

Board Governance

SCSS- Housing Division

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Board Orientation Session

- Overview of the Provincial Housing Programs
- Alberta Housing Act and Regulations
- The role of the Municipality, Board and CAO
- Seniors' Lodge Program
 - Operations
 - Funding - Operational
 - Capital development



Housing Programs and Populations Served

Community Housing

Low-income households

Rent Supplements (RAB, TRAB, PLRS)

Low-income households

Seniors' Self- Contained Housing

Low-to-middle income seniors

Seniors Lodge

Low-income seniors

Special Needs Housing

Health issues/disabilities, etc.

Affordable Housing Apartments

Low-to-middle income
Albertans

Alberta Housing Act

- The Act sets the **legislative framework** for affordable housing, establishing the authority of the **Alberta Social Housing Corporation (ASHC)** and **Housing Management Bodies (HMBs)**.
- **ASHC** owns and administers the provincially owned portfolio of social housing assets and manages provincial debts and agreements associated with those assets.
- **HMBs** operate and maintain social housing accommodation, including managing tenant intake, selection and resident relations.
 - Across Alberta, there are **85** HMBs* that provide housing to over **79,950** Albertans
- The Act consists of **five regulations**, including the *SHAR, MBOAR, Rent Supplement, LAP, HATR*.

Powers and Duties of an HMB

- AHA 6(1) A management body is a corporation and has the capacity and, subject to this Act, the rights, powers and privileges of a natural person
- Corporate Status: a legal status. Without corporate status, any individual member or a board would individually assume the obligations of the HMB. The corporate identity of the HMB serves to envelop all board members and make their actions as board members, the action of the HMB as one legal entity.
- Natural Person Powers: HMB does not have to list every activity that the HMB undertakes but every action and obligation of the HMB may be analyzed in the same manner as any other person.

Ministerial Order

Ministerial Orders (MO) establish each management body as well as:

- Sets out the member municipalities
- Board Composition and Appointment
- Which municipalities can be requisitioned for lodge accommodation
- Identifies which facilities the HMB is responsible for operating
- Identifies the Act and Regulations the HMB is subject to

Difference between Member of the HMB vs The Board of Directors

- The member can be municipalities or community groups, for example
- The role of the member is to appoint Board members as per Regulation and Ministerial Order to the Board of Directors for the HMB.
- The Board members can be elected or unelected officials, but should be appointed based on the skills needed for the HMB Board.



Duties of Directors

Each director has a duty to at all times act honestly, in good faith and in the best interests of the HMB as a whole.

- These duties are owed by each Director to the HMB: not to any one particular member i.e. municipality or member group
- Failure to meet these duties can result in personal liability for a Director
- The HMB carries Board of Directors liability insurance
- No alternates

Fiduciary Duty

Duty of Loyalty

- Legal obligation to act in the best interest of the HMB
- Support Board decisions once they have been voted on
- Ensure they avoid conflicts of interest and operates in the best interest of the organization not in the interest of the member that appointed them and represent the interests of all residents in the HMB region.



MBOAR Section 5: Pecuniary Interests

- There should not be, nor seem to be, any conflict between the private interests of the HMB board members and its employees, the communities served, and the residents of the social housing accommodation



Key Roles of the Board

- Develop mission, strategic and business plan
- Hire effective CAO
- Maintain fiscal responsibility
- Ensure transparency in all communication
- Evaluate the HMB's work in relation to their strategic plan
- Evaluate the work of the board of directors and plan for succession, skill sets and diversity of the board



MBOAR Section 16: Business Plans

Must be prepared as directed by the Minister

Must include:

- Long and short term property and building maintenance plans

Estimates of:

- Projected revenue and operating expenditures
- Capital maintenance and renewal
- Capital development requests



Full business plan is due every **3 years**, with funding pressure update due annually

MBOAR Sections 14,15,17,18: Board Meetings

A board shall hold as many meetings each year as are required in order to adequately deal with the business of the management body.

A board member is disqualified if absent from 2 consecutive board meetings (unless the board authorize the absence at the 3rd meeting).



MBOAR Section 21: Expenditure of Money

- (1) a board may only initiate or pay an expenditure that is
- (a) included in an operating or capital budget that has been approved by the Minister
 - (b) for an emergency, or
 - (c) otherwise authorized by the Minister
- (2) Members of a board who vote for an expenditure that is not authorized under the above are jointly and severally liable to the HMB for the amount of the expenditure

Role of the Chief Administrative Officer (CAO)

Regulation, Section 4: A management body shall appoint a person to act as the Chief Administrative Office of the body

- The CAO is responsible for the day to day operation of the organization
- The CAO is the Board's connection between the Board and the organization
- The CAO implements Board policy

