

**SHAREHOLDER DIRECTION**

**CITY OF TORONTO**

**TO**

**TORONTO COMMUNITY HOUSING CORPORATION (~~TCHC~~)**

~~AS ADOPTED BY CITY COUNCIL~~

~~AT ITS MEETING OF OCTOBER 2-4, 2001:~~

~~JOINT POLICY AND FINANCE/COMMUNITY SERVICES REPORT 1(1) AS AMENDED~~

DRAFT June 13, 2013

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## 1. INTERPRETATION

### 1.1 Definitions

In this Shareholder Direction the following terms will have the meanings set out below:

"Auditor" means the auditor of ~~TCH~~TCH;

"Auditor General" means the Auditor General of the City or any *Person* appointed to act in the place of that individual or their delegate;

"Board" means the Board of Directors of ~~TCH~~TCH;

"

"Business" means the business" ~~means the business of~~ ~~TCH~~TCH;

"Business Plan" means an operating and capital *Business Plan* as defined in Section 10.1.1;

"CEO" means the most senior employee and officer of ~~TCH~~;

"Chair" means the director of ~~TCH~~TCH appointed as *Chair* of the *Board* from time to time;

"~~citizen~~Citizen" means with respect to a *Board* member or a candidate for such membership an individual who is not a member of *Council* or a *Tenant* of ~~TCH~~ and is not related to whether an individual is a Canadian citizen;

"City" means the City of Toronto;

"~~Community Management Plan~~" means ~~a rolling three-year business plan including long-term business strategies, key multi-year targets and financial plans, but not including detailed activity plans;~~

"City CFO" means the Deputy City Manager and Chief Financial Officer of the City of Toronto or any *Person* appointed to act in the place of that individual or their delegate;

"City Manager" means City Manager of the City of Toronto or any *Person* appointed to act in the place of that individual or their delegate;

"Council" means the Council of the City of Toronto;

"~~financial Directed by Council~~" means a direction from *City Council*, acting on behalf of the *City of Toronto* in its capacity as *Shareholder*, to the *Corporation*, which direction shall be in the form of a recommendation or resolution adopted by *City Council* which applies to the *Corporation* or any of its *Subsidiaries*;

"Financial Management Expertise" means possession of an accounting designation or an equivalent combination of skills and experience providing the ability to read and understand a set of financial statements that present the breadth and level of complexity of accounting issues that can reasonably be expected to be raised by ~~TCH's Financial Statements~~;

"Financial Statements" means, for any particular period, audited or unaudited (as stipulated in this ~~Direction~~Shareholder Direction), consolidated or unconsolidated (as stipulated in this Shareholder Direction), comparative ~~financial statements~~Financial Statements of ~~TCH~~TCH consisting of not less

than a balance sheet, a statement of income and retained earnings, a statement of changes in financial position, a report or opinion of the Auditor (in the case of audited ~~financial statements~~ Financial Statements) and such other statements, reports, notes and information prepared in accordance with generally accepted accounting principles (consistently applied) and as are required in accordance with any applicable law;

~~"MTHC"~~ means Metro Toronto Housing Corporation;

"Joint Venture" means an investment in: (a) a general or limited partnership; (b) a joint venture; or (c) any other form of business enterprise with third parties, which investment is held for active operating business purposes and not as a passive or portfolio investment;

"Local Housing Corporation" means a local housing corporation as defined under the Housing Services Act, 2011, S.O. 2011, c. 6, Sched. 1, as it may be amended, replaced or re-enacted from time to time;

"OBCA" means the Business Corporations Act R.S.O. 1990, c. B. 16 (Ontario), and the regulations thereunder, as such statute the same may be amended, replaced or re-enacted enacted from time to time;

~~"person"~~ Person means an individual, a natural person or a body corporate;

"Program Administrator" means the City of Toronto (Shelter, Housing and Support Division) as represented by its Shelter, Support and Housing Administration Division) when acting in its role as Service Manager or as the administrator of funding for any other housing program not subject to the HSA and any other regulatory authority or order of government having authority to establish housing program legislation and regulations, or acting as the administrator of funding for housing programs;

"Service Manager" means the City of Toronto (Shelter, Support and Housing Administration Division) when carrying out its roles and responsibilities as a Service Manager under the HSA;

"Shareholder" means the City of Toronto (acting as the owner of TCHC); TCH;

~~"SHRA"~~ Shareholder Direction means this Shareholder Direction as it may be amended, revised or superceded from time to time;

"HSA" means the Social Housing Reform Services Act, 2000/2011 and regulations thereunder or successor legislation, as amended from time to time;

"Subsidiary" means, with respect to TCHC, or "subsidiaries" shall have the meaning ascribed thereto by the OBCA. For ease of reference, these terms refer to any body corporate of which TCH owns directly or indirectly more than 50% of the outstanding securities of any class carrying exercisable voting rights are beneficially owned, directly or indirectly, by TCHC, and includes any body corporate in like relation to a Subsidiary;

"Tenants" means the tenants" means the tenants of TCH, as defined in the Tenant Protection Residential Tenancies Act, of TCHC and of THC; 2006 as amended from time to time.

"THC" means Toronto Housing Company Inc.

## **1.1 Definitions (cont'd)**

"TCHC"

Shareholder Direction to Toronto Community Housing Corporation

"TCH" means Toronto Community Housing Corporation;

## **1.2 City Officials**

Wherever there is a reference to a City official, that reference includes any Person acting in that capacity, or any successor officer appointed or designated as being responsible for the service area included in that office.

