

GEF SENIORS HOUSING ANNUAL REPORT

2023 Financial Reporting

Recommendation

That Executive Committee recommend to City Council:

1. That the 2024-2028 GEF Seniors Housing Strategic Plan, as set out in Attachment 5 of the October 9, 2024, Community Services report CS02564, be approved.
2. That the GEF Seniors Housing 2025 Operating Budget, as set out in Attachment 6 of the October 9, 2024, Community Services report CS02564, be approved.
3. That the GEF Seniors Housing 2025 Capital Budget, as set out in Attachment 7 of the October 9, 2024, Community Services report CS02564, be approved.

Requested Action	Council decision required		
ConnectEdmonton's Guiding Principle	ConnectEdmonton Strategic Goals		
CONNECTED This unifies our work to achieve our strategic goals.	Healthy City		
City Plan Values	BELONG. LIVE.		
City Plan Big City Move(s)	Inclusive and compassionate	Relationship to Council's Strategic Priorities	Community safety and well-being
Corporate Business Plan	Serving Edmontonians		
Council Policy, Program or Project Relationships	<ul style="list-style-type: none"> • N/A 		
Related Council Discussions	<ul style="list-style-type: none"> • September 21, 2020, Citizen Services report CR8384, Greater Edmonton Foundation Lauderdale Land Lease • August 23, 2021, Financial and Corporate Services report FCS00678, Greater Edmonton Foundation Holyrood Land Lease • November 30, 2022, City Council Budget, Agenda Item 7.8, GEF Seniors Housing Budget Presentation to the City of Edmonton 		

- January 31, 2023, City Council meeting, Item 10.15, GEF Seniors Housing - Annual Financing Reporting
- November 1, 2023, Citizen Services report CS01727, GEF Seniors Housing Annual Financing Reporting

Executive Summary

- Under Ministerial Order No.H024/20F, GEF Seniors Housing (GEF) must submit, and City Council must approve, its three-fiscal-year business plan and annual operating and capital Budgets.
- The *Alberta Housing Act* (Act), s.15(2) requires GEF to submit annual financial reporting to City Council for review and approval.
- In addition, at the January 31, 2023 City Council meeting, the following motion was passed:
 - That Administration work with GEF Seniors Housing to provide annual financial reporting to Committee, including all deficits and in-year variances.
- To ensure adequate reporting to the City of Edmonton (City), the following additional information is also requested from GEF:
 - Annual Variance Reporting comparing actuals to budget and including explanations for any significant variances;
 - Annual Occupancy Report for lodge accommodations (Attachment 4); and
 - Updated Building Condition Assessments for the lodge accommodations every four years.
- Under Ministerial Order No. H:024/20, the City of Edmonton is obligated to cover budgetary deficits incurred by GEF's lodge accommodations, which are operated under the *Alberta Housing Act*.
- For the first time, GEF requisitioned \$219,000 from the City of Edmonton to cover an operating deficit for lodge accommodations for the fiscal year ending December 31, 2023. This requisition was paid in May 2024 and managed within the existing operating budget.
- Currently, GEF is not forecasting any requisition for the fiscal year ending December 31, 2024.

REPORT

GEF Seniors Housing (GEF), formerly known as Greater Edmonton Foundation, is the largest not-for-profit provider of affordable housing and supportive living options for seniors in Alberta. The organization provides safe, affordable and secure homes to approximately 4,000 seniors.

Greater Edmonton Foundation was founded in 1959 under the *Alberta Housing Act*, through Ministerial Order No. H:158/95. In 2020, the order was updated under Ministerial Order No. H:024/20 (Attachment 1), to change the organization's name to GEF Seniors Housing and to update its management body's operations, financial responsibilities and property holdings.

GEF's management body is solely composed of the City and is governed by a board (Board) that is appointed by City Council (Council). Under Ministerial Order No. H:024/20 (Ministerial Order) and the *Alberta Housing Act*, GEF is required to provide Council with business plans, operating and capital budgets and financial reporting. GEF also has the authority to requisition the City for funds to cover annual operating deficits for its lodge accommodations and to establish and maintain a reserve fund to address potential repairs and improvements.

