

Business Plan

Métis Housing
Investments(MHI)
Incorporation





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Thunder Bay Métis Community Centre



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Executive Summary

The Métis Nation of Ontario is set to embark on a path that will lead to sustainability, wealth generation and opportunities for its citizens through the creation of the multi-faceted, for-profit Métis Housing Investments (Incorporation) (MHI). This business plan outlines the reasons and rationale for MHI, and also provides a skeletal framework for the organization. The MHI will be a stand-alone corporation with a single shareholder – the *Métis Nation of Ontario*. This business plan complements the Métis Nation of Ontario's Strategic Plan for 2009-2014, entitled *Working Together for a Stronger Nation*.

The creation of a stand-alone, for-profit corporation that will focus on:

- i) Market-housing development;
- ii) commercial and community development;
- iii) property management and technical services; and
- iv) training and renewable energy.

This is a strategic and prudent economic driver as investments in real estate will generate revenue, build equity, and leverage future access to additional investment capital.

Real-estate investment not only brings a financial return and contributes to building up a marketable asset base that will benefit Métis citizens but it demonstrates a commitment to community and basic needs for healthy and happy living. However, like any investment, real estate does carry potential (but manageable) risks and financial liabilities.

The MHI will be led by a Board of Directors supported by the daily leadership and management of a Chief Executive Officer, who will report to the Board. The Board will put in place a governance and accountability regime that will inspire investor and customer confidence.

There are many reasons why the arms-length Métis Housing Investments (Incorporation) will serve the needs of the MNO. A key reason is that the MHI, as a separate incorporated entity, will be responsible for its business dealings, thereby saving the MNO from any potential harm. The MHI will have greater ease in raising funds from the financial marketplace, as the arms-length relationship with the MNO will provide investors with confidence that there is a legitimate separation between politics and business.

The MHI will offer, at least initially, four distinct lines of business. The first is market housing development that will offer citizens of the MNO a range of opportunities on the housing continuum, from rental units (owned by the MHI), and senior's residences to rent-to-own housing that will allow citizens to become part of the home-ownership market.

The second will be commercial and community development that will involve acquisitions and/or construction ranging from office buildings/complexes to community and MNO government facilities.



The third line of business will be property management and technical services. It will include various service and technical offerings ranging from technical inspection services to property management.

The fourth line of business will be training and renewable energy. It will include internship programs, train-the-trainer activities, energy efficiency and renewable-energy solutions.

To avoid confusion, the suite of not-for-profit housing programs and attendant services will remain with Métis Nation of Ontario Secretariat (MNOSEC) Housing Branch. The level of synergy and cooperation between the Housing Branch and the MHI will be seamless, as each will work towards the common goal of serving Métis citizens while generating training, business and job opportunities as well as enhancing wealth that will lead to self-sufficiency.

The process to launch and implement the MHI will take place in two distinct phases.

Phase One

The first phase, which will take place over the first two years of operation, is to establish, among others, the MHI, obtain financial support, develop the policy and operating framework, develop a five-year operating plan, and put into place a variety of partnerships.

This is not to say that the MHI will only be in a planning and pre-implementation phase: The property management and technical services business line will operate on a fee-for-service basis, as will the training and renewable energy business line. Further, the MHI will also undertake a few market-housing and commercial projects that will bring in modest revenue.

Non-repayable, start-up funding to cover salaries, benefits and professional services over the first two years is estimated at \$539,000. To demonstrate to potential contributors that the MNO is providing in-kind support, expenses for accounting, human-resource services, purchasing, occupancy costs, telephone, communications and office supplies will be assumed by MNOSEC (Housing Branch). Sources of grant funding, such as the tri-partite federal-provincial-MNO agreement, will be approached to support this innovative economic-development approach towards self-sufficiency. The initial funding will be used to support the activities outlined in the previous paragraph and to engage the necessary technical expertise to conduct due diligence reviews prior to purchasing properties.

Phase Two

The second phase, which will commence at the beginning of the third year, is the implementation of a fully operational and functioning MHI. The only non-repayable support that will be sought is a modest contribution to defraying a portion of salary costs (35 percent of the previous year's requirement, which amounts to \$70,020). The groundwork laid during the



first phase will set the stage for the MHI to become a significant economic development entity in the world of market-housing development, commercial and community development, property management and technical services, and training and renewable energy.

The market-housing role of the MHI will begin slowly, with the purchase of existing rental buildings, probably in the four-unit range, that are in need of repair, and can therefore be bought at a fair price. Several such buildings are for sale in smaller centres across Ontario, for prices ranging from \$20,000 to \$50,000 per unit. With further research and networking with municipal governments and Métis community councils, it is likely that even lower-cost buildings can be identified.

The MHI will use its technical resources, business acumen and financial resources for repairs and energy retrofits, to bring the buildings to a high standard of quality. The retrofitted buildings will provide a secure housing environment for Métis citizens, and will reduce the environmental footprint of each building, which, in turn, reduces monthly expenses.

One challenge facing the MHI will be the requirement to obtain down-payment capital equal to 20 percent of the value of each project. The recent changes for mortgages announced by the Federal Minister of Finance will have an impact, but they are workable. There is therefore a need to explore and pursue possible sources of equity capital.

As the portfolio of market-housing projects grows, the MHI will be able to use annual projected revenues to leverage start-up operating and capital costs of subsequent projects. The MHI also intends to earn fee-for-service revenue from each project, through property-management fees and energy retrofits. The revenue will be used to support MHI's daily operations.

We know that the MHI will experience growing pains, and will not achieve success overnight. However, with prudent management, the market-housing portfolio will, in time, generate retained earnings that can be leveraged to meet not only market housing, but also the commercial and community real estate needs of all our citizens. Once sufficient investment capital is available to meet MHI operating and capital requirements, dividends will be offered to the sole shareholder. The shareholder, the MNO, can choose to invest the dividends into economic, social and/or cultural development programs and initiatives.

Through time, the MHI will become a source of capital, employment, training opportunities and pride for all Métis citizens. The wealth generated will contribute to leading the MNO down the path of self-sufficiency where the MNO can take its rightful place as one of the leaders in Ontario.



Métis Housing Investments (Incorporation) - An Overview

Market Overview

Affordable Housing

Demand for affordable and subsidized housing for Métis citizens in Ontario is high. According to the 2001 Census, 23,100 Métis households in Ontario were in “core housing need,” a standard indicator based on income, overcrowding and poor housing quality. The natural growth of the Ontario Métis population, and rapidly increasing numbers of people identifying as Métis, mean the current number of Métis households in need of affordable housing is estimated at greater than 25,000.

The MHI will draw on existing waiting lists for social and affordable housing to help meet occupancy needs with the purchase of rental units. Waiting lists are shared among social-housing providers, and vary from community to community. An initial survey of Métis seniors indicates a high number across the province needing affordable housing. Discussions with other Aboriginal service organizations have revealed further potential applicants (e.g. ONWA, OFIFC, MNO Health). The average income of rural and native housing clients is approximately \$30,000 per year, and for seniors approximately \$15,000 a year or less.

Barriers to Affordable Housing

The main barrier to meeting the demand for subsidized housing is the relative scarcity of public funding. An accepted benchmark for housing affordability is that the rent charged to tenants should be no more than 30 percent of their gross household income.

For many households in Ontario, this figure is much lower than the actual cost of providing a housing unit, when operating factors such as utilities, insurance, mortgage payments and property taxes are included. Public funding is therefore necessary to make housing affordable to lower-income tenants, because it lowers the effective rent that must be charged to affordable rates.