## **2. INTRODUCTION**

### **2.1 City as ~~TCH~~TCH Shareholder**

~~The City of Toronto has become pursuant to Part III of the *SHRA* the sole shareholder of *TCHC*. City Council has directed that all assets and operations of *THC*, the non-profit housing corporation of which the City is the sole shareholder pursuant to section 13 of the *Housing Development Act*, be transferred to *TCHC*.~~

#### Function

The City of Toronto is the sole shareholder of *TCH* pursuant to Part IV of the *HSA*

### **2.2 Purposes of this Shareholder Direction**

~~This~~The purposes of this *Shareholder Direction* are as follows:

~~establishes certain~~(a) subject to the Board's authority to manage or supervise the management of the business and affairs of *TCH*, to provide the Board with the Shareholder's fundamental principles regarding the *Business*;

~~(b)~~ to recognize the Board's authority to manage or supervise the management of the *Business* and affairs of *TCH* in accordance with this *Shareholder Direction*;

~~(c)~~ to inform the Tenants of *TCH* and other residents of the City of the Shareholder's fundamental principles regarding *TCH*;

~~(d)~~ to set out the accountability, responsibility and relationship between the Board and the Shareholder.

~~(e)~~ to set out the City's expectations of and objectives for *TCH*;

~~(f)~~ to set out *TCH*'s mandate, scope of responsibilities and reporting requirements;

~~(a)(g)~~ to establish the Shareholder's principles, objectives and requirements of governance for *TCHC* and *TCH* and for *TCH*'s governance over any *Subsidiaries* and *Joint Ventures*;

~~(b)(h)~~ includes to set out certain rules of the *Service Manager* governing the accountability of *TCHC* to the City, as mandated operation of *TCH* authorized by section 32 subsection 27 (1)(b) of the *SHRA*; and *HSA*;

~~(e)(i)~~ constitutes to constitute in part a declaration by the City pursuant to subsection 108(3) of the *OBCA* with respect to certain powers of the Board; and

### **3. OBJECTIVES AND PRINCIPLES**

#### **3.1 Purposes**

The purposes of this Direction are as follows:

- (i) to recognize provide information on the Board's authority structure of the Board.

### **3. SHAREHOLDER PRINCIPLES**

#### **3.1 Operating Principles**

- (a) 3.1.1 Subject to manage or supervise the management of the business Law, TCH shall conduct its affairs and affairs of TCHC govern its operations in accordance with this Direction; such rules, policies, directives or objectives as Directed by Council from time to time.
- (b) to provide the Board with the Shareholder's fundamental principles regarding TCHC;
- (c) to inform the tenants of TCHC of the Shareholder's fundamental principles regarding TCHC;
- (d) to inform the other residents of the City of the Shareholder's fundamental principles regarding TCHC; and
- (e) to set out the accountability, responsibility and relationship between TCHC and the Shareholder.

#### **3.2 Shareholder Objectives**

3.2.1 The Shareholder's objectives in connection with its relationship with TCHC are as follows:

TCHC will employ its own staff, and subject 3.1.2 TCH is integral to the well being and the infrastructure of the City. TCH shall conduct its affairs in a manner consistent with the operating principles outlined below:

##### Governance:

- (a) through the Board, TCH will be responsible for determining and implementing the appropriate balance among the following operating principles, causing TCH to conduct its affairs in accordance with the same, and be accountable to the Shareholder for how this balance is achieved;
- (b) TCH will establish policies for the management of risk to mitigate financial risks to TCH and to the City as Shareholder and as Program Administrator while maintaining or enhancing service standards and levels of service;
- (c) TCH will recognize that there are unique economic, social and community challenges resulting from the fact that social housing primarily serves Tenants of low and moderate incomes;
- (d) TCH shall ensure that the Business is managed in material compliance with all applicable law;

Program Management:

- (a)(e) Subject to the terms of this *Shareholder Direction*, TCH will be responsible for the management of its housing portfolio, and making all policy and operational decisions and being held accountable for these decisions through the submission to City Council of the *Community Management Plan* (see Section 9.1) and the Annual Report (see Section 9.2);

**3.2 — *Shareholder Objectives* (cont'd)**

**3.2.1 (cont'd)**

- (e) ~~TCH~~ TCH will utilize maintain its assets for the purposes of providing quality, affordable housing;
- (e)(f) ~~the assets of TCHC will be maintained in good repair and the usefulness of the assets will be maintained in order to provide quality affordable housing over the long term; in accordance with law;~~
- (g) ~~TCHC will act to mitigate financial risks to the City as Shareholder, while service standards and levels are maintained or enhanced;~~
- (h) ~~the tenants of TCHC are able to participate in local and corporate decisions through an accountable, democratic system of representation;~~

*tenants*

- (g) TCH will manage its housing portfolio consistent with Council-approved policy objectives and priorities, including the City's long term housing and homelessness plan and all applicable law, including the HSA, and regulations thereunder, and successor legislation, as amended from time to time;
- (h) TCH will employ its own staff;
- (i) TCH will 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;
- (j) TCH will ensure that its policies and business practices are consistent with City standards of public accountability, financial management and transparency for the effective and efficient use of public funds;

Accountability:

- (i) ~~TCH will be protected from harassment, in an environment where human rights are upheld;~~
- (j) ~~TCHC support and promote efforts aimed at providing TCHC tenants with healthy, safe and sustainable communities;~~
- (k) ~~TCHC support the diversity of its communities through the development and implementation of its policies and plans; and~~
- (i)(k) TCHC be accountable for achieving stated results, and meeting the intent of this *Shareholder Direction* to the City as Shareholder, and to stakeholders as recipients of its services meeting the reporting requirements included in this *Shareholder Direction*



and as required by the City from time to time;