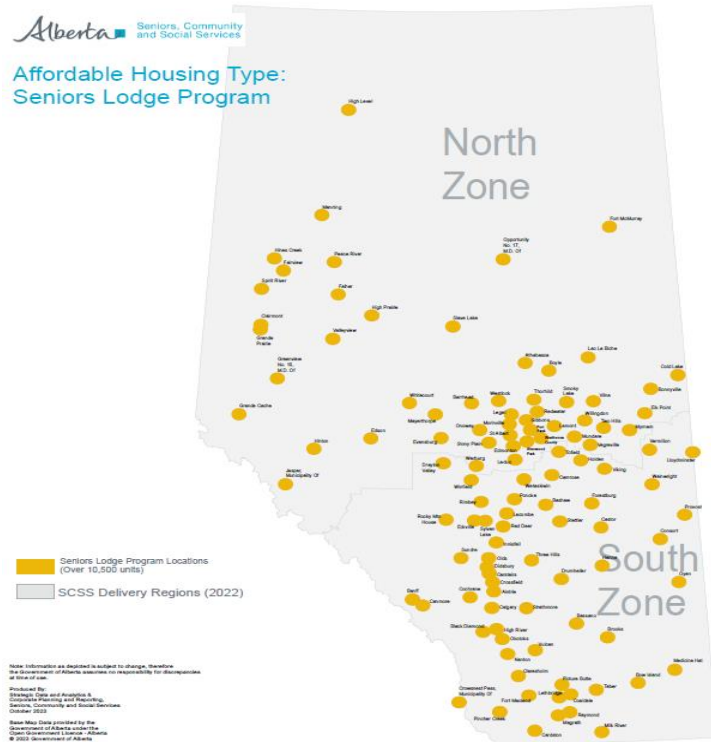


Seniors' Lodge Program

Seniors Lodges

Alberta Seniors, Community and Social Services

Affordable Housing Type:
Seniors Lodge Program



Current Status

- As of January 1, 2024, Alberta has 150 lodges containing 10,923 units, housing a total of 8,240 senior households.
- At the end of 2023, the lodge vacancy rate was at 15 per cent.
- 60 HMBs administer lodges in 116 different municipalities
 - Lodges range from 23 – 267 units, median of 60 units
- 33 lodges (3310 units) are in the 7 major urban centres, the remaining 117 (7613 units) are considered rural
- 37 lodges have partnerships with AHS to provide Home Care or DSL

Alberta

Lodge Operations

- To be eligible for Lodge accommodation, a senior household must be functionally independent.
- Lodges are supportive living residences, not continuing care health facilities.
- The Lodge Priority Rating Criteria prioritizes low-income seniors; therefore, a moderate-income senior may have to leave their community for supportive living if there are no other options available.
- Most seniors prefer Senior Self Contained independent 1-bedroom units vs. Lodge (bachelor) units.
- Some lodges have waitlists while others have vacancies

Seniors Lodge Rates

- The average Lodge rate in Alberta is \$1,545. That includes accommodations, meals, linen laundry, housekeeping and recreation activities.
- Legislation requires lodge rates to be reduced to ensure each resident (65 and older) is left with a monthly disposable income (currently \$357), to cover other personal costs, such as clothing, gifts, etc.
 - This could mean a resident pays \$0.
- In most cases, lodge rates are based on a tenants income, not the cost of operations
- 62 per cent of residents have an annual income between \$21,000 and \$28,835.
- 14 per cent of residents have an annual income under \$21,000.

Lodge Funding Overview

The revenue to cover lodge operating costs comes through three main sources:

Resident Accommodation Fees

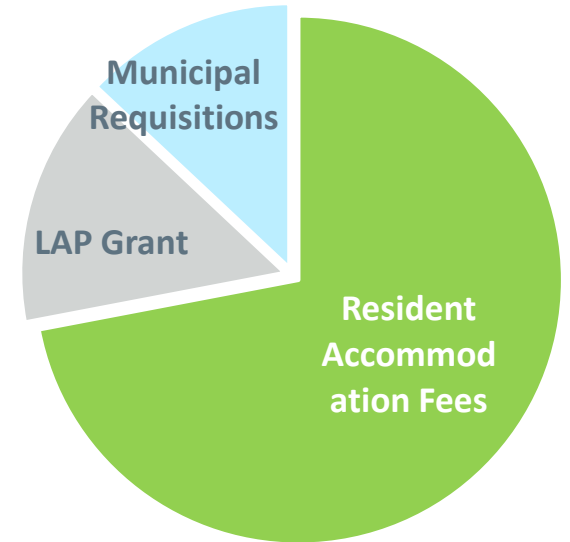
- The fees that residents pay contribute the majority of the funding for the program.

Lodge Assistance Program Grant (LAP)

- Government of Alberta grant to HMBs to offset the operational costs associated with housing residents with low income.
- The province does not receive, review or approve Lodge budgets, but we do receive and monitor costs.

Municipal Contributions

- Generally, this is in the form of Municipal Requisitions.
- The *Municipal Government Act* defines requisition as the “amount required to be paid to a management body under section 7 of the [*Alberta Housing Act*]”.
- Section 7 of the *Alberta Housing Act* provides the authority for HMBs to requisition member municipalities.



Municipal Requisition

Municipalities are required to collect a requisition to cover the lodge operating deficit and/or reserve fund.

–Alberta Housing Act Section 7

(1) On or before April 30 in any year a management body that provides lodge accommodation may requisition those municipalities for which the management body provides lodge accommodation for

- (a) the amount of the management body's annual deficit for the previous fiscal year arising from the provision of lodge accommodation, and
- (b) Any amounts necessary to establish or continue a reserve fund for the management body

(2) The municipalities requisitioned under subsection (1) may determine the basis on which the total requisition is to be shared, and if the municipalities are unable to make that determination for any year, the total requisition for each year shall be shared on the basis of the proportion that the equalized assessment for each municipality in that year bears to the total of the equalized assessments for that year of all the municipalities requisitioned.

Lodge Capital Funding

- Up until 1994, the province took responsibility for building lodges. In the year 2000, the first of many capital grants were offered to operators to build additional lodge units.
- The *Alberta Housing Act* does not address responsibility for new capital development funding.
- Requisition authority only applies to operating deficits and reserve accounts for existing facilities.
 - This is not commonly understood by HMBs or municipalities resulting in requisitioning for new capital projects.

Questions?