Two main ways to achieve affordable rents are:

- i) Provide an on-going operating subsidy that covers the difference between the actual economic cost of the housing and what a low-income housing can afford to pay; and
- ii) Make a lump-sum capital investment (in effect, a large down payment) to lower the net cost of building or acquiring a unit, so that the net operating cost is equivalent to the affordable rent. This latter approach is how current affordable housing programs operate.



There are, however, a number of drawbacks to this approach. Projects funded under the newer, one-time capital subsidy programs are generally not affordable to the lowest-income households, because they cannot afford to pay a high-enough rent to cover the operating costs and capital reserve of the housing.

Other drawbacks include: The need for the developer, whether non-profit or private sector, to provide up-front capital as equity to further reduce net operating costs (by reducing or eliminating the need for a mortgage and thus debt servicing), and; the need for the developer to have reasonable ability to service construction financing costs before receiving the public capital subsidy upon completion/occupancy of the project.

In other words, affordable housing under current programs is, in effect, market housing with some public investment that reduces net operating costs. Therefore, construction entities using this type of affordable housing program need to have significant financial resources, both equity and cash flow, in order to get projects built and occupied.

While this could be viewed as a barrier to meeting urgent needs, it also presents an opportunity. The realty market is currently in a state of contraction, as the global economy has decreased housing prices and demand. While realty markets have always experienced cyclical ups and downs, the timing of cycles is hard to predict. The current downturn does present advantages for those willing to acquire properties in substandard condition, and to use skills and resources to bring them to standard.

There is also a growing opportunity to address the matter of energy usage in housing, through improved inspection techniques, access to better products and technologies, modeling of the costs and benefits of retrofits, and making best use of current government funding programs.

Demand for Market Housing (Rental and Home Ownership)

The market for non-subsidized housing varies considerably between regions of Ontario, depending on the local economy and demographics. Key indicators include:

- Rental markets in most Ontario cities show low vacancy rates, with exceptions in centres hit hard by the economic downturn. Moderately-priced rental housing is in short supply, and rents continue to increase in most major centres. According to statistics from Canada Mortgage and Housing Corporation October 2009 report on the Ontario's rental market, availability for two- and three-bedroom apartments is less than three percent in northern centres such as Timmins, North Bay, and Kenora;
- Home ownership is difficult to access for many families in large centres, but is traditionally more affordable in smaller centres and rural areas;
- Interest rates for home buyers are historically low;
- The federal government recently announced new rules that will make housing acquisitions more difficult for many people.



- Notwithstanding the previous bullet, access to capital for rental housing construction is constrained, as financial institutions are being cautious about loan approvals. Although interest rates are low, lenders are applying tougher standards than in previous years on loan-to-value ratios and debt coverage ratios; and
- The population of seniors is increasing rapidly and will double by the year 2030. There is demand for alternatives involving retirement environments (rental or ownership tenure) where support services can be obtained.





Why Create Métis Housing Investments (Incorporation)?

The proposed Métis Housing Investments (Incorporation) (MHI) will be a stand-alone, for-profit venture. It will have one shareholder - the Métis Nation of Ontario.

A corporation is a separate legal entity. Incorporation is necessary when the nature of the business involves potential liability, as debts and lawsuits are incurred by the corporation, not the owner. Incorporating offers an added layer of protection, but it does not negate the need to obtain business liability insurance. In order to access financial support, many lenders require incorporation, as they quite often have the perception that businesses that bother to incorporate are more serious and stable than those that do not.

Incorporation is a requirement to be eligible for such government programs as the Small Business Internship Program. In order to meet the objectives set out for the corporation, the recommended legal form of ownership will be a for-profit Ontario numbered corporation. The sole shareholder will be the Métis Nation of Ontario. This form of ownership will allow the MHI to operate at “the speed of business,” as it will be an arm’s-length entity. Once sufficient operating and investment capital has been established, dividend payments can be used to support other program and project initiatives under the MNO.

In order to fulfill its mandate, it is important that the MHI’s financial structure be kept at arm’s length and separate from the MNO, for three key reasons.

First, although property development can generate strong returns on investments over time, the early stages can be risky. The MHI needs to build an unrestricted operating reserve to cover property search, planning and approval costs. Best practices in property development specify at what point retained earnings can generate dividends without impacting the ability of the developer to carry out its business responsibilities.

Second, the risky nature of property development suggests that the MHI be clearly structured to minimize potential liability and risk to the shareholder. In order to further minimize liability and mitigate risk, an industry best practice that will be initiated will be to create holding corporations subsidiary to the MHI for each development project.

The third reason for an arm’s-length relationship with MNO is to provide investors with the confidence that MHI is operating as a stand-alone entity, and is not guided by any political decisions or influence.

The creation of a separate corporation, focused on market-housing development, commercial and community development, property management and technical services, and training and renewable energy, is a necessary and prudent economic driver. Real-estate investment is a sound approach to generating revenue, to build up equity and to leverage access to



other sources of finance. Through time, an inventory of marketable assets will be amassed and used to benefit Métis citizens, businesses and community organizations.

Real estate is an investment and marketable asset, but does carry potential (but manageable) risks and financial liabilities. There are also rewards, such as dividends, that can support other MNO socio-economic and/or cultural activities.

A major competitive strength that the MHI will bring is its business acumen and dedicated resources, to take advantage of development opportunities, especially given the relative lack of interest from private-sector competitors in addressing the portion of the market that is important to Métis citizens.

By acquiring real estate assets that will cover the continuum of housing needs, the MHI will fill a significant gap that, over time, will attract and create additional business opportunities. Implementation of the Métis Housing Investments (Incorporation) will contribute to the MNO's goal of self-sufficiency.

Mission Statement

The MHI is committed to developing and managing a portfolio of market housing and commercial real-estate assets, in an environmentally and financially sustainable manner that will be used to generate wealth and opportunity for the Métis Nation of Ontario and its citizens. The MHI will develop employment, business and partnership opportunities for its citizens as well as for the general community.

Business Philosophy

The business philosophy of the MHI is to develop sustainable Métis-owned rental housing and home-ownership opportunities, as well as commercial and community real-estate opportunities across Ontario, and to provide attendant professional technical and property-management services. To accomplish this aim, the following are the key underpinnings that will drive the MHI:

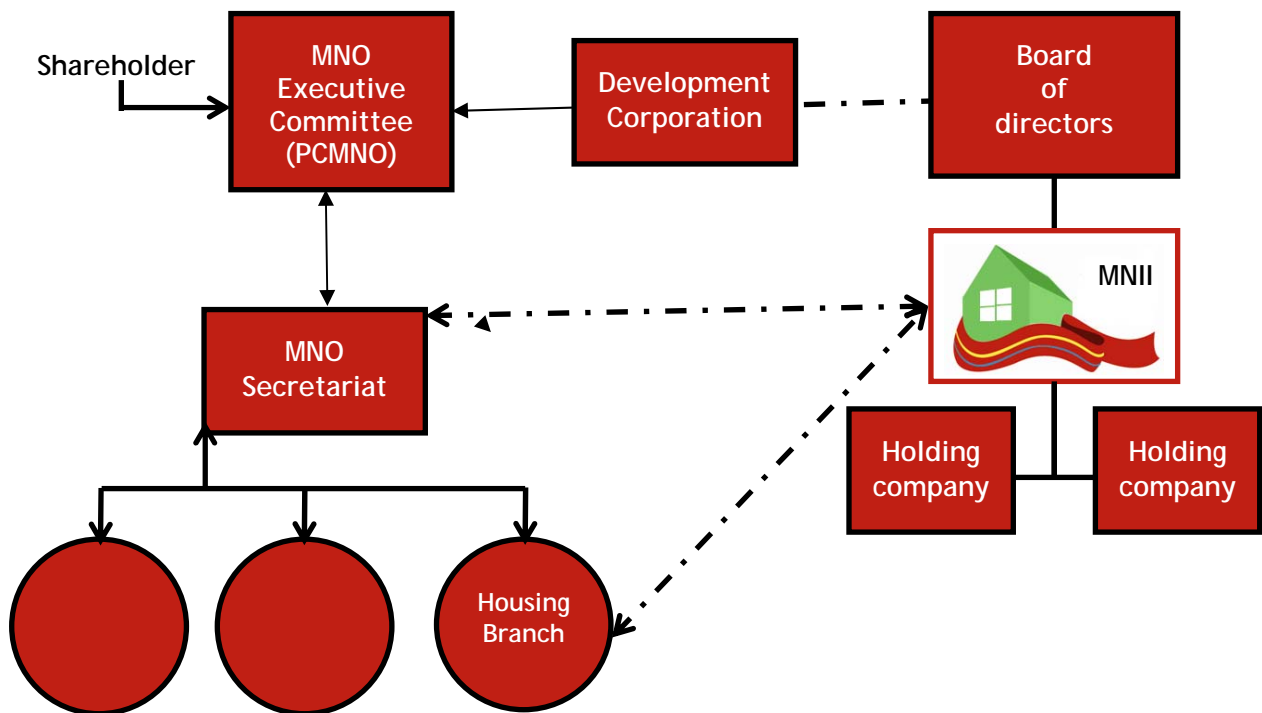
- Develop Métis-specific and culturally appropriate real-estate holdings based on identified needs;
- Use the skills and resources of the MHI to their greatest advantage;
- Establish the MHI as a model for efficiencies, training and wealth generation;
- Build and manage real-estate investment projects that are energy efficient, environmentally responsible and financially sustainable;
- Use every opportunity to develop skills and capacity, and to provide employment and business opportunities for the Métis people of Ontario, with linkages throughout all entities of the MNO, and with partners who share the same goals and objectives; and



- Offer recognized internship and training programs, based on holistic approaches, for technical inspections, energy efficiencies and skills development in the area of market housing and commercial real estate.

Relationship within MNO

A proposed organizational relationship is outlined below:





Agent of Excellence

The most important strengths and core competencies of the MHI are that it will become a centre of excellence for real estate in terms of administration, technical expertise, investment opportunities, property management and energy efficiency. At the outset, MHI may initially purchase marketable housing skills from the MNOSEC Housing Branch, in the areas of technical inspections, property management and program delivery, if required. This will supplement existing resources to ensure growth. Through time, the MHI will enhance its expertise to become self-sufficient.

One factor that will enable the MHI to succeed will be its ability to take advantage of multiple sources of investment funding, and the power of the marketplace to create options for Métis people. It will be at the forefront in creating and managing housing options that will be affordable so as to benefit Métis citizens. This could happen through a variety of means: partnerships with other private sector developers; access to investment funds; and employing the equity in properties already owned and operated by the MNOSEC. It will also become a repository of best practices in the field of energy efficiency, property-management services and realty management, including technical inspections and training.

The products and services of the MHI will be initially marketed to Métis community councils, Métis households, and potential Métis investors or partners. On the basis of incremental success and re-investment, the marketing plan will be accelerated annually and eventually broadened into aboriginal and non-aboriginal market and commercial developers. It will also take advantage of the contractual opportunities for property-management services and energy-efficiency needs offered by the private and public sectors.



Comparable Advantages

The MHI will have several competitive advantages that will help in implementation. They include:

- Long-standing relationships with Métis citizens;
- Close connections to Métis community councils;
- Access to government funding to support Aboriginal housing initiatives;
- Direct connections to internship and skills-development programs that can ensure a supply of skilled labour for MHI, and could result in reduced labour costs;
- Access to skilled professional resources for activities such as property management and housing inspections with MNOSEC Housing Branch (to be purchased on a fee-for-service basis).

Numerous positive benefits the competitive advantage of the MHI will bring to the MNO and its citizens include:

- The construction or acquisition/rehabilitation of market housing represents a significant opportunity to create wealth for Métis communities and citizens through predictable monthly income and the opportunity for longer-term equity growth;
- Community Councils benefiting through professional guidance and support to purchase suitable commercial space for offices and community facilities;
- Wealth creation for Métis organizations and citizens through market housing projects by employing the technical skills of the MHI to evaluate opportunities to buy and rehabilitate existing housing as rental opportunities, for re-sale or other revenue generation;
- Prudent borrowing practices to leverage the capital resources of the MHI and create more market housing;
- Engaging Métis entrepreneurs in development projects; and
- Down the road, the possibility of creating a vehicle such as an investment fund for Métis citizens to invest in housing that provides regular cash-flow returns and the opportunity for long-term equity growth.

The affordable-housing industry is currently in a growth phase due to the influx of government funding from 2009 to 2011, as part of fiscal stimulus initiatives. The funding is in the form of capital grants to partially offset the cost of construction, with the expectation that project owners will be able to collect rents sufficient to cover operating costs and any debt repayment. Although the funding horizon for the capital grants is limited to the next few



years, the property-management business generated by these projects will endure for several decades. The MHI also plans to meet a strong demand for property management and technical services.

Examples include:

- The Ontario Aboriginal Housing Support Services Corporation (OAHSSC) has a mandate to provide on-going technical training. It recently partnered with MNO to update training materials and provide training to all RNH Property Management Groups. The plan is to enhance this partnership to meet other related training needs;
- Recognition by CMHC's Manager Social Housing Initiatives of a need for technical training to fill a gap in their service-delivery agreements. This is a contractual opportunity that will be pursued;
- RRAP/ERP inspections require on-going training across Canada for Métis Housing agencies, other Aboriginal Housing Authorities, and others from the public and private sector;
- A national need for talented professionals in areas such as energy-efficiency auditors, technical inspections and retrofits, as required by regulatory changes, opens up many opportunities;
- Pursuing contractual opportunities with all sectors to provide property management services; and
- Opportunities that the Duty to Consult and Accommodate legislation can offer in such diverse areas as environmental excellence and partnership development with municipalities and the private sector.

The above presents some of the technical services that will be exploited to earn revenue for the MHI.

Challenges

As with any new endeavour, there are always challenges that need to be overcome, especially in the initial stages. The MHI will face seven major challenges. Some are unique to the MHI, while others are a fact of the business world. However, with every challenge comes a potential solution:

a) Access to start-up funds to evaluate and plan potential projects and secure land until financing is available.

Solution: The MHI will be very strategic about the number, type and location of projects that it takes on, and, when necessary, will partner with private-sector organizations to obtain the right mix of skills and resources. The key is to begin by taking “baby steps” that will ramp up incrementally. By initially undertaking a few projects per year in markets where the respective Métis community council can provide strong support, and where there is a substantial need for housing, success will be enhanced.



b) Lack of experience within MHI for market housing, commercial and community development

Solution: The MNOSEC Housing Branch has experience in acquiring a few commercial buildings. The MHI will use this foundation, and the transfer of skills and knowledge to build on this experience. Further, the MHI will develop partnership agreements designed to provide expertise, guidance and mentoring where the necessary skill sets may not currently exist.

c) Lengthy municipal approval processes (six months to a year).