~~3.2.2 Organizational changes can~~TCH will have both positive and negative impacts on ~~tenants and staff. TCHC~~ will address the impacts of the transfer of ~~THC~~ assets and operations to ~~TCHC~~ on ~~tenants and staff of TCHC~~ and strive to maximize benefits, while mitigating the risks related to implementation of this ~~Direction and related plans.~~

### **3.3 Principles**

~~3.3.1 TCHC is integral to the well-being and the infrastructure of the City. TCHC recognizes that it is in the best interests of TCHC, tenants and the community of stakeholders whom TCHC affects, that TCHC conduct its affairs in a manner consistent with the principles outlined below.~~

~~3.3.2 TCHC will:~~

- ~~(a) — conduct its affairs in accordance with the SHRA;~~
- ~~(b) — provide quality, affordable housing accessible to those in need and eligible for subsidized housing, as defined from time to time by any Program Administrator and within the parameters of program funding and program regulations;~~
- ~~(c) — provide accountable quality service at an affordable cost, on a sustainable basis and use the most appropriate methods and structures for doing so;~~
- ~~(d) — operate with an emphasis on service to tenants and tenant satisfaction, and support access to information and services by its diverse communities;~~
- ~~(e)(i) have due regard for the role of Councillors~~Members of Council in representing the interest of their constituents and ~~having~~providing timely access to information concerning the activities of ~~TCHC~~TCH respectively in the City and in their wards;

### **3.3 Principles**

~~3.3.2 (cont'd)~~

- ~~(f) — conduct its affairs with an aim to support the ability of tenants to retain their housing with TCHC, live independently, and where it is possible, in accessible buildings;~~
- ~~(g) — promote communities in which there is a diversity of incomes and a mix of rent geared to income and market rent paying tenants, within housing program limitations;~~
- ~~(h) — ensure that policies and programs are consistent with the goal of reducing homelessness and providing affordable housing;~~

#### Tenant Relations:

- ~~(i)(m) TCH will consult with tenants,~~Tenants through the ~~tenantan~~ efficient and effective Tenant participation system that is to be developed on issues and policies that will have an impact on service standards or the level of services, and communicate such policies and changes to policies to all ~~tenants~~Tenants;
- ~~(j) — through the Board, be responsible for determining and implementing the appropriate balance among the foregoing principles and for causing TCHC to conduct its affairs in~~

accordance with the same, and will be held accountable by the ~~Shareholder~~ for how this balance is achieved; and

- (k) ~~recognize that social housing primarily serves tenants of low and moderate incomes and accommodates their needs where possible.~~
- (n) BusinessTCH will provide Tenants with housing intended to respond to their housing needs and wherever possible within communities where there is a diversity of incomes and a mix of rent geared-to-income and market rent paying Tenants;
- (o) TCH will operate with an emphasis on supporting opportunity and independence for Tenants, providing responsive customer service, promoting Tenant satisfaction and supporting access to information and services by its diverse communities; and
- (p) TCH will link Tenants with organizations that provide programs and policies aimed at assisting Tenants.

#### 4. MANDATE OF THE TORONTO COMMUNITY HOUSING CORPORATION

##### 4.1 Business4.1 Mandate of TCHCTCH

SubjectAs a Local Housing Corporation, the core mandate of TCH is to provide affordable and subsidized rental housing in a state of good repair to low and moderate income households in Toronto.

In support of this mandate, and subject to the ongoing ability of TCHCTCH to meet abide by this Shareholder Direction, the financial objectives as established through funding arrangements with established by any Program Administrator and the ability of the Board to demonstrate the same, and in support of the mandate to provide affordable housing, TCHCTCH, directly or through Subsidiaries or through, Joint Ventures, partnerships, or through arrangements for the purchase of services, may engage in any of the following businessBusiness activities, consistent with TCHC'sTCH's Articles of Incorporation and the SHRAHSA, other applicable law and best practices:

- (a) own, operate or have an ownership interest in rental housing and affordable-ownership housing and provide related services;
- (b) develop new affordable housingand subsidized rental housing, including 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;
- (c) redevelop existing housing sitesfacilitate the development of affordable ownership housing through the revitalization and redevelopment of its lands and buildings in partnership with the City, other orders of government and other parties where considered appropriate by Council;
- (d) develop and operate commercial space and other commercial services in support of meeting businessBusiness objectives;
- (e) ~~provide housing-related services to third parties;~~
- (f)(e) providedefacilitate services to tenantsTenants through other organizations beyond the

basic residential landlord obligations;

(g)(f) manage an investment program for reserves and other funds, and borrow funds to meet long and short term requirements, subject to the ~~conditions outlined in Section provisions of Sections 6.3 and 6.4;~~ and

(h)(g) deliver program-related services on behalf of any *Program Administrator* including, but not restricted to, management of waiting lists and rent supplement programs.

#### ~~4.2~~ **Creation of Subsidiary Companies**

##### ~~TCHC~~ **4.2 Subsidiaries**

4.2.1 TCH, may from time to time, create one or more *Subsidiaries* to meet its ~~goals~~ Mandate. TCH will consult with the City Manager regarding the business purpose and financing of any proposed subsidiary prior to the creation of any subsidiary.