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To ensure adequate reporting to the City, the following additional information was also requested from GEF:

- Annual Variance Reporting comparing actuals to budget and including explanations for any significant variances.
- Annual Occupancy Report for lodge accommodations (Attachment 4).
- Updated Building Condition Assessments for the lodge accommodations every four years.

Table 1 provides a summary of the required financial reporting from GEF.

Table 1: Required GEF Financial Reporting

Directive Source	GEF Submission Requirements	Date Required to be Submitted to City Manager	Reporting Frequency	Report Attachment
<i>Alberta Housing Act, s.15(2)</i>	Annual audited financial statements for the previous fiscal year, accompanied with variance reporting (2023 year-end financial statements)	90 days after December 31 of current fiscal year (March 31, 2024)	Annually	Attachments 2 and 3
Ministerial Order No. H:024/20, s.5(1)	Business plan for the upcoming three-fiscal-year period ¹	90 days prior to the end of every three-fiscal-year period	Every three years	Attachment 5
Ministerial Order No. H:024/20, s.5(2)	Operating budget for the next fiscal year (2025)	90 days before January 1 of the next fiscal year (October 1, 2024)	Annually	Attachment 6
Ministerial Order No. H:024/20, s.5(3)	Capital budget for the next fiscal year (2025)	90 days before January 1 of the next fiscal year (October 1, 2024)	Annually	Attachment 7
<i>Alberta Housing Act, s.7</i>	Requisition to the City for annual deficit from preceding fiscal year	April 30, 2025	Annually	GEF has communicated that no requisition request is expected in 2025 for the 2024 operating year

¹ In 2023, GEF submitted the 2024-2028 four year business plan to the City, which is acceptable to meet the requirements of the Ministerial Order.

The building condition assessments were completed in 2023 and a condition report for each of GEF's lodge accommodations has been submitted but not included in this report. The submitted information is currently under review and will inform the establishment of a Capital Reserve Fund for GEF's portfolio of lodge accommodations, as permitted under the Act. The building condition reports have not been included as attachments but a facility condition index for GEF's lodge accommodations is included for reference (Attachment 8).

Per the Ministerial Order mentioned above, Council is required to approve the strategic plan following receipt from GEF and approve or request revisions to the annual operating and capital budgets submitted by GEF within 60 days of receipt of the budgets which would be November 30, 2024.

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Historically, Council reviews GEF's strategic plan and four year operating budgets through the City's four year budget approval process. In doing so, Council only approves the City's contribution to support GEF's operating budget rather than approve GEF's operating and capital budgets. Therefore, per the Ministerial Order the full operating and capital budgets for 2025 have been provided for Council's consideration.

The City continues to work with the Ministry of Seniors, Community and Social Services at the Government of Alberta to align the Ministerial Order closer to the City's budget and reporting timelines.

Budget/Financial Implications

The City is required to financially support the Lodge facility only and not the full scope of GEF's operations. Previously, GEF was providing consolidated Financial Statements for all operations, with some segmented reporting just for the Lodge. For the first time, GEF has submitted separate Lodge only Financial Statements for its 2023 fiscal year providing a clearer and more complete financial picture for those operations. Administration reviewed the Lodge Financial Statements presented by GEF and has no concerns.

On December 1, 2022, during the 2023-2026 budget deliberations, Council approved the continuation of operational funding for GEF in the amount of \$4.9 million annually, which has been in place since 2022 and will continue until 2026. The 2025 GEF operating budget (Attachment 6) incorporates the \$4.9 million in City funding previously approved by Council with no proposed increase. GEF receives some provincial funding (approximately \$6 million) with the majority of funding coming from rental payments from tenants (approximately \$21 million). The \$4.9 million from the City is approximately 14 per cent of GEF's proposed 2025 operating budget expenses of \$34.8 million.

Recently, GEF requisitioned \$219,000 from the City to cover an operating deficit for lodge accommodations for the fiscal year ending December 31, 2023. Administration paid the requisition amount on May 14, 2024 and managed within the existing operating budget. Based on projections for 2024, GEF is currently not forecasting any requisition for the fiscal year ending December 2024.

GEF has an operating reserve for its lodge accommodations included in its budget report and intends to establish a capital reserve to ensure that its building maintenance plan has sufficient budget to undertake potential repairs and required improvements. GEF is developing a business case for Council's consideration in 2025 for the establishment of the capital reserve itself; funding discussions would occur as part of the 2027-2030 budget deliberations.