Solution: The MHI will ensure that municipalities are involved at the outset of every potential project so that delays and problems are kept to a minimum. It is also the intention of the MHI to develop close linkages with municipalities so they will view the MHI as a partner that will bring positive and sustainable benefits to both parties.

d) Access to capital for down payments (20 to 25 percent of the value of projects).

Solution: The initial focus will be on smaller properties in fair condition that are selling below market value so that they can be turned into rental projects. Lower purchase prices will mean lower down payment requirements. Municipalities and neighbours should react positively to the news that the MHI will bring housing in fair condition to a high standard of quality, and that the MHI will ensure that the rental property is well managed, as community improvement benefits everyone. The MHI will seek to innovative funding support, such as sponsorships for upgrades, and seek energy retrofits that will reduce the carbon footprint of the buildings and lower operating costs, thus improving cash flow. The Corporation will also pursue a one-time start-up contribution from the federal and provincial governments for both project planning and the initial down payment requirement (equity infusion). Government support will stimulate economic activity and be the “springboard” that helps the MHI create a sustainable, self-funded approach to future housing development.

e) Immediate positive cash flow from each project is necessary, as the MHI does not have the ability to carry negative cash flow.

Solution: The MHI will partner with experienced private-sector housing and development companies, with a preference given to Métis entrepreneurs and business. For example, some developers may have land or buildings for development, but have opted not to proceed with projects because of the current economic downturn. Working with MHI will enable the firms to access a new market. This, in turn, would allow MHI to take advantage of the partners’ planning and development skills as well as access to financing, while the MHI could focus on tenant selection and property management. The partnership agreement could include provisions for MHI to obtain an increasing equity share over time (perhaps by converting a portion of its property-management fee into



equity each year). Vigorous negotiations with lenders to access long-term financing are part of the Phase One mandate. The first deal will be the most difficult to negotiate, but each subsequent deal will be easier. Mortgage brokers can potentially help the MHI to conduct bidding competitions between lenders for the business; this will help obtain lower rates.

f) The lack of Métis housing capacity and/or physical presence in many Ontario locations.

Solution: A series of partnership agreements designed to create a provincial network will be put into place to cover areas with a lack of capacity. In addition, once activities gain momentum, a series of contracts with service providers will be put into place. The longer-term objective is for the MHI to offer province-wide coverage under its umbrella.

g) Limited initial capacity (financial and human resources) of the MHI and the potential negative impact on MNOSAC income from Housing Branch.

Solution: The MHI plans to overcome these and other related challenges by developing a relationships and partnerships with a variety of stakeholders, to obtain non-repayable grant support for underwriting part of the first phase and a small portion of Phase Two. The MHI will begin its activities on a very small scale and will use funding diligently to maximize impact. The relationships struck will be mutually beneficial, and should clear the way for the MHI to fulfill its mission statement. The MHI plans, when necessary, to engage the services of the Housing Branch on a fee-for-service basis, thereby not affecting the latter's income.





Partnerships

The MHI knows that a variety of partners is needed to contribute to not only the start-up phase but to the longevity and sustainability of the organization. Some partnerships may be struck on the basis of a contractual arrangement, while others could involve a letter of agreement or memorandum of understanding. Without limiting the possibility of partners, the following sectors will definitely be explored:

- All levels of the public sector;
- The education sector;
- The energy sector;
- Non-for-profit and for-profit housing agencies;
- The private sector;
- The financial sector;
- The real estate sector; and
- Volunteer groups such as Habitat for Humanity.

The Crown's Duty to Consult and Accommodate can open doors to the development of many potential long-term partnerships. Advance knowledge of potential large-scale investment opportunities by the private sector gives the MNO and MHI an advantage, in terms of pre-positioning for potential contractual opportunities that could be built in to any Impact Benefit Agreement. The economic development spin-offs are endless. Examples of what the MHI could offer range from technical services, training and energy efficiency to establishing and operating temporary accommodation facilities.



Overview of Lines of Business

The Métis Housing Investments (Incorporation) will begin, at least initially, with four key lines of business. They are:

- I. Market Housing Development;
- II. Commercial and Community Development;
- III. Property Management and Technical Services; and
- IV. Training and Renewable Energy.

The service offerings for each line of business may be enhanced or altered slightly as the MHI grows. Through time, and on the basis of success, new business lines such as land development may be required, but this would form part of its rolling five-year operating plan. See the Products and Services section for more detail.





Overall Goals, Expected Outcomes and Performance Objectives

The following are initial macro-level goals, outcomes and performance objectives. The goals, outcomes and performance measurements will be further developed, in consultation with stakeholders and the Board of Directors, during the start-up phase of the MHI as part of the Five-Year Operating Plan. Approval will be given by the Board of Directors.

1. Goal - Development of a Five-Year Business Plan

- The MHI will develop a Five-Year Operating Plan, based on discussions and engagement sessions with MNO leaders, Métis Community Councils, Métis citizens, investors, partners such as, but not limited to, various levels of government, private-sector business and financial institutions.

Outcome

- A Five-Year Operating Plan approved by the Board of Directors and updated annually

Performance Objectives

- Development of partnership agreements and fee-for-service contracts to implement the business plan; and
- Identification of the various resources required to move the agenda forward in a positive, robust and sustainable manner.

2. Goal - Market Housing

- Build or acquire housing assets that will meet the needs of citizens, and generate revenue for reinvestment in the MHI.

Outcome

- Begin process of developing Métis-specific housing stock of rental units that can be used for affordable housing, market rents or rent-to-own for adults, youth and/or seniors.

Performance Objective

- Select one or two new market-housing projects to undertake per fiscal year, with a view to increasing incrementally, leading up to a minimum of five projects per year, as financial and human resources permit.



3. Goal Commercial and Community Development

- Acquire or build commercial and/or community assets to meet identified demand that will generate revenue for re-investment in the MHI.

Outcome

- Assist Community Councils to prepare business plans and proposals for funding community office space and facilities; and
- Acquire commercial assets according to demand and financial resources.

Performance Objective

- Evaluate one to two potential projects per year in cooperation with Community Councils, increasing annually as capacity grows to a maximum of five projects per year.
- Acquire or construct a minimum of two commercial or community assets in the first five years.

4. Goal - Property Management and Technical Services

- To provide project planning, property development, property management and technical services to MNO and its citizens, as well as to other interested parties on a fee-for-service basis.

Outcome

- Manage the planning and construction or renovation of new affordable projects for Métis citizens.
- Establish and manage development and property-management partnerships with community-based agencies to benefit Métis citizens.
- Provide property management and technical services on a fee-for-service basis to the new projects.

Performance Measurement

- Develop and expand service offerings to Métis and non-Métis communities, and the private and public sectors, while enhancing the skills of the HIC staff.
- Increase fee-for-service revenue by up to 50 percent using the results of the second year of operation (year two of Phase One) as a baseline.
- Secure two property-management contracts per year for the next five years.



5. Goal - Training and Renewable Energy

- To develop and offer technical training to interns and organizations on a fee-for-service basis, and to offer leading-edge advice and services in the field of renewable energy.

