow the effort to scale. ABSCAN began to explore options to raise market capital and approached the Casgrain group to document options to securitize First Nations housing loans. This seemed possible but required a critical mass of standardized, geographically diversified loans. This was the intent behind the formation of the national Yänonhchia' Housing Finance network.

Yänonhchia' Housing Finance

Yänonhchia' Housing Finance was developed to replicate and expand the ABSCAN housing finance approach nationally. The initiative was jointly developed by NACCA and ABSCAN and is now in the initial stage of implementation.

In addition to providing capital to participating institutions for housing loans, it will provide centralized program and policy expertise and oversight, with the prospect of securitizing member housing loans that meet quality criteria to ensure ongoing access to market capital. It will also provide participating institutions with material and expertise to support the modernization of housing ecosystems in communities, including a housing finance diagnostic instrument for communities to explore alternatives to unsustainable housing practices.

Yänonhchia' is proposing a once-in-a-generation effort to harness the energy of Indigenous markets and civil society and to reinvigorate Indigenous housing with a combination of early adopter finance and support for communities to modernize their housing ecosystems. In a way, the Yänonhchia' Housing Finance Network is proposing to do for housing what the IFI network has achieved for Indigenous business in Canada—to provide advisory support and seed investments to release the creative and entrepreneurial strengths of Indigenous Peoples.

Yänonhchia' is inspired by the success and lessons learned from the experience of Wendake and similar communities, and it builds on the institutional strength of an established Indigenous lender network with local knowledge, presence, and relationship capital built over more than thirty years of Indigenous lending experience. Two NACCA members have been active in housing finance since 2005: ABSCAN, described above, and All Nations Trust Co. (ANTCO).[1] At least two other NACCA members have experimented with housing finance in Yukon and in southern Ontario.

The initiative is projected to grow slowly and in phases, adjusting to circumstances and needs. When fully implemented, the Yänonhchia' Indigenous Finance Network will comprise 10 to 12 participating IFIs, ensuring full national coverage and a Network Central with coordination responsibility. A Capital Facility with a $150M warehousing line of credit, replenished through securitization, will support ongoing loan activity.

The main benefit of the initiative is the activation of an Indigenous-designed and managed institutional solution to correct dysfunctional housing systems and access market capital for housing finance.

The Canadian government has been approached for operational support until break-even is achieved, most of it for start-up, implementation of housing loan activity, housing ecosystems modernization support, and research and development. Support from Canada and other potential partners is also required to raise capital for the $150M Capital Facility at a rate that enables the network to offer housing finance at competitive rates and in a manner that provides for a seamless transition to the securitization phase.

[1] All Nations Trust Co. (ANTCO) has been managing CMHC Section 95 loans since 2005 with a current housing portfolio of more than $175M.

During the network implementation phase, it will establish a cohort of early adopters that will serve as role models to generate support for change from within communities, and it will develop and tailor instruments, tools, and models to support housing ecosystems change by Indigenous communities and make them available nationally. It will release and activate the largely untapped potential of personal, entrepreneurial, and nonprofit responsibility for Indigenous housing outcomes. It will provide a conduit for market capital; for socially responsible investment focused on environmental, social, and governance outcomes (ESG); and impact investments driven by economic reconciliation objectives to address quality Indigenous housing loan demand at affordable rates. It will document the performance of Indigenous housing loans to build the track record to support ongoing access to market capital based on real, as opposed to perceived, risk. And, finally, it will bring Yänonhchia' to the level of activity required for securitization solutions that will ensure ongoing access to capital.

As of 2026, Yänonhchia' is incorporated and ready to onboard lenders in five regions of Canada. It has garnered support from senior government officials in all the relevant agencies, support from the First Nations Market Housing Fund's board of Trustees, and of representatives from all political parties who see the need to provide Indigenous individuals with homeownership opportunities. The McConnell Foundation, an early supporter of the venture, has approved a seed investment of $2M to help launch operations.

Yänonhchia' proposes to take this activity to scale nationally in all First Nations and eventually in all other Indigenous communities, with an approach based on four pillars:

Early adopter housing finance for individuals, entrepreneurs, nonprofits, and communities with loans based on merit, creditworthiness, and asset value rather than community guarantees. The proposed model could provide for up to $7B in loans over twenty years, with construction, acquisition, and renovation loans for private homeownership, private housing development, privatization of community rentals, densified public rentals, purpose-built nonprofit housing solutions addressing the "niche" housing challenges of demographics with special needs, and business loans secured by home equity value.