The regulations under the Act impose statutory requirements on reserve funds for lodge accommodations. A board can establish a reserve fund for lodge accommodations only with the prior approval of the municipality responsible for requisitions (i.e., the City). The City has the authority to set limits on the total amounts that may be held in the established capital or operating reserves. Additionally, the City can dictate the disposition, transfer or allocation of any funds exceeding these established reserve limits.

Legal Implications

In accordance with section 6 of the Ministerial Order, within 60 days of receiving GEF's Capital and Operating budgets for the following fiscal year, Council is required to either approve the budgets or advise of any items requiring revisions. If revisions are required, GEF must bring its budgets back to Council within a time frame to be specified by Council. The Ministerial Order also specifies that GEF is not permitted to make any non-emergency expenditures that are not authorized by an approved budget, and any amendments to the budget must also be approved by Council.

Community Insight

Non-profit affordable housing providers, including GEF, are regularly engaged in quarterly meetings and project discussions on challenges and opportunities to ensure an effective working relationship with the City of Edmonton.

GBA+

GBA+ is embedded in all planning work for affordable housing and homelessness initiatives. For many Edmontonians, a major barrier to safe and adequate housing is cost. Those experiencing intersecting identity factors tend to experience additional barriers and discrimination. These groups include Indigenous peoples, racialized people, 2SLGBTQ+, recent immigrants, women and children fleeing domestic violence, female heads of households, especially single mothers, young adults aged 18-29, seniors aged 65+, people with physical health or mobility challenges, people with developmental disabilities, people dealing with mental health and addictions issues, veterans and people experiencing homelessness. This report specifically relates to affordable housing challenges for seniors.

Many seniors rely on fixed or minimal income which often fall short of covering the rising costs of living. Seniors may face financial limitations as they typically have fewer opportunities to supplement or increase their income, making them particularly vulnerable to economic insecurity. Furthermore, fixed income rates for seniors often fail to keep pace with inflation, further exacerbating the financial strain to afford basic necessities like housing, utilities and healthcare.

As seniors age, their need for accessible housing and health-related supports typically increase. Affordable housing options provided by organizations, like GEF, are essential for low income and vulnerable seniors by providing stable and dignified housing solutions and specialized support services that cater to their complex and specific needs. GEF operates close to 4,000 subsidized seniors' housing units in Alberta, 3,779 of which are located in Edmonton. At the end of July 2024, there were 1,045 households waiting for seniors affordable housing.

Seniors have been identified by the federal government as one of the key groups experiencing housing vulnerabilities in Canada.¹ In 2021, 41 per cent of renter senior households were living in

¹ <https://www.placetocallhome.ca/about-national-housing-strategy>

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Core Housing Need in Edmonton² - this reflects nearly double the national rate of 22 per cent³. Core Housing Need is defined by the Canada Mortgage Housing Corporation (CMHC) as housing that falls below at least one of the adequacy, affordability or suitability standards. It also considers if income levels are such that they could not afford alternative, suitable and adequate housing in their community.

Environment and Climate Review

This report was reviewed for environment and climate risks. Based on the review completed no significant interactions with the City's environmental and climate goals were identified within the scope of this report.

Attachments

1. Ministerial Order No. H:024/20
2. GEF Seniors Housing - Lodge Program - Audit Findings Report for the Year Ended December 31, 2023
3. GEF Seniors Housing - 2023 Variance Explanations
4. 2023 Annual Lodge Accommodation Occupancy Report
5. 2024-2028 GEF Seniors Housing Strategic Plan
6. GEF Seniors Housing - Proposed 2025 Lodge Program Operating Budget
7. GEF Seniors Housing - Proposed 2025 Lodge Program Capital Budget
8. 2023 GEF Seniors Housing Lodge Accommodations Facility Condition Index

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<https://www.edmonton.ca/sites/default/files/public-files/CoE-HousingNeedsAssessment2023.pdf?cb=1706745433>

³ <http://www12.statcan.gc.ca/census-recensement/2021/dp-pd/dv-vd/housing-logement/index-en.cfm>