~~4.2.2 Subsidiaries may be wholly owned, or may be corporations in which TCHC has a majority interest.~~

~~Where Subsidiaries are created, TCHC~~

4.2.2 Subject to any matters requiring approval of the Shareholder pursuant to this Shareholder Direction, the Business and affairs of the Subsidiaries will be managed or supervised by their respective boards of directors.

4.2.3 TCH will appoint the Directors of the Subsidiaries from among the directors and officers of TCH or establish and follow a process for the nomination and appointment of the Directors that is approved by the Shareholder.

4.2.4 Members of the Board or officers of TCH shall comprise a majority of the Board of Directors of any Subsidiary.

4.2.5 The Chair and Vice-Chair of the Board of Directors of any Subsidiary shall be a member of the Board of TCH.

~~4.2.34.2.6~~ When a Subsidiary is created, TCH will so inform the Shareholder at the earliest possible opportunity, and include information related to the purpose, governance, structure, board composition, operations, financing and such other such information as may be relevant requested by the City Manager.

~~4.2.4 Where Subsidiaries are created there will be compliance with paragraph 5.13.2.~~

#### **5. OPERATION AND CONTROL**

##### **5.1 Board Responsibilities**

~~Subject to any matters requiring approval~~ Upon the creation of the a Subsidiary, TCH shall establish a Shareholder pursuant to this Direction, for that Subsidiary that applies the Board will supervise the management of the same business principles and affairs of TCHC, including the following specific matters:

- (a) — ~~establishing annual standards of accountability and long-range strategies and plans consistent with the provisions of this Direction;~~
- (b) — ~~establishing policies consistent with the articles of this Direction and the *SHR-1* and all other relevant legislation;~~
- (c) — ~~establishing and maintaining reporting, with appropriate reserves consistent with sound financial principles and the program regulations established by any *Program Administrator* from time to time;~~
- (d) — ~~selecting bankers and other financial institutions and establishing all banking authorities;~~
- (e) — ~~appointing the officers of *TCHC* and appointing the senior officers of the *Subsidiaries*; and~~
- (f) — ~~managing and directing all labour and employee relations matters.~~

## **5.2 — Qualifications of Directors**

~~In naming directors to the *Board* the *Shareholder* will give due regard to the qualifications of citizen candidates, and ensure that the *Board* collectively represents a range of relevant expertise including:~~

- (a) — ~~knowledge of the social housing area;~~
- (b) — ~~housing advocacy;~~
- (c) — ~~community development;~~
- (d) — ~~*business* and financial management;~~
- (e) — ~~understanding of corporate governance responsibilities;~~
- (f) — ~~organizational development;~~

## **5.2 — Qualifications of Directors (cont'd)**

- (g) — ~~labour relations;~~
- (h) — ~~legal aid experience; and~~
- (i) — ~~social services for hard-to-serve *tenants*.~~

## **5.3 — Composition of the *Board***

~~The *Board* will be composed of 13 Directors, comprised of 9 *citizens*, 2 of whom shall be *tenants* and 4 members of *Council*, one of whom shall be the Mayor, or the Mayor's designate.~~

## **5.4 — Nomination process**

### **5.4.1 — *Council* member nominations**

~~*Council* members will be nominated for appointment to the *Board* on the recommendation of the Striking Committee or through any other process approved by *Council* from time to time.~~

#### 5.4.2 Citizen nominations

Members who are not nominated through the tenant nominations process outlined in paragraph 5.4.3, and which may include ~~tenants~~, will be nominated for appointment to the ~~Board~~ by recommendation of the Nominations Committee, arrived at through a process approved by ~~Council~~ from time to time.

#### 5.4.3 Tenant nominations

Tenants will be nominated for appointment to the ~~Board~~ by the Nominations Committee, or any other committee of ~~Council~~ modification as determined by ~~Council~~ from time to time, having regard to the recommendations of the ~~tenants~~, formulated through a process approved by ~~Council~~ from time to time. In the normal course of events the recommendations of ~~tenants~~ to the Nominations Committee will be forwarded to ~~Council~~.

#### 5.5 Eligibility for appointment to the ~~Board~~

4.2.7 ~~To be eligible for Board membership, the person must not be disqualified from being a director under the OBCA, and shall be a resident Canadian TCH, to the Subsidiary as defined in the OBCA (Canadian citizens or Landed Immigrant), and residing in or pay property taxes to are applied to TCH by the City through this Shareholder Direction.~~

#### 5.6 Chair

~~The Shareholder will select the Chair of the Board of Directors and the Board will elect the Shareholder selected Chair. In the event the Chair resigns or otherwise vacates the position of Chair prior to the end of the term, the Shareholder may choose to select a new Chair to sit until the end of the term, or to ask the Board to elect a Chair from among its members.~~

#### 5.7 Vacancies

~~If a member of the Board ceases to be a director for any reason, the Shareholder will fill the vacancy created thereby as soon as reasonably possible. If a member of the Board of Directors of any Subsidiary ceases to be a director for any reason, TCHC will cause the vacancy to be filled by another director or officer of TCHC as soon as reasonably possible.~~

#### 5.8 Term

5.8.1 ~~The term of the first City appointed Board will start on the date of appointment by the Shareholder and end on December 31, 2003, or until a successor is appointed.~~

5.8.2 ~~Thereafter, the term of the citizen and tenant directors will be for a period of three years. The term of Councillor Directors will be for a period of 18 months. Directors may be re-appointed to the Board.~~