Securitization of performing early adopter housing loans to ensure ongoing access to affordable market sources of capital in proportion to the volume of quality loans rather than the guarantee capacity of Indigenous communities. This feature addresses the main limitation of the large and successful revolving housing loan funds that fueled the success of Wendake and similar communities—their inability to keep up with the demand they set in motion. The securitization feature is expected to begin operations in the early 2030s once a diversified portfolio of $150M in performing loans has been built up.

Support to Indigenous communities, nonprofits, and members for the modernization of housing ecosystems, addressing complex and interrelated factors from housing incentives and policies to land and property systems reform. Instruments to assist community debate over policy options, such as a community housing finance sustainability diagnostic instrument, will be fine-tuned and made available to community leaders through a centre of excellence.

Housing Growth Support Instruments to accelerate housing infrastructure finance to ensure housing cost affordability and to provide an alternative to current guarantee instruments.

Indigenous-led solutions: lessons learned

The success of Indigenous civil society innovations demonstrates that these Indigenous-designed and managed housing finance solutions can result in rapid improvement of Indigenous housing circumstances without removing the protections to the integrity of Indigenous territories.

It also indicates that the Government of Canada's strategy of flowing all available funds through local governments to sustain local delivery of federal programs and services is not sufficient to resolve the housing crisis, and that private and civil society initiatives need to be enabled, grown to scale.

Among the lessons learned:

01

Indigenous leadership, design, and management are key—but so are partnerships with mainstream market and civil society actors.

02

Efforts to transpose mainstream government, market, or civil society solutions without local input and adjustments to reflect the diverse array of Indigenous circumstances have not worked.

03

Local political support and backing are critical to introduce innovative approaches, but day to day operations need to be insulated from local political intervention and pressure.

04

Critical mass for financially viable solutions almost always requires initiatives with the participation of members from multiple nations.

05

Loan discipline and rent collection are better handled by institutions at a distance from local governments than by local governments themselves.

06

Slow development, with local support for regulatory and land regime change driven by visible success on the ground, is essential. Attempts to impose solutions wholesale, before early results are visible, generate important resistance.

07

Solutions need to build-in credit strengths specific to Indigenous communities, based on local knowledge and feet on the ground, in combination with modern risk rating methodologies.

08

Shared government, market, and civil society responsibility for housing has been demonstrated as the only successful approach to break dependency on insufficient social housing funding.

09

Social finance participation is required to generate the level of investment needed to create the momentum for change, ensure the viability of Indigenous institutions driving the change, and eventually resolve the housing crisis.

SECTION 3

An opportune moment for engagement

Despite concern for Indigenous welfare and broad support for reconciliation, Canadian foundations, social investors, social innovators, and other civil society actors have not actively engaged around Indigenous housing, especially housing finance in Indigenous communities. Perhaps this is because Indigenous housing continues to be seen as a social housing issue, and as such, a federal government responsibility, not part of the sector's mandate, and, in addition, a problem requiring massive ongoing investments beyond the reach of the sector's resources.

Housing and Reconciliation

Indigenous representatives have been very clear about the why and how of reconciliation. It is a call for new approaches, addressed to all sectors of Canadian society—not simply a demand for governments to provide "more of the same..."

It calls for a transformation of the relationship with Indigenous Peoples, this time in the spirit of treaties that guaranteed them the right to survive as peoples and communities.

Canada's record has been the opposite. The government confined Indigenous groups to poor and narrow plots of land, insufficient to sustain local economies, dividing thriving nations into small, isolated settlements separated by provincial boundaries or communication lines, and in other cases, relocating for ease of servicing groups of families from different and sometimes antagonistic nations. Traditional governance was undermined or ignored, ceremonies banned, and a government-imposed model—the band council—was forced into place as an intermediary for Indian Agents who exercised control over all aspects of life. Residential schools were tasked with erasing Indigenous languages and preparing the next generations for absorption into the Canadian mainstream.

