



STAFF REPORT ACTION REQUIRED

Amended and Restated Shareholder Direction to Toronto Community Housing Corporation

Date:	October 16, 2013
To:	Executive Committee
From:	City Manager
Wards:	City-wide
Reference Number:	

SUMMARY

This report recommends adoption of an Amended and Restated Shareholder Direction for Toronto Community Housing Corporation ("TCH") to remove outdated references, update reporting procedures, increase transparency and improve accountability of TCH.

This report recommends that City Council adopt the attached restated Shareholder Direction.

RECOMMENDATIONS

The City Manager recommends that:

1. City Council approve the Amended and Restated Shareholder Direction to Toronto Community Housing Corporation set out in Attachment 1 to this report;
2. City Council request that the Board of Directors of Toronto Community Housing Corporation amend its By-law No. 2 to bring it into conformity with the Amended and Restated Shareholder Direction to Toronto Community Housing Corporation and submit the amended By-law to City Council for approval; and
3. City Council direct that the General Manager of Shelter, Support and Housing Administration to update the City's Operating Agreement with Toronto Community Housing Corporation to bring it into conformity with the Amended and Restated Shareholder Direction.

Financial Impact

There are no financial implications resulting from implementation of the recommendations in this report.

The Deputy City Manager and Chief Financial Officer has reviewed this report and agrees with the financial impact information.

DECISION HISTORY

City Council adopted the Shareholder Direction to TCH at its meeting held on October 2, 3 and 4, 2001 through adoption of Clause 1 of Joint Policy and Finance/Community Services Report 1 at its meeting held on October 2, 3 and 4, 2001.

<http://www.toronto.ca/legdocs/2001/agendas/council/cc011002/pof1rpt/agendain.pdf>

On March 9, 2011, City Council adopted CC6.1 directing the City Manager to review the Shareholder Direction to ensure that adequate accountability mechanisms are in place and bring forward amendments for approval by Council.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2011.CC6.1>

At its meeting held on October 30, 31 and November 1, 2012, City Council adopted Item EX23.4 entitled “Putting People First, Transforming Toronto Community Housing – Special Housing Working Group’s Report” (“Bailão Committee Report”) and directed that a number of amendments be made to the Shareholder Direction with the view of transforming TCH into an organization of excellence and responsive customer service.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2012.EX23.4>

At its meeting held on June 11, 12 and 13, 2013, City Council adopted, as amended Item CC36.5 “Housing at Risk: An Investigation into the Toronto community Housing Corporation’s Eviction of Seniors on the Basis of Rental Arrears”, a report by the City’s Ombudsman, and directed that amendments be made to the Shareholder Direction regarding a whistle blower protection policy and the languages in which TCH communicates with its tenants.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2013.CC36.5>

ISSUE BACKGROUND

At its meeting held on June 26-28, 2001, City Council adopted, as amended, Clause No. 1 of Report No. 9 of the Policy and Finance Committee which approved the transfer of the assets and operations of the Toronto Housing Company to the Metro Toronto Housing Corporation (MTHC). MTHC was the local housing corporation created by the Provincial government under the *Social Housing Reform Act, 2000 (SHRA)* to implement the transfer of responsibility for the former Metropolitan Toronto Housing Authority to the City. Council directed that MTHC be renamed the Toronto Community Housing Corporation.

At that time, Council directed the Acting Chief Administrative Officer and the City Solicitor to develop a Shareholder Direction to the TCH Board of Directors, in consultation with a Political Reference Group, the Acting Commissioner of Community and Neighbourhood Services, representatives of tenants, employees and bargaining agents, and a number of other stakeholders. The shareholder direction to TCH was adopted, as amended, by City Council at its meeting of October 2, 3 and 4, 2001.

COMMENTS

The City is the owner and sole Shareholder of TCH. The City is also the Provincially designated Service Manager for social housing programs in the City pursuant to the *Housing Services Act, 2011*.

TCH is the largest social housing provider in Toronto and is subject to regulation as a landowner and landlord by the City and the Province in this role. The City is also the planning and land use regulator and has a determinative role regarding the design, development and use of lands owned by TCH. Finally, the City provides operating subsidies to TCH to ensure the provision of rent-geared-to-income housing, subject to Provincial regulations.

The Amended and Restated Shareholder Direction to Toronto Community Housing Corporation is Attachment 1 to this report. A summary of the recommended changes to the existing Shareholder Direction to TCH is appended as Attachment 2, and a black-lined comparison showing changes between the current and recommended Shareholder Directions is appended as Attachment 3.

