

**Calgary Housing Report to
Audit Committee
2024 September 19**

**ISC: UNRESTRICTED
AC2024-0969**

Calgary Housing 2023 Annual Report

PURPOSE

This report is in response to the Audit Committee's request for an annual report on Calgary Housing's board governance, financial and performance reporting, environmental, social and governance practices, risk management, and talent and culture insights from 2023.

PREVIOUS COUNCIL DIRECTION

The Audit Committee 2024 Work Plan includes a presentation from several civic partners on their 2023 annual report and Calgary Housing was one of the partners selected to present this year.

The Audit Committee Bylaw 33M2020 provides that Audit Committee oversees its governance responsibility with audit committees of The City's major autonomous civic entities, as determined by the Audit Committee.

RECOMMENDATION(S):

That Audit Committee:

1. Receive this report and presentation for the Corporate Record

HIGHLIGHTS

Calgary Housing has undergone a significant organizational and cultural transformation from a regulatory housing authority to a purpose-driven social enterprise and has now re-branded to better align with its mixed income housing service model. CH's new visual identity had a soft launch at the Annual General Meeting in June 2024. Throughout this report, we will refer to our organization as "Calgary Housing" or "CH."

In 2023 Calgary Housing officially took on the housing development role on behalf of the City of Calgary and the related agreements are in the finalization stage. With a strong financial position and many years of proven track record in mixed income housing, Calgary Housing is well positioned for future growth.

The following is the outline of the information the Audit Committee asked Calgary Housing to provide:

Financial and Performance Reporting

Calgary Housing continues to achieve strong financial performance, as evidenced by a strong balance sheet and stable revenues and surplus each year.

Calgary Housing continues to drive initiatives to align with the three strategic priorities:

Priority 1: Empower applicant and resident success

- In 2023, Calgary Housing focused on improving the resident and applicant experience. This included introducing customer service standards to ensure service delivery excellence through various communication channels (e.g., call center services, emails, and in-person). Online portals were enhanced to ensure accessibility of services with a focus on removing language and mobility barriers. Calgary Housing's Community Partnership Strategy has also been recognized nationally, and the Implementation Plan is under development, with a target launch date in Q4 2024.

Calgary Housing 2023 Annual Report

Priority II: Enhance asset and financial performance

- In 2023, Calgary Housing once again fully spent the annual City grant funding for capital maintenance, exceeding the City of Calgary annual investment plan average and in alignment with the successful 100% completion achieved by Calgary Housing in 2022.

Priority III: Become a centre of excellence within the affordable housing sector

- Throughout 2023, Calgary Housing continued to advance employee safety and wellbeing with a focus on psychological safety. This was evidenced by the strong employee feedback received on the 2023 Corporate Employee Survey with significant improvement shown in psychological support, competencies, and protection categories. Additionally, Calgary Housing achieved strong results and passed the Certificate of Recognition (COR) audit.
- Calgary Housing successfully passed the City Auditor's Office's audit which assessed the effectiveness of its vendor procurement and management processes. The audit provided valuable insights, leading to the implementation of recommendations that strengthened internal controls and enhanced service delivery.
- In 2023, the technology roadmap advanced with improvements to the applicant, resident, vendor, and employee experience. The portal now includes language translation and supports 3,300 residents in self-serving key functions. Select vendors are also able to access the system to enter work orders. Work continues on digital transformation and business intelligence to enable data-based decision making.

Environmental, Social & Governance Practices

Climate target setting

- All new capital development projects of affordable housing target net-zero emissions, with certain funding becoming contingent on meeting this requirement as well. For existing assets, energy efficiency initiatives are incorporated and completed with lifecycle maintenance upgrades such as building envelope, windows, and roofs. Without significant external funding, existing assets will not be able to achieve net-zero emissions by 2050.

Efficiency initiatives

- Throughout 2023, Calgary Housing continued to carry out asset resiliency upgrades in areas of plumbing to decrease water use and reduce maintenance effort. Collaboration was underway with the City Climate Office on new energy retrofit programs, and real-world data of comparison sites was utilized for data driven decision making on future maintenance upgrades.
- Calgary Housing continued to implement operational process improvements to enhance applicant and resident experience (e.g., Housing Program Service Review, Move out Process Enhancements).

Regulatory or market changes

- The Government of Alberta (GOA) changed the Social Housing Accommodation Regulation (SHAR) in January 2023. These changes required Calgary Housing to modify existing rent-setting and income-verification policies for residents who live in SHAR-regulated homes (Provincially owned Social Housing portfolio).

Calgary Housing Report to
Audit Committee
2024 September 19

ISC: UNRESTRICTED
AC2024-0969

Calgary Housing 2023 Annual Report

Board Governance

Calgary Housing is governed by a Board of Directors with diverse backgrounds and skills, which continues to provide strong and committed governance. The Board's mandate is to provide oversight and direction to Calgary Housing in development, redevelopment, asset management, and operation of affordable housing and accommodation.

There are three standing Committees of the Board:

- Audit and Risk Management
- Infrastructure and Asset Management
- Governance

Enterprise Risk Management

Calgary Housing has a robust enterprise risk management program in place, aligned with the City, and based on best practices. Calgary Housing has eight principal risks and has identified provincial capital infrastructure risk as the highest-ranking principal risk, primarily due to the ongoing capital maintenance and renewal (CMR) underfunding for the Provincially owned community housing portfolio.

For Calgary Housing owned and City-owned assets, Capital Infrastructure risk ranks substantially lower with unlikely probability and moderate severity. Those assets are currently in excellent to good condition as both Calgary Housing and the City have made substantial capital investments in building infrastructure based on rigorous information from third-party building condition assessments. As well, the Government of Alberta has declared its interest in continuing to invest both operating and capital funding in City-owned homes transitioning to the mixed income model.

As part of the mitigation strategies, Calgary Housing employs urgent or emergency request measures in managing provincially owned assets, along with continuous negotiations and advocacy with the Government of Alberta and ASCHA (Alberta Seniors & Community Housing Association) on the affordable housing strategy.

Talent and Culture

All Calgary Housing employees are City of Calgary employees assigned to serve the Company. Accordingly, Calgary Housing follows all City of Calgary labour standards and contracts. Calgary Housing employees report to the Board of Directors through the President & Chief Executive Officer, as recommended in the City of Calgary Rethink to Thrive organization review. The reporting of the President of Calgary Housing has transitioned to the Board of Directors in 2023.

**Calgary Housing Report to
Audit Committee
2024 September 19**

**ISC: UNRESTRICTED
AC2024-0969**

Calgary Housing 2023 Annual Report

ATTACHMENTS:

- Attachment 1 - Calgary Housing Annual Report 2023 for City of Calgary Audit Committee
- Attachment 2 - Calgary Housing Audited Financial Statements 2023
- Attachment 3 - Calgary Housing Internal Controls Report 2023
- Attachment 4 - Calgary Housing Management Letter 2023
- Attachment 5 - Calgary Housing Strategic Plan 2023 – 2030
- Attachment 6 - Calgary Housing Committee Terms of Reference and Work Plan
- Attachment 7 - Calgary Housing Audit and Risk Management Committee Members Experience and Qualifications
- Attachment 8 - Calgary Housing Integrated Risk Management Analysis
- Attachment 9 - Calgary Housing Corporate Presentation to the City of Calgary Audit Committee