These systematic efforts to erase Indigenous peoples as peoples failed. Communities reorganized; legitimate leadership reclaimed governance and decision-making powers. Schools now teach Indigenous history, languages, and ways, strengthening culture and connection to the land. Economic development emerged despite limited resources. Powerful alliances between Indigenous groups formed, providing the critical mass for strong national and regional governance, finance, and civil society institutions.

Still, these gains are partial and fragile. They depend on vibrant Indigenous communities in the homeland, along with sufficiently dense concentrations of off-site members to sustain a shared identity.

The Indigenous housing crisis now threatens this foundation, placing the very survival of both land-based and virtual Indigenous communities at risk. The survival of Indigenous peoples as distinct peoples is at stake. Yet this crisis can be averted: Indigenous governments have grown their own-source revenues and member incomes in partnership with Canadian businesses. Indigenous civil society actors have developed proven housing models and financing mechanisms. Few, if any, receive serious government attention, which remains narrowly focused on legal obligations to "rightsholders" which do not seem to include an obligation to provide Indigenous groups with access to the tools Canada provides its other citizens to resolve their housing needs, or, failing that, a functional equivalent to them. Many of these Indigenous civil society initiatives were built in partnership with Canadian civil society actors—for example, the Caisse Populaire movement. This suggests Canadian civil society may have more to contribute to reconciliation through housing support than was previously assumed.

To make this happen, a major obstacle must be removed: the unspoken but persistent and widely held belief that Indigenous peoples cannot survive as distinct peoples in the modern world, that there is only one way to survive, "our way".

This idea was the rationale for the residential school system, and it remains a powerful, but rarely voiced, obstacle to action today. The contemporary version of it is that rural and remote Indigenous communities are unsustainable, their infrastructure costs too high, their populations too small and too fragmented to maintain culture and identity, and that efforts should rather focus on economic integration of Indigenous individuals into the mainstream, with special rights and privileges as individuals, not as autonomous nations. This was the logic of Jean Chrétien's 1969 White Paper, which proposed abolishing the *Indian Act* and providing for individual Indigenous rights and privileges rather than collective recognition.

Though that playbook was rejected, federal policy shifted to a different but related approach: transferring the responsibility for the administration of federal programs to local governments for managing life on reserve for those who choose to "stay behind"—unwilling or unable to integrate. This involved the transfer of declining per capita funding to address socio-economic gaps, while paying lip service to the transformation of Indigenous homelands into vibrant, modern, culturally distinct communities. Serious proposals for such transformation continue to meet with polite indifference—even from otherwise sympathetic observers who cannot imagine alternatives to mainstream ways. The same failure of imagination also haunts discussions about the future of Canada's own rural, isolated, and northern populations.[1]

Non-government actors have reacted differently. The obligation to consult and accommodate Indigenous populations on traditional territories has created a growing appetite for partnerships. Large resource-based corporations have understood the benefits of strong Indigenous communities, capable of participating in mining, fisheries, forestry, and energy development.

This has resulted in a flow of own-source revenues from collectively owned Indigenous ventures in some communities, compensating for the reduction of federal transfers, and enabling them to incur the debts needed to maintain a degree of public housing. But these benefits have no impact on civil society innovation and risk perpetuating local political interference in all housing decisions. And they deepen the rapidly growing divide between "have" and "have-not" communities, sometimes undermining the formation of regional institutions with the scale to resolve the housing crisis.

Canadian civil society actors have been more receptive to the challenge of reconciliation, with excellent work in housing—especially in rural and urban "virtual" Indigenous communities, where easier access, larger concentration of Indigenous members, absence of local political interference, and existing housing tools make engagement simpler. The urgent task is to extend that commitment to land-based Indigenous communities, and to solutions that connect them with their diasporas.

At the same time, Canadian civil society is searching for alternatives to sustain affordable housing, sustainable development and climate resilience. Many such experiments—land trusts, ecovillages, affordable housing, housing cooperatives, protected zones—parallel Indigenous challenges, including the need to protect homes from speculative financialization. Perhaps Canadian social innovators in housing need to recognize Indigenous communities as partners and allies in reimagining how to live sustainably on this land, especially in the hinterlands, now under new pressure as climate change alters accessibility, but opens up new opportunities.