Outcome

- Complete the Métis Conservation Workforce Pilot Project (BSTAIP) with MHI personnel qualified to conduct training events and internship programs for a variety of students including Métis, First Nations, Inuit and Non-Aboriginal affordable-housing organizations.
- Develop expertise in renewable energy as it applies to residential and commercial development.

Performance Measurement

- The BSTAIP technical-training program is expanded beyond the pilot project phase, enhancing best practices and building in monitoring, assessments and revisions, as appropriate.
- Renewable-energy solution(s) such as micro-fit applied to MHI housing and commercial building stock.



Products and Services

Lines of Business

The MHI will have four separate lines of business:

1. Market Housing Development;
2. Commercial and Community Development;
3. Property Management and Technical Services; and
4. Training and Renewable Energy.

Each has a unique role to play, yet the four business lines will operate through a synergetic and harmonious approach. During the initial start-up phase of the MHI, some technical and property management services may be purchased from other vendors such as the MNOSEC Housing Branch. However, once the MHI's Five-Year Operating Plan is implemented, and additional capital becomes available, the MHI will become self-sufficient, with the exception of a few operating and overload services that will continue to be purchased from the MNOSEC Housing Branch. The development of the Five-Year Operating Plan will take into account a needs assessment for both market housing, including senior citizens', and commercial/community requirements. A capital-investment plan will also be included as a planning tool. A key driver in acquiring and maintaining the various assets will be to maximize training, employment and contractual opportunities for Métis citizens and Métis businesses.

Market Housing

There is an on-going need to ensure that a ready supply of affordable and other market housing can be offered to MNO citizens. While the MNOSEC Housing Branch will continue to work with grant-based funding providers such as the Aboriginal Housing Initiative, the MHI initially plans to purchase housing assets that require refurbishment, and bring them up to standard, while ensuring maximum energy efficiency. The unit(s) will then be offered to citizens seeking affordable rental housing. The MHI also plans to acquire housing assets that can be refurbished and eventually sold to Métis citizens using innovative rent-to-own schemes or outright sale. MHI will focus on offering accommodation options to senior citizens.

Proposed product and service offerings:

- Needs identification in order to match demand with potential supply;
- Working with partners such as developers or municipalities to develop culturally-appropriate housing options;
- Identify potential housing unit(s) matching demand that will be purchased and refurbished for either rental or (eventual) home ownership;



- Identify residential opportunities where developers or existing service providers may be willing to sell outright or participate in other innovative approaches to selling their portfolio;
- Working in conjunction with Property Management and Technical Services, ensure that construction activities required for market housing units are tendered in accordance with recognized contractual standards that meet the requirements of the appropriate authorities that have jurisdiction.

Commercial and Community Development

Although the commercial marketplace can be somewhat daunting, the potential returns to the investor as well as the leverage factor to acquire other assets cannot be understated. Commercial real estate, especially in smaller towns, offers opportunity to satisfy the needs of not only Métis businesspeople, but of all businesspeople. The commercial and community benefit to acquiring and constructing multi-use facilities is another area that will be explored to its fullest. The purchase of the Legion in Thunder Bay, with its innovative use of leasing arrangements, and ownership by the local Métis community, is a perfect example.

Proposed product and service offerings:

- Develop a five-year rolling capital plan with MNO councils to identify community and commercial requirements;
- Work with partners such as developers and municipalities to acquire and/or develop commercial holdings that could be used for business and/or community purposes;
- Identify potential commercial real-estate offerings that provide a reasonable rate of return;
- Identify commercial opportunities where other service providers may be willing to sell or use a lease-to-own approach to sell their holdings;
- Work in conjunction with the property management and technical services professionals to ensure that construction activities required for commercial activities are tendered in accordance with existing standards, and sound construction practices that take into account energy efficiency, etc.

Property Management and Technical Services

This line of business will have multiple roles that will complement and enhance the work of the other lines of business. For example, project planning and development for all assets; and fee-for-service technical inspections and property management for both not-for-profit and private-sector landlords.



Technical and Professional Offerings (fee-for-service basis)

- Technical inspections;
- Property management for both MHI assets, non-profit, public and private-sector landlords; and
- Realty and consulting services related to property acquisition, development and maintenance to organizations and individuals.

Project-Management Offerings

- Working with Métis community councils and other Métis groups to develop project proposals;
- Consultation services in areas such as research and building plans;
- Project management for the design and construction of the new buildings; and
- Assist Councils in preparing proposals for acquiring or otherwise adding to their office and community-centre space, to generate income and equity.

Property-Management Offerings

- Property-management services to assets obtained by the Housing Investment Corporation;
- Pursue contractual opportunities with residential and commercial landlords, major corporations that have various real-estate holdings such as mines, projects with temporary camps etc., and the public sector in the areas of Property Management and Technical Services.

Training and Renewable Energy

This line of business will comprise training for interns as well as a train-the-trainer offering to other service providers. The MHI will also develop a technical-training curriculum in partnership with a multitude of partners, including Service Canada, Confederation College, Canada Mortgage and Housing Corporation, Natural Resources Canada and OHAS. MHI will also seek endorsement from CMHC and other recognized institutions towards accreditation of the internship program, Métis Conservation Workforce Pilot Project and Capacity Building. Training will also focus on renewable energy and energy efficiency. In order to further efforts in renewable energy from environmental and cost-reduction perspectives, this line of business will also develop partnerships with renewable-energy suppliers, and with municipalities, to market energy solutions that will produce immediate income for MHI and result in savings for Métis consumers and our partners.



Proposed product and service offerings:

- Training of interns and the delivery of train-the-trainer modules in areas such as energy efficiency;
- Development and delivery of training programs available to all service providers;
- Broader technical-training services to web-based applications, national marketing, technical updates;
- Become a repository of best practices and innovative approaches to training; and
- Working with partners, initiate energy-efficiency applications that will benefit both the residential and commercial sectors.

Sample Pricing and Fees

Technical and Professional Services

- Fees will be charged at market rates, based on assessment of average rates for similar services in Ontario, with sliding scale for not-for-profit and for-profit organizations, government agencies and individuals.
- Technical and professional fees will cover areas including but not limited to: project management; consultation services; capital planning and purchasing.

Property Management

- Fees will be charged at market rates based on assessment of average rates for similar services in Ontario, based on a percentage of annual rent revenues per Building.

Note: A breakdown of sample technical fees is included as Appendix B.



Marketing Plan

Branding

A key to the MHI's success will be to brand its products and services. Branding the MHI will deliver a clear message that confirms its credibility, and connects with potential clients, partners and stakeholders.

In order to succeed in branding, the needs and wants of clients and partners must be understood. This could be accomplished by integrating the brand through the MHI at every point of public contact. A logo to distinctly set the MHI apart from other organizations will be developed. The aim is to have the brand reside within the hearts and minds of clients, partners and stakeholders. The sum total of their experiences and perceptions will spell success.

Competition

The market-housing products of the MHI will compete directly with residential contractors, landlords, property managers and, potentially, realtors. However, the MHI is looking to exploit the niche market of many of MNO's citizens not being adequately served by the competition.

The MHI plans to develop and maintain housing for Métis people in their communities, which may not always be in locations of interest to many competitors, as well as seniors' residences. Also, the MHI will directly support MNOSEC and Community Councils to build capacity through office-building acquisitions and development of community-based facilities.