#### 5.9 Conflict of Interest Policy

4.2.8 ~~The TCH will not permit a Subsidiary to incur or create any indebtedness or interest or issue any security which impairs the ability of TCH to comply with the provisions of Section 6.4.~~

4.2.9 ~~TCH shall ensure that the directors and officers of TCHC and the Subsidiaries will strictly abide by the requirements of the OBCA, the SHRA, and any related TCHC the HSA. TCH shall adopt and apply a policy in respect of, consistent with that of the City, regarding conflicts of interest, including any requirements in respect of concerning disclosure and abstention from voting.~~

## **5.10 Confidentiality**

4.2.10 The ~~directors~~ Directors and officers of ~~TCHC~~ and the ~~Subsidiaries~~, and the ~~Shareholder~~ will ensure that no ~~confidential~~ confidential information of ~~TCHC~~ the ~~Subsidiaries~~ is disclosed or otherwise made available to any ~~person~~ Person, except to the extent that:

- (a) disclosure to the ~~Shareholder's~~ or ~~TCHC's~~ the ~~Subsidiary's~~ employees or agents is necessary for the ~~performance~~ performance of any of their duties and obligations under this ~~Shareholder Direction~~; and
- (b) disclosure is required in the course of judicial proceedings or pursuant to law; or the confidential information becomes part of the public domain (other than through ~~unau-~~thorized unauthorized disclosure by any party); and).

~~the Shareholder and TCHC will abide by all terms of the Municipal Freedom of Information and Protection of Privacy Act.~~

4.2.11 If a member of the Board of Directors of any Subsidiary ceases to be a director for any reason, TCH will cause the vacancy to be filled by another director of TCH as soon as reasonably possible.

## **4.3 Joint Ventures**

4.3.1 TCH, may from time to time, invest in one or more Joint Ventures to meet its goals. TCH will consult with the City Manager regarding the business purpose, financing, governance structure and reporting requirements of any proposed Joint Venture prior to its creation.

4.3.2 Each Joint Venture will provide TCH with such reporting as TCH considers appropriate but at a minimum includes the Joint Venture's annual Financial Statements, the achievement of financial and service targets or other performance indicators and such explanations, notes and information as is required to explain and account for any variances between actual results from operations and the targets set out in its annual business plan or budget.

4.3.3 When a Joint Venture is created, TCH will so inform the City Manager at the earliest possible opportunity, and include information related to the purpose, governance structure, board composition, operations, financing and such other information as may be requested by the City Manager.

4.3.4 TCH will not invest in a Joint Venture that will undertake actions that TCH would otherwise be prohibited from doing by the terms of this Shareholder Direction.

4.3.5 TCH shall ensure that no Joint Venture shall incur or create any indebtedness or interest or issue any security which impairs the ability of TCH to comply with the provisions of Section 6.4.

4.3.6 If a member nominated by or representing the interests of TCH on any board of Directors or other governing body of any Joint Venture ceases to be a member for any reason, TCH will cause the vacancy to be filled by another director or officer of TCH as soon as reasonably possible.

## **5. BOARD OF DIRECTORS**

## **5.1 Board Responsibilities**

Subject to any matters requiring approval of the *Shareholder* pursuant to this *Shareholder Direction*, the *Board* will supervise the management of the *Business* and affairs of *TCH*, including the following specific matters:

- (a) establishing annual and long range strategies and plans consistent with the provisions of this *Shareholder Direction*;
- (b) establishing policies and other directives consistent with this *Shareholder Direction*, the *HSA* and all applicable law, and best practices of corporate governance and financial and risk management;
- (c) establishing and maintaining appropriate reserves consistent with sound financial principles and the program regulations established by any *Program Administrator* from time to time;
- (d) selecting bankers and other financial institutions and establishing all banking authorities;
- (e) managing and directing all labour and employee relations matters;
- (f) establishing a committee of the *Board* that is responsible for, among other matters, *TCH's Financial Statements* and auditing compliance by *TCH* with this *Shareholder Direction* and the compliance of *TCH* staff with *Board* policies;
- (g) the membership of the *Board's* Corporate Affairs and Audit Committee or its successor shall have *Financial Management Expertise*;
- (h) establishing such other committees of the *Board* as the *Board* determines are appropriate, and delegating to the committees such authority as the *Board* determines is appropriate, provided that the delegation of that authority is permitted under the *OBCA*;
- (i) the committee of the *Board* responsible for policies regarding and the calculation of the compensation of senior *TCH* executives shall ensure that such remuneration generally aligns with *City* executive compensation plans and shall include a member of the *Board* who is a Member of *Council*;
- (j) appointing the *CEO*, approving the terms of his or her employment, establishing performance objectives for the *CEO*, monitoring the *CEO's* success in meeting those objectives, and holding the *CEO* accountable for meeting those objectives;
- (k) appointing the officers of *TCH*, other than the Chair who is appointed by the *Shareholder*;
- (l) taking all necessary steps as permitted by law to ensure that senior executive compensation, is disclosed as part of annual reporting to the *Shareholder*;
- (m) approving and submitting to the *Shareholder* the Annual Report referred to in Section 9.2, the *Business Plan* referred to in Section 9.1, annual report on Director remuneration and expenses referred to in Section 5.10 and *TCH's* annual audited

consolidated and unconsolidated *Financial Statements* and the report of the *Auditor* thereon referred to in Section 9.6;

(n) ensuring that the *Board* has appropriate processes in place to ensure that information is reported to the *Board* in a timely manner to enable the *Board* to monitor implementation of its decisions and the performance of *TCH* staff; and

(o) ensuring that *TCH* has a whistle blower protection policy.

