

Risk Profile - 2026 GEF Lodge Program Capital Budget

Background

GEF Seniors Housing operates 11 lodges in Edmonton, five of which are owned by the Alberta Social Housing Corporation (ASHC). Seven of the lodges are more than 40 years old, with the oldest lodge (Ottewell Manor) having opened in 1963 and the newest (Sakaw Terrace) in 2018. Many of the building systems in the older buildings are at or nearing the end of their anticipated life cycles and we need to ensure that there is a capital funding plan developed to keep these buildings functional to continue to support the housing needs of lower income seniors.

The 2026 Capital Budget and the projected capital needs for the next five years identifies the lodges' building and building systems requirements and their functional impact.

Our ageing lodge infrastructure requires that we take a more proactive approach to capital maintenance planning. Under the *Alberta Housing Act*, Housing Management Bodies (HMBs) are required to provide their capital budgets to the municipality(ies) in which they operate a lodge(s), which the municipality(ies) is/are responsible for funding.

Risk Identification

In spring 2023, administration commissioned Facility Condition Assessments for the 11 lodges. The Assessments identified an aggregate need to undertake approximately \$35,000,000 of capital maintenance work over the next five years. The Assessment for Ottewell Manor did not include redevelopment costs, nor did the Assessments report on Food Services' capital equipment needs. Operating an aging lodge infrastructure carries with it significant risks, particularly in being able to proactively plan for and address capital needs, or to be able to respond to capital building systems failures in a timely manner if there are limited capital funds available. These risks can and would have a negative impact on housing and continuity of housing and services to the lodges' clients. By not identifying and ensuring access to appropriate capital funds to be able to proactively plan for and address building requirements increases the risk should any of these building components fail.

Risk to Clients

Any failure of a major building system puts the occupancy of that building at risk, with no excess capacity to be able to safely house the displaced lodge clients in similar housing, regardless of the duration of their displacement.

Risk to Organization

Ensuring that our lodges and building systems are and remain functional is essential to our ability to safely meet the housing needs of seniors and is a requirement under the Accommodation Standards – Supportive Living Accommodations. The presence or emergence of non-functioning systems could lead to citations (including financial penalties) and potential loss of a lodge’s Supportive Living license under the Continuing Care Act.

Risk Analysis

- **Likelihood**
Due to the age of the majority of buildings in the Lodge Portfolio and the buildings’ systems components, the likelihood of those systems failing over the next five years is rated as **Likely – Level D**.
- **Consequence**
The consequence of this risk is rated as **Moderate (Level III)** given the potential impact to the people and organization.

In reviewing the risk matrix—risk likelihood and risk consequence—the risk severity to GEF Seniors Housing associated with a lack of appropriate capital funding for 2026 and the next five years is rated as **High**.

Management of Associated Risks

1. Annually, GEF prepares a detailed Capital Maintenance Reserve (CMR) projects requirements list that is submitted to the Alberta Social Housing Corporation (ASHC) for government capital planning and funding consideration (ASHC owned lodges), and grant funding consideration for GEF Seniors Housing owned lodges.
2. Annually, GEF reviews and prepares a detailed Lodge Capital Budget for Board review/approval, and submission to the City Manager for presentation, review, and funding approval by the City of Edmonton Council
3. GEF explores alternate sources of funding options to address the identified capital projects’ needs, i.e., provincial and/or federal (with provincial awareness/approval) grant funding.
4. GEF ensures there is ongoing preventive maintenance identified and actioned for all building systems to optimize their functionality and to attempt to identify and address emerging issues before there are critical systems failures.