When the MHI begins to acquire properties that require substantial rehabilitation, local landlords and property owners will actually begin to regard the MHI as a collaborator rather than a competitor. The majority of landlords/property owners attempt to keep their properties in good condition, and when properties in the surrounding area are permitted to deteriorate, it not only creates a stigma but decreases property value, which affects re-sale values - in other words, their bottom line.

Development of Métis office and community facilities will increase the visibility and pride of Métis communities and provide culturally-relevant service and gathering facilities. Community centres will be positioned as links between Aboriginal and Non-Aboriginal populations providing a broad range of programs, services and marketable options. As is evidenced by the acquisition of the Community Centre in Thunder Bay from the Legion, citizens have access to specific services, yet the Centre also receives rent from non-Aboriginal organizations that more than offsets the mortgage and monthly expenses. This approach has worked, and MHI will ensure that it continues to work in the future.

The local realty industry will welcome the activity of the MHI with properties in areas not always viewed as "desirable," and therefore difficult to sell. The MHI's interest in acquiring land and/or property of this nature will help to



enable the seller to obtain a return on investment and generate fees for the real-estate industry. Similarly, local contractors will appreciate the opportunity to bid on additional renovation business. MHI technical advisors and interns will be available for technical inspections, energy audits and related services.

Positive Marketing Features of the MHI

There are various levels of potential clients for the MHI. They include Métis citizens as housing consumers, and seniors, trainees/students/interns, extended family and friends, businesspeople/contractors, property owners, developers, the contractor/construction community and a suite of investors looking for a solid return.

Why will market housing and commercial clients be willing to choose MHI? In no particular order, the benefits that will attract business customers to the MHI are as follows:

- Professional, skilled staff and resources to ensure best practices in property management;
- Access to energy-efficiency audits, programs and related retrofits;
- Partnerships to meet housing needs in various communities in Ontario, including assistance to access funding from Métis and Aboriginal housing programs;
- Potential access to new employees who have successfully completed a vigorous training program on technical inspections, energy audits and other real-estate services;
- Participation as a placement opportunity for funded interns, thus addressing some capacity issues; and
- Providing employment opportunities with MHI and its related ventures.

The features and benefits that will attract and retain Métis citizens as customers include:

- Affordability and value for money – access to quality housing and related services at affordable prices;
- Security of tenure – knowledge that their housing is secure and they are not at risk of being priced out of their dwelling;
- Energy efficient and environmentally responsible – well designed, easy to maintain, and built to last;
- Location – housing where Métis citizens wish to reside;
- A chance to generate wealth – for those interested in housing as an investment, the opportunity to be self-sufficient and generate wealth for their families over time;



- Employment – the opportunity to be part of the construction and management of the housing; and
- A focus on energy efficiency that will enable the MHI to become a leader and share the results (savings) with citizens, thereby benefiting everyone.

Promotion

There will be a need to brand MHI's products and services. Branding will take on a slightly different form depending on the target audience.

MNO Citizens

The MHI will communicate to prospective housing and commercial clients through several low-cost measures:

- Community council meetings and newsletters;
- MNO website and publications;
- MNO in-house communications vehicles: Voyageur, e-mails, Provisional Council of the Métis Nation of Ontario (PCMNO) reports, Annual General Assemblies, Director meetings and sharing with staff;
- Direct mail to Métis citizens;
- Advertising in local print media; and
- Initiating and promoting a Métis Housing Contractors and Services Business Directory

Other Aboriginal Organizations

- Community networking with other Aboriginal organizations
- Presence at various trade shows

Commercial Clients (including developers, private contractors, businesspeople)

- Presence at trade shows
- Development of suitable marketing kit outlining product and service offerings
- Meeting with major industry contacts such as the Canadian Construction Association and the Canadian Federation of Municipalities (CFM)
- Demonstrate the benefits of doing business with the MHI



Government (Federal, Provincial and Municipal)

- Presentations outlining the economic-development rationale behind the HIC, driven by the objective to become self-sufficient
- Presentations to municipal councils to identify market potential
- Meeting with key public-service managers to inform them about MHI

Business and Private Sector Proponents

As a result of the Crown's Duty to Consult and Accommodate, ample opportunities will present themselves. In order to pre-position the MHI as a solid supplier, activities such as those listed below would be pursued:

- Speak/present at MNO meetings and gatherings so that the MHI brand is known
- Respond to Request for Proposals and partnership opportunities
- Help develop impact-benefit agreement options that can showcase MHI's solutions



Governance and Accountability

Corporate Governance: Board of Directors

Responsibilities

The Board of Directors is the governing body for the MHI. It has many responsibilities, which can be loosely categorized as follows:

1. Setting the policy for the organization. This is done by:

- Updating the mission statement;
- Determining the organization's products and services; and
- Approving the Five-Year Operating Plan.

2. Monitoring the organization's operations:

- Hiring and periodically evaluating the organization's executive director;
- Working with and providing support to the executive director;
- Approving the annual budget, annual report, etc.;
- Approving major contracts and proposal submissions;
- Soliciting and reviewing program evaluations; and
- Troubleshooting as necessary.

3. Serving as a public figure for the organization:

- Advocating on behalf of the organization.

Composition

- The affairs of the Corporation will be managed by a board that will consist of six (6) directors, one of whom is the chairperson. If required, expert advisors will participate in board meetings when and if requested by the chair on behalf of the board
- The selection committee for the Board of Directors will be comprised of an MNO as the sole shareholder, and the Chief Executive Officer.
- The quorum of the Board of Directors will be four (4) directors.
- Board members will hold office for a maximum of three terms of three years each. Election of board members will be such that no more than one third of the sitting board turns over in one year.
- Members of the board, except for MHI staff as they are already under salary, will be remunerated for attending board meetings and functions.
- The CEO will provide secretariat services.



Composition of the Board of Directors

The Board will initially be comprised of six members. Two will be the Chief Executive Officer and the Chief Financial Officer from the MHI. The Chairperson and the three other members will include at least one Métis businessperson and one Métis citizen. The Board will be selected so that there is proper gender balance. Although not a voting member of the Board, a Métis cultural advisor will also be asked to participate in meetings.

Accountability

The following represent activities of the Board of Directors.

Role

The Board will be involved in key strategic oversight functions such as:

- Setting organizational mission;
- Setting the chief executive's compensation;
- Establishing and reviewing organizational budgets and finances;
- Setting organizational objectives;
- Reviewing audit and accounting policies and practices; and
- Approving significant financial transactions.

Financial Disclosure

To ensure full financial disclosure, a yearly independent audit will be undertaken, together with a distribution of the financial reports to their boards.

Ethical Protection

Policies and procedures will need to be put in place to promote accountability and ethical behavior, including:

- Internal controls on finances and financial accounting;
- Records-retention policies;
- Conflict-of-interest policies;
- Travel-expense policies;
- Compliance programs for regulation; and
- Codes of ethics for board and staff members of the Corporation.



Professional and Advisory Support

The Corporation will report to the Board of Directors via the Chief Executive Officer. All matters requiring the attention of the board will be brought forward by the Chief Executive Officer.

Proposed Staffing and Organization Structure

Start-Up Phase - First Two Years

In the first two years of the MHI's operations, human resources will be kept to a minimum, as funds to staff the full complement will not be available. Many of the activities required to bring the Corporation up to its full operating capacity will be provided by way of contracted resources. Services and technical capacity, including financial administration and information-technology support, will be supplied by the MNOSEC Housing Branch until the end of the start-up phase (two years).