The *Board* will use its best efforts to ensure that *TCH* meets the financial performance standards set out in each *Business Plan*.

## **5.2 Meetings**

Meetings of the *Board* and its committees shall be open to the public, except where matters may be considered in camera for the reasons set out in Section 190 of the *City of Toronto Act, 2006*. Advance public notice of the agenda is required.

## **5.3 Conflict of Interest Policy**

The directors and officers of *TCH* will strictly abide by the requirements of the *OBCA* and the *HSA*. *TCH* shall adopt and apply a policy, consistent with that of the City, regarding conflicts of interest, including requirements concerning disclosure and abstention from voting.

## **5.4 Confidentiality**

The *Shareholder* and the Directors and officers of *TCH* will ensure that no confidential information of the *Shareholder* or *TCH* is disclosed or otherwise made available to any *Person*, except to the extent that:

- (a) disclosure to the *Shareholder's* or *TCH's* employees or agents is necessary for the performance of any of their duties and obligations under this *Shareholder Direction*; and
- (b) disclosure is required in the course of judicial proceedings or pursuant to law;
- (c) or the confidential information becomes part of the public domain (other than through unauthorized disclosure by any party).

## **5.11 5.5 Remuneration**

The remuneration of the members of the *Board* for their services as directors will be as authorized by *Council* from time to time. ~~*TCH*~~*TCH* will reimburse Directors for all reasonable expenses. The *Board* shall report to the *Shareholder* the total remuneration and expenses paid to each Director using the protocols established by the *City CFO* from time to time.

## **5.12 5.6 Removal of Directors**

A Director may be removed from the *Board* by the *Shareholder* in accordance with the *OBCA*— for any reason as may be determined by the *Shareholder*. *TCH* shall advise the *Shareholder* immediately



when there is cause for removal of a Director. The reasons for such removal may include, but are not restricted to:

- (a) breach of the Director's obligations under the *OBCA*;
- (b) conflict of interest that cannot be resolved in any other manner satisfactory to the *Board*;
- (c) ~~engagement~~engaging in activities that are deemed by the *Board* to have an adverse impact on ~~the~~their duties as a *Board* members; and
- (d) ~~ceases~~ceasing to meet the eligibility criteria of requirements in the Public Appointments Policy for a Board member as described in Section 5.5 above; and

#### **5.13 — Board of Directors of Subsidiaries**

- (e) 5.13.1 Subject failure to any matters requiring attend three or more consecutive meetings of the Board or its committees without approval of the Board.

### **6. BOARD STRUCTURE**

Without restricting the rights of the Shareholder pursuant to, this Direction, the business article provides information regarding City Council's "Public Appointments Policy" and affairs "Policy on Board Governance Structures" as amended from time to time.

#### **6.1 Composition of the Subsidiaries Board**

The Board will be managed or supervised by their respective boards composed of directors. TCHC will appoint the 13 Directors, comprised of the Subsidiaries from among the directors 7 Citizens, 2 Tenants and officers 4 members of TCHC or establish a process for Council, one of whom shall be the Mayor, or the nomination and appointment Mayor's designate as appointed by Council.

#### **6.2 Qualifications of Directors**

6.2.1 In naming directors to the Directors Board, the Shareholder will give due regard to the provisions of Council's "Public Appointments Policy" and "Policy on Board Governance Structures", the retention of incumbent Board members to provide institutional memory, and the qualifications of individual candidates to ensure that the Board collectively represents a range of relevant skills, knowledge and experience, including the following:

5.13.2 TCHC will establish Shareholder Directions for Subsidiaries that are consistent with this Direction and ensure accountability to TCHC.

### **6. Shareholder MATTERS**

- (a) knowledge of the field of social housing;
- (b) housing advocacy or community development;

(c) land development;

(d) property management;

(e) business management;

(f) corporate governance;

(g) organizational development;

(h) labour relations;

(i) business law; and

(j) social services for hard-to-serve *Tenants*.

6.2.2 At least one member of the *Board* shall possess *Financial Management Expertise*.

### **6.3 Council Member Nomination Process**

*Council* members will be nominated for appointment to the *Board* on the recommendation of the Striking Committee or through any other process approved by *Council* from time to time.

### **6.4 Tenant Nomination Process**

Having due regard to the qualifications and directions set out in Sub-section 6.2.1, *Tenants* will be nominated for appointment to the *Board* by the City Corporation Nominating Panel, or a committee of *Council*, as determined by *Council* from time to time, having regard to the recommendations of the *Tenants*, formulated through a process approved by *Council* from time to time. In the normal course of events the recommendations of *Tenants* to the Corporation Nominating Panel will be forwarded to *Council*.

### **6.5 Citizen Nomination Process**

*Citizens* who are not *Tenants* will be nominated for appointment to the *Board* by the City Corporation Nominating Panel pursuant to *Council's* Public Appointments Policy.

### **6.6 Chair and Vice-Chair**

The *Shareholder* will select the *Chair* of the *Board*. In the event the *Chair* resigns or otherwise vacates the position of *Chair* prior to the end of the term, the *Shareholder* may choose to select a new *Chair* to sit until the end of the term, or ask the *Board* to elect a *Chair* from among its members. The *Board* shall elect a Vice-Chair from amongst its members who shall act as *Chair* in the absence of the *Chair*.

### **6.7 Vacancies**

If a member of the *Board* ceases to be a director for any reason, *TCH* shall inform the *Shareholder* and the *Shareholder* will fill the vacancy created thereby as soon as reasonably possible.