[1] A sentiment clearly expressed in Harry Kitchen's 2006 C.D. Howe Institute report, *A State of Disrepair: How to Fix the Financing of Municipal Infrastructure in Canada*, when he questions "whether communities that cannot survive in the absence of disproportionate senior government funding should ... exist at all".

Supporting Indigenous civil society organizations and nonprofit housing finance is central to the commitment to reconciliation. Neither governments nor markets are addressing it.

Canadian and Indigenous civil society will not solve the housing crisis alone—but they must be heard if sustainable solutions that nurture rather than destroy community are to take root.

What funders, allies and impact investors brings to the table

The homelessness crisis and housing shortages facing Indigenous communities are staggering—but Indigenous and Canadian civil society can be part of the solution. There are many roles the sector could play.

The sector, unlike governments which are under immense pressure to address immediate relief and unable to focus on root causes, has the ability to incubate long-term change solutions and back outcome-driven, rather than output-focused systems-change innovation.

It can engage with Indigenous civil society organizations, and support demographic minorities that face housing challenges unmet by their own leadership.

Foundations have numerous tools, such as advocacy, research, convening, grants, community outcome contracts, concessionary, and market-return investments, Program Related Investments (PRI), Mission Related Investments (MRI), and guarantee facilities. Their capacity for patient systems-change, open-source collaboration, and synergy makes them uniquely positioned to impact communities in ways governments in Canada have not been able to.

The sector's moral authority and expertise in social innovation and impact investing position it to play a key role in:

1. Activating, connecting, mobilizing, engaging, and giving voice to Indigenous civil society and social innovation energies that are now isolated and under-resourced.

2. Supporting the emergence, growth, and replication of catalytic innovations and social ventures capable of transforming housing systems—including partnerships between Indigenous and mainstream innovators on financing and land issues.

3. Advocating for housing systems policy reform. Foundation leaders have been committed to Canada's impact investment market, supported the launch of the Social Finance Fund,[1] and have been undertaking steps to advance reconciliation — and they can do the same in housing.

4. Supporting the expansion of Indigenous-owned and -controlled social finance instruments, such as housing loan funds, until a critical mass for financial sustainability is reached.

[1] This has already resulted in CAP Social Finance Fund investment into ABSCAN.

A Call for Partnerships

It is an opportune moment to grow alliances between Canadian foundations, nonprofits, and civil society leaders and their Indigenous counterparts to tackle the housing crisis.

A swell of political will, more actors taking part, and increases in Indigenous household income set a prime landscape for the implementation and success of housing solutions.

There is expanding recognition across governments, the public, and Indigenous communities that the current approach is unsustainable. Alternatives are needed, not only in how homes are financed, owned, and managed, but also in how they are built as the impact of climate change grows.

With rising employment, income, and education, more Indigenous members now have the desire and the means to take responsibility for housing. Homeownership potential is far greater than when the first Indigenous social finance tools were developed in the 1970s. Rising urban housing costs and increasing community-based employment are motivating exiled members with valuable skills to return.

Private and communal Indigenous entrepreneurs are ready to scale housing activity to match demand. Housing costs would be reduced if communities could finance entire developments rather than one or two homes at a time. Indigenous financial nonprofits have shown they can manage and deliver housing finance effectively, and that they hold solutions that could be replicated across communities and the country.

This moment holds the promise of transforming the housing crisis into a generational opportunity to revitalize Indigenous communities—both land-based and virtual—in ways that sustain modern Indigenous identities.

A new generation of educated, capable Indigenous leaders is ready to design partnerships, apply Indigenous perspectives, and take responsibility for results.

Not a conclusion, but an invitation

The purpose of this paper was to provide background, provoke discussion, and invite participation.

If reconciliation is to be real, Indigenous peoples must have viable options to survive as peoples and as communities.

Housing is central to that challenge, and government-managed remedial housing, the main focus of efforts at this time, is only one part of the solution: most importantly, efforts are needed to provide an equivalent to mainstream housing systems that enable personal, nonprofit, and market responsibility for housing outcomes in the mainstream in a way that preserves the integrity of Indigenous territories.

Proven solutions developed by emerging Indigenous civil society players exist but need support to grow to scale. Partnerships with Canadian civil society actors have proven critical to their development and could play a critical role in accelerating their growth.

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