The initial staffing requirements will involve:

- **One (1) Chief Executive Officer** whose responsibility it will be to provide the leadership and managerial direction required to take the Corporation from its embryonic beginnings to a fully functional and operating entity. The CEO will be responsible to ensure that all the necessary strategic planning, policy, procedures and guidelines are developed, and be accountable for setting up the operational framework and plan of the Corporation. The CEO will also work with the Board of Directors to ensure that a positive and sustainable course of action is developed and pursued. The CEO will manage daily business. The CEO will be the face of MHI, meeting with various stakeholders and in negotiations with partners. This role requires an experienced and visionary leader who is equally at home on a construction site and the corporate boardroom;
- **One (1) Administration Professional** will be responsible to provide daily support to the CEO for all facets of administrative activities associated with general office functions. This person will also provide assistance in project administration, and client and partner liaison. The administration professional will also be involved in the hiring of new employees.
- **One (1) Program Developer** will be responsible for the development and acquisition of all real-estate investments. This will include market research, developing recommended approaches to purchasing or obtaining real estate, locating and analyzing potential real-estate opportunities. In addition, the project developer will act as a liaison with the MNOSEC Housing Branch, and be responsible for coordinating the development of all necessary policies and guidelines by internal and external service providers that the MNII will require as it moves forward.



Phase II - Full Implementation

After a two-year period, and in addition to the above-noted personnel, it is envisioned that new staffing requirements will be:

- **Program Manager** to take the Operational Plan to full implementation and coordinate all residential and commercial project activities;
- **Technical-training coordinators** to develop and deliver appropriate training modules/courses either under contract to other organizations or with a cadre of technical-inspector interns and trainees;
- **IT coordinator** to coordinate all information-management and information-technology requirements, including online training courses, a website, and internal IM requirements for project and financial oversight;
- **Contract Administration and Partnership Coordinator** to administer existing contracts and to develop, implement and maintain various partnership agreements; and
- **Chief Financial Officer** to ensure that important financial controls are established and monitored; handle projects with major financial impact such as those requiring significant quantitative and qualitative analysis to arrive at available options; cultivate and establish relationships and partnerships with financial institutions and private investors on how capital might be invested in the MHI; address major strategic issues that can have an impact on the company's long-term future, such as the development of an asset-acquisition strategy for additional growth; and serve as a key advisor to the Chief Executive Officer and as a Director on the Board of Directors.



Capitalization Requirements

Preamble

Funding support is needed to facilitate the start-up of the MHI, especially during the start-up phase, as projected revenue will be very modest. However, budget projections over the first five years show that the Corporation will become self-sufficient as services are fully implemented, and its programs and returns on investment in market housing and commercial and community properties start to flow. The budget is broken into two distinct pieces: i) Phase One or start-up; and Phase Two or fully operational.

Phase One - Start-Up Expenses for the First Two Years

Human Resources

In order to undertake the activities required to move the MHI from a concept to a fully operational entity, non-repayable support for staff resources is required. Over the first two years, support needed to cover salaries and benefits is estimated at \$389,000. MNOSHC Housing Branch will contribute in-kind support of two individuals – a technical inspector and an intern. The suggested sources of funding are the various public-sector agreements, such as the federal-provincial-MNO tripartite agreement. The nature of the MHI lends itself to being favourably supported by the public sector, as its aim is total self-sufficiency, reducing costs currently borne by the public sector.

Amount required: \$389,000 over two fiscal years

Professional Consultants

MHI's staff will not only have to develop and implement each element of the operational framework and the five-year operating plan, but will also be involved in daily operational activities such as technical support, small-scale acquisitions and refurbishments. It is therefore impossible for the limited resources to do all that is required. This is where professional resources will be engaged to undertake activities that MHI may not have the time or the necessary skill set(s) to implement the project. Consultants will be hired only "as and when required," and their results will be outcomes-based. During the first two years, it is expected that @ \$800 per day X 150 days plus \$30,000 for travel expenses, approximately \$150,000 will be needed. This should also be resourced from the public sector, as it will be part of the human resources strategy required to take the MHI to full implementation.

Amount required: \$150,000 over two fiscal years



Housing Project Planning and Development

When seeking market housing and commercial/community development investment opportunities, MHI will initially require start-up funding to develop project proposals. While proposal funding would eventually be recovered once the property is purchased and rented/leased or sold, unencumbered financial support is needed at the outset to: i) engage professional services (architects, legal fees, renovation estimates, planning documents, and ii) cover application fees. Efforts will be made to secure financial support via instruments such as a line of credit, through a partnership with a developer or through internal loans. It is not anticipated that the public sector would be willing to contribute to project planning and development costs.

Amount required: \$100,000 over 2 fiscal years

The Office

In terms of occupancy costs, supplies, office equipment and communication activities, the estimate is \$45,420. Revenue from professional services will offset some of the cost, as will funding from existing MNO agreements with various partners. PCMNO will be asked to cover whatever shortfall may exist. By agreeing to cover any shortfall in funding start-up expenses, PCMNO would be positively viewed, as it would underscore a true partnership where all parties contribute a share.

Amount required: \$0 to \$45,420

Professional Fees for Property Management and Technical Services

The necessary cadre of expertise will not be fully available in the early days, so the Corporation will purchase the necessary service from the MNOSEC Housing Branch. The MHI will add a small mark-up to purchased services in order to contribute to office expenses. This expense is then considered as a flow-through, in that services will not be hired from the MNOSEC Housing Branch unless there is a contractual need to do so.

Potential Sources of Start-up Funding

The MHI will not be starting up with a robust funding base. There is a requirement to fund approximately **\$539,000** over two fiscal years. Sources that will be pursued include:

- The tri-partite (fed/prov/MNO) agreement, as the MHI is an economic development lever that will lead to self-sustainability, and reduce future funding pressures on both the federal and provincial governments;
- New Relationship Fund (up to \$75,000 for Enhanced Capacity Building);
- Economic Development & Skills Training from the Ontario Ministry of Aboriginal Affairs;



- The Northern Ontario Heritage Fund – Infrastructure and Community Development Program; and
- Borrow on the equity in the MNO Thunder Bay Community Centre (needs approval by MNO and the local Thunder Bay Métis Council). This approach is better suited to support start-up project capital (down payment) as this would have a repayment schedule.

Phase I - Project Capital

In order to move ahead on any potential acquisition, unencumbered capital will be required. Therefore, the MHI will need a down payment of 20 percent of the value of each project to obtain mortgage financing.

For example, assuming the value of a unit after renovation is \$50,000, the MHI will have to come up with a down payment of \$10,000 per unit.

Options for obtaining this equity include:

- Obtaining a one-time capital contribution from the federal and provincial governments through their respective economic-development portfolios;
- Borrowing against the security of the Housing Branch’s annual revenues;
- Pooling investments from Métis citizens and businesses;
- Partnering with a private-sector business that has equity, whether cash or land;
- Seeking municipal contributions to offset development charges and permit fees;
- Obtaining surplus government land at no cost (e.g. Canada Lands Corporation);
- Obtaining contributions from philanthropic foundations or social-enterprise corporations; and
- Obtaining an equity-contribution fund as an impact-benefit agreement emanating from the Duty to Consult and Accommodate legislation.

Each of these options will take considerable “leg work” to explore and turn into reality. The cost of this work needs to be reflected in the start-up business activities of the MHI. Estimates to engage the right resources to explore these options and establish the best linkages are included in part of the \$150,000 to engage professional services that will take the MHI to the implementation stage.