### **6.8 Term**

6.8.1 Councillor, *Citizen* and *Tenant* Directors serve at the pleasure of the *Shareholder* for a term as

specified by the *Shareholder* or until their successor is appointed. Directors may be reappointed to the *Board*.

6.8.2 The term for Members of *Council* appointed to the *Board* shall be twenty-four months. Incumbent Councillor Directors may be reappointed as the *Shareholder* may determine.

6.8.3 The term for *Citizen* and *Tenant* Directors shall be two years, with a renewal term of two years for a total of four years without a formal recruitment process. Where any *Citizen* or *Tenant* Director has served for two consecutive two year terms the *Shareholder* shall proceed with a formal recruitment process prior to reappointment. *Citizen* and *Tenant* Directors may serve a maximum of four two year terms.

6.8.4 Councillor Directors cease to be *Directors* as soon as they cease to be Members of *Council*.

6.8.5 *Tenants* appointed to the *Board* shall cease to be Directors as soon as they cease to be *TCH Tenants*.

## **7. SHAREHOLDER MATTERS**

### **6.1 7.1 Decisions of the Shareholder**

~~The following will apply to any approvals or decisions that the *Shareholder* must provide:~~

- ~~(a) all approvals and decisions will be communicated writing signed by an authorized signatory of the *Shareholder*; and~~
- ~~(b) where *Shareholder* approvals are required *TCHC* will give reasonable advance notice in writing of the need for approval and will provide such information as is reasonably necessary for the *Shareholder* to make an informed decision regarding the subject matter requiring approval.~~

6.2 Where *TCH* wishes to obtain an approval or decision from the *City*, *TCH* shall submit a written request to the appropriate *City* liaison for the approval or decision which includes all information necessary for the *City* to make an informed decision. *TCH* shall submit its request and supporting information in a timely manner that enables the *City* liaison to comply with deadlines for submission to Committees and *Council*. The *City Manager*, the *City CFO* or the *Service Manager*, as appropriate, shall determine how a particular matter for which approval or decision has been requested will proceed.

### **7.2 Liaison**

7.2.1 For matters requiring *Shareholder* approval or other action regarding governance matters set out in this *Shareholder Direction* and intergovernmental matters, the designated liaison is the *City Manager*.

7.2.2 *TCH* shall ensure that proposals to change Provincial or Federal legislation, policies or programs are co-ordinated with the *City Manager's* Office and *TCH* shall follow such protocols as are established by that office from time to time.

7.2.3 For financial matters set out in Sections 9.5, 9.6 and 5.11, the designated *City* liaison is the *City CFO*.

7.2.4 For matters concerning *TCH's* administration of programs within the scope of the *HSA* or pursuant to agreements between *TCH* and the *Service Manager*, the designated *City* liaison is the General Manager, Shelter, Support and Housing Administration Division.

### **7.3 Matters Requiring Shareholder Approval under the OBCA**

In accordance with the provisions of the *OBCA*, ~~neither *TCHC* nor *TCH*~~ will not, and will not permit any *Subsidiary* willto, without the approvalapproval of the *Shareholder*:

- (a) apply to make changes to ~~the~~its Articles of Incorporation;
- (b) amalgamate (except for an amalgamation with one or more *Subsidiaries*), apply to ~~con-~~tinuecontinue as a body corporate under the laws of another jurisdiction, merge, consolidate or effect a reorganization as defined in the *OBCA*, or approve or effect any plan of ~~arrangement~~arrangement, in each case whether statutory or otherwise;
- (c) take or institute proceedings for any winding up, arrangement, corporate governance or legal reorganization or dissolution;
- (d) create new classes of shares or reorganize, consolidate, subdivide or otherwise change its outstanding securities;
- (e) dispose of, by conveyance, transfer, lease, sale and leaseback, or other transaction, all or substantially all of its assets or undertaking, with the exception of entering into ~~resi-~~dentialresidential and commercial leases for the units and commercial spaces of ~~*TCHC*~~*TCH*;
- (f) change the *Auditor*;
- (g) make any change to the number of directors comprising the *Board*, or appoint Directors; and
- (h) enter into any transaction or take any action that requires *shareholder* approval ~~pursu-~~antpursuant to the *OBCA*.

### **6.37.4 Other Matters Requiring Shareholder Approval**

6.3.1 7.4.1 Without the approval of the *Shareholder* ~~*TCHC*~~, *TCH* will not:

- (a) create any additional indebtedness that would require additional payment in the form of subsidies from any *Program Administrator*, not including the impact of increased ~~subsi-~~subsidy payments that may be required pursuant to other program cost increases as identified in any agreement with any *Program Administrator* and not including the renewal of existing mortgages and loans;
- (a) sell real property assets used for the purposes of providing rent-geared-to-income and market housing, or which are zoned or deemed suitable for housing purposes; but not including assets which are not zoned or deemed suitable for housing or that are used

for commercial purposes;

(c) subject to Section 9, proceed with redevelopment~~revitalization~~ projects, or material changes in the number or distribution of rent-geared-to-income units, including changes to ~~targeting~~targeting plans, without prior approval of the City as Shareholder; and Service Manager;

(d) ~~appoint new directors to fill vacant positions on the Board;~~ and

(e) ~~pass or amend any by-laws~~

(i) ~~with respect to the composition or number of Directors or the term of Directors;~~Directors or