The revised document updates definitions, removes outdated references to past events, modernizes and enhances TCH's reporting requirements, increases transparency and accountability, and implements recent Council decisions such as requiring the annual reporting of executive compensation and a whistle blower protection policy.

The following provides highlights of key amendments to the Shareholder Direction. The specific revisions clarify or modernize requirements, such as by deleted obsolete references to past events, and enhance accountability measures. Clarifications in the revised document include:

Shareholder Principles

- requiring that TCH conduct its affairs and govern its operations in accordance with rules, policies, directives or objectives directed by City Council (s-s. 3.1.1);
- adding new principles to establish policies for the management of financial risk, directing material compliance with all applicable laws and requiring TCH to seek out methods to operate as efficiently as possible, including consideration of reviews of programs, services and processes and opportunities to share services with other providers (s-s. 3.1.2 (b), (d) and (i));

- maintaining previous direction that the Board of TCH is responsible for employing its own staff and maintaining its assets in good repair in accordance with law (s-s. 3.1.2 (f) and (h));
- providing that TCH will consult with tenants through an efficient and effective tenant participation system on issues and policies that will have an impact on service levels, and communicate such policies and policy changes to all tenants (s-s. 3.1.2 (m));
- implementing a recommendation of the Special Housing Working Group report directing TCH to provide responsive customer service (s-s. 3.1.2 (o));

Mandate

- providing a revised mandate for TCH as the provision of affordable and subsidized rental housing, in a state of good repair, to low and moderate income households in Toronto (s. 4.1);
- permitting TCH to undertake additional activities in support of its mandate including the development of new affordable and subsidized rental housing and the revitalization and redevelopment of TCH lands and buildings in partnership with the City, other orders of government and other parties where considered appropriate by Council (s. 4.1);
- setting out requirements for the governance of subsidiaries and joint ventures (s. 4.2 and 4.3);

Board of Directors

- adding a new requirement that TCH board meetings be open to the public (s. 5.2);

Board Structure

- advising TCH that in naming Directors, the City, as Shareholder, will give due regard to the provisions of the Public Appointments Policy, the retention of incumbent Board members to provide institutional memory, and the qualifications of individual candidates to ensure the board collectively represents a range of relevant skills, knowledge and experience (s-s. 6.2.1);
- requiring that at least one Director has financial management expertise to implement the direction of City Council in its decision regarding Item EX4.7 (2011) (s-s. 6.2.2);

Shareholder Matters

- providing for governance, financial and program liaison with the City through the offices of the City Manager, City CFO and City General Manager, Shelter, Support and Housing Administration Division, respectively (s-s. 7.2);

Accountability

- re-titling TCH's Community Management Plan as its Business Plan and defining it to include long term business strategies, key multi-year targets, performance indicators and operating and capital financial plans (s-s 10.1.1);
- requiring that TCH will provide an annual report to the City within 120 days of its year end including discussion of its achievement of financial and service targets and providing explanations for variances between targets and results (s-s. 10.2.1);
- requiring that TCH's annual report discuss initiatives to provide responsive customer service, its tenant engagement activities, information on the disposition and uses of funds provided to TCH by the City and the status of the sale of any of its properties and the impacts on tenants or communities resulting from such sales as recommended by the report of the Special Housing Working Group (Item EX23.4 (2012)) (s-s. 10.2.1 (d), (e), (k) and (l));
- providing that TCH's business plan be prepared every four years and be updated and submitted to the City annually so that it may be included in the City's financial planning process (s-s. 10.1.3);

Employment, Procurement and Related Matters

- requiring that all procurement activities use tendering processes, adhere to procurement best practices, policies and procedures and are managed in an open and transparent manner (s. 12.2);

Emergency Human Services Planning and Response

- requiring that the leadership of emergency human services response in emergencies involving the displacement of tenants be the City Office of Emergency Management according to Council's Emergency Human Services Policy.

CONTACT

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SIGNATURE

Joseph P. Pennachetti
City Manager

ATTACHMENTS

- Attachment 1: Recommended Amended and Restated Shareholder Direction to Toronto Community Housing Corporation
- Attachment 2: Summary Description of Amendments to the Current Shareholder Direction to Toronto Community Housing Corporation
- Attachment 3: Black-line Comparison Between Approved and Recommended Shareholder Directions to Toronto Community Housing Corporation