As projects are successfully purchased and revenue begins to flow, MHI will develop a portfolio that can be used as security for future borrowings. The positive cash flow from projects can be used to lever more financing for other projects. This, coupled with an aggressive plan to reduce mortgage debt, will free up additional equity that, in turn, can be pledged as security.



Phase II - The Métis Housing Investments (Incorporation) Is Fully Operational

By the beginning of year three, expectations are that the MHI will be virtually self-sufficient, on the basis of robust and active Property Management and Technical Services and Training and Renewable Energy lines of business. The asset portfolio should also begin to provide some financial support, although the majority of surplus funding will be used to either pay down existing mortgages or to re-invest. A minor request of \$70,020 toward human resources will be sought from the public sector with the initial request to support the development and implementation of the MHI.





APPENDIX A:

Market Housing Annual Project Cash Flow Estimates - Two Sample Projects:

Appendix A contains two cash-flow scenarios for market-housing projects involving the acquisition and renovation of lower-priced rental stock. Both examples are real projects that were for sale at the time of the analysis: a five-unit project in Timmins listed for \$99,000 and a 20-unit project in Elliot Lake listed for \$989,000.

Ten-year cash flows were done for each building, with conservative assumptions about the necessary repairs, rent levels and future rent increases, increases to operating costs, and the creation of healthy reserve funds for future repairs.

The bottom line is that the MHI can generate positive cash flow in Year One and onward from these sorts of projects. The projects show surpluses ranging from \$1000 to \$3000 per unit per year before investing funds in reserve accounts. Higher surpluses could be achieved if MHI's property-management skills result in the buildings being managed more efficiently than the market benchmarks.

If the MHI owns 50 units, for example, this would result in annual surpluses of between \$50,000 and \$150,000. Future start-up operating funds and capital can be taken from this surplus, and the housing portfolio will be self-sustaining.



APPENDIX B

SAMPLE PROPOSED TECHNICAL FEES

Training Technical Training (Internship Program)								
	Base Cost (For-Profit) per person		Not-for-Profit per person		Government per person		Individuals per person	
Skilled Technical (Annual two-day Training Course)	\$650		\$500		\$500		TBD	
Certified (Train the Trainer Program) per organization (up three yrs +)	\$2500		\$2000		\$2500		TBD	
National Web base (Training Option)	TBD		TBD		TBD		TBD	
Annual Membership Fee	\$150		\$150		\$150		\$150	
Technical and Professional Services								
	Base Cost (For-Profit)		Not-for-Profit		Government		Individuals	
	General Building Inspection	Energy Audit	General Building Inspection	Energy Audit	General Building Inspection	Energy Audit	General Building Inspection	Energy Audit
Initial Inspection	\$250-450	\$400	\$250-450	\$400	\$250-450	\$400	\$150	\$150
Administration (i.e. scopes, reports, etc.)	\$150-300	\$50	\$150-300	\$50	\$150-300	\$50	Incl.	Incl.
Progress inspection	\$300	\$400	\$300	\$400	\$300	\$400	n/a	\$150
Final Report	\$300	\$400	\$300	\$400	\$300	\$400	n/a	\$150
Project Management								
Based on \$800 per day or percentage of project value	Base Cost (For-Profit)		Not-for-Profit		Government		Individuals	
Feasibility Reviews (Two days)	\$1600		\$1600		\$1600		\$1600	



Purchase of distressed units (3%)	\$30 per \$1000	\$30 per \$1000	\$30 per \$1000	\$30 per \$1000
Renovations & Upgrades (5%)	\$50 per \$1000	\$50 per \$1000	\$50 per \$1000	\$50 per \$1000
Re-Sale for Profit (3%)	\$30 per \$1000	\$30 per \$1000	\$30 per \$1000	\$30 per \$1000
Property Management (x% of revenues) TBD				
Consultation Services				
Based on \$800 per day	Base Cost (For-Profit)	Not-for-Profit	Government	Individuals
Research	\$800 per day	\$500 per day	\$800 per day	TBD
Assist with Proposals	\$800 per day	\$500 per day	\$800 per day	TBD
Building Plans	\$800 per day	\$500 per day	\$800 per day	TBD
Coaching/Mentoring training	\$800 per day	\$500 per day	\$800 per day	TBD
Capital Planning and Purchasing (Develop Guidelines & Procedures)				
Based on \$800 per day	Base Cost (For-Profit)	Not-for-Profit	Government	Individuals
Review Assessments and Risk Analysis	\$800 per day	\$500 per day	\$800 per day	TBD
Property Investigations and Identify repairs with Capital Plan Report	\$800 per day	\$500 per day	\$800 per day	TBD
Property Review with recommended Actions (i.e. sell, rent, etc.) and Implementation Plans (i.e. property managements, market, etc.)	\$800 per day	\$500 per day	\$800 per day	TBD



APPENDIX C Financial Plan

Projected Budget - Métis Housing Investments (Incorporation)

Profit and Loss Projections

Revenues	2010-11 (Year 1)	2011-12 (Year 2)	2012-13 (Year 3)	2013-14 (Year 4)	2014-15 (Year 5)
Balance Forward	\$ -	\$24,220	\$29,416	\$3,589	\$18,785
Rental Income	\$0.00	\$5,769	\$20,000	\$20,000	\$20,000
Salaries (NRF)	\$194,500	\$194,500	\$70,020	\$0.00	\$0.00
Salaries (other sources)	\$257,405	\$156,800	\$156,800	\$156,800	\$196,000
Fees for Inspection Services	\$5,500	\$46,500	\$46,500	\$95,750	\$95,750
Fees for Training and Technical Services	\$47,700	\$122,816	\$165,800	\$165,800	\$165,800
Fees for Property Management Services	\$0.00	\$2,016	\$6,048	\$12,096	\$24,192
Consultation and Professional Services	\$175,000	\$73,000	\$40,000	\$80,000	\$160,000
Total Revenues	\$680,105	\$625,621	\$534,584	\$534,035	\$685,457



Expenses	2010-11 (Year 1)	2011-12 (Year 2)	2012-13 (Year 3)	2013-14 (Year 4)	2014-15 (Year 5)
Salaries & Benefits	\$286,925	\$286,925	\$338,495	\$338,495	\$437,395
Occupancy Costs	\$17,280	\$17,280	\$10,800	\$10,800	\$10,800
Office Equipment & Furniture	\$0.00	\$0.00	\$2,800	\$8,400	\$2,800
Supplies and Services	\$2,000	\$2,000	\$2,500	\$2,500	\$2,500
Telephone & Comms	\$2,000	\$2,000	\$2,500	\$2,500	\$3,000
Training and Internship Program	\$185,000	\$164,000	\$94,000	\$94,000	\$96,000
Professional Fees for Inspection Services	\$3,200	\$26,880	\$26,880	\$26,880	\$26,880
Professional Fees for Technical Services	\$3,640	\$4,920	\$19,920	\$39,920	\$39,920
Travel and Expenses	\$22,000	\$22,000	\$23,100	\$24,255	\$25,468
Consultation Services	\$134,000	\$70,200	\$10,000	\$10,000	\$0.00
Total Expenses	\$656,045	\$596,205	\$530,995	\$557,750	\$644,763

	2010-11 (Year 1)	2011-12 (Year 2)	2012-13 (Year 3)	2013-14 (Year 4)	2014-15 (Year 5)
Surplus/deficit	24,220	29,416	3,589	23,715	40,694