(ii)(d) ~~that are that are inconsistent with this~~ Shareholder Direction; or

(e) ~~TCHC will, where by-laws unless the Shareholder approves otherwise, TCHC shall not, and by-law amendments have been approved shall ensure that the Subsidiaries do not, provide any financial assistance, whether by loan, guarantee or otherwise, to any director, officer or employee of the Corporation or of any Subsidiary or Joint Venture.~~

6.3.2 7.4.2 Subject to Sections 6.3 and implemented by 6.4, the Board, ~~seek Shareholder approval for such~~ may by resolution make, amend, or repeal any of its by-laws and by-law the changes take effect at such time as the Board approves. Such changes shall be submitted to the City, as shareholder, immediately upon approval by the Board for Council approval. If Council makes any amendments to any by-law passed by the Board, the amendments. Where such approval is denied, TCHC will cease to implement such by-laws take effect when approved by Council and by-law amendments are not retroactive, in accordance with Section 116 of the OBCA, as amended from time to time.

#### 6.4 7.5 Regulatory Matters

##### 6.47.5.1 Social housing

Social TCH shall, at all times, act in compliance with all applicable law in its administration of social and affordable housing legislation, regulations, programs and existing operating agreements set a complex framework for the administration of TCHC housing. TCHC is managing programs under federal and provincial jurisdiction. There is, in this context, the possibility of conflict between approval or direction or other requirement of the Shareholder under this Direction and any decision, order or policies of any Program Administrator as these relate to the administration of programs and interpretation of regulations under the SHRA. Where such, Where conflicts are identified, TCHC will:

(a) ~~notify all parties of such conflicts and request to consult on how best to meet the interest of the~~ arise between statutory obligations and this Shareholder; and

(b) Direction, TCH shall notify the Shareholder and seek the cooperation of the Program Administrator Service Manager in ensuring that issues that require provincial Provincial intervention are rapidly resolved; and quickly.

(c) ~~after the consultation outlined above notify the Shareholder whether the specific direction can be met or whether the province or other regulatory authorities have a greater authority in the matter at hand.~~

## **6.4 Regulatory Matters (cont'd)**

### **6.47.5.2 Other legislation**

~~TCHCTCH~~ is subject to a variety of legislation that governs its operations and sets out the responsibilities of the *Board* such as the ~~Tenant Protection~~*HSA, Residential Tenancies Act*, the *Human Rights Code* and municipal property standards by-laws. In all cases such legislation will prevail over this *Shareholder Direction* and any other direction of the *Shareholder* where there is a conflict between these directions and such legislation.

## **78. FUNDING RELATIONSHIP WITH CITY AND OPERATING AGREEMENT**

### **78.1 General**

~~7.1.1~~ Provincial and federal devolution of housing program responsibilities has given the ~~The City~~ *has* a dual role in social housing – that of an owner ~~the Shareholder~~ of ~~TCHCTCH~~, which in turn owns a large portfolio of housing, as well as that of being the administrator ~~designated Service Manager~~ of social housing programs. ~~TCHC~~ under the *HSA*. *TCH* and other social housing providers in the *City* participate in these programs. Through the ~~SHR~~*HSA*, the Province has considerable powers over the *City* as a ~~Program Administrator~~*Service Manager*, and over ~~TCHCTCH~~ as a housing provider ~~corporation~~. The powers of ~~TCHCTCH~~ and of the *City* as *Shareholder*, may, in certain circumstances, be subject to Provincial authority.

### **8.2 Scope of Operating Agreement**

~~7.1.2~~ **8.2.1** The role of the *City* as ~~Program Administrator~~*Service Manager* and that of *TCH* as a *Local Housing Corporation* is governed by the ~~SHR~~*HSA* and ~~for TCHC~~ *will* the relationship of the two parties *shall* be defined in an Operating Agreement with ~~TCHC~~ *between the City and TCH*. The parameters of such agreement are identified in subsections ~~7.2~~ and ~~Sections 7.3 and 7.4~~ below, and relate to service level standards, implementation of the flow of subsidies, detailed ~~program~~ *program*-level reporting and other such issues.

**8.2.2** The funding relationships between the *City* and *TCH* do not constitute a guarantee by the *City* of any debt issued or payable by *TCH*.

### **7.2 8.3 Operating Agreement Principles**

~~Within the first six months of the appointment of the new Board of Directors, TCHCTCH will negotiate and enter into~~ *maintain* an Operating Agreement with the *City*, with the ~~City~~ *accountability* through its ~~Commissioner, Community~~ *the City General Manager, Shelter, Support and Neighbourhood Services*. ~~Housing Administration~~. The Operating Agreement ~~will~~ *shall* be based on the following principles:

- (a) both parties will seek to ensure stable and predictable funding for ~~TCHC~~ *to mitigate any impacts on tenants from program funding decisions TCH*;
- (b) *TCH* will 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 and the *City*;

- (b)(c) both parties will seek to simplify and harmonize the social housing program structures

and funding models in order to reduce administration costs; and;

- (d) ~~the City~~ both parties will ~~require~~ seek to ensure that reporting relationships and lines of accountability between them are clear and transparent;
- (e) TCH will provide financial and other information and forecasts as requested by the City to help establish or validate an appropriate level of financial support from the City that is consistent with the requirements of the HSA; and
- (~~c~~) (f) TCH will comply with City budget requirements, information requests and communication protocols as determined from time to time to ensure that the City receives timely information required to prepare its budgets and fulfill its reporting obligations to the Province and other agencies.

### 7.3 8.4 Operating Agreement Contents

7.3.4.1 The Operating Agreement to be entered into by the City and ~~TCH~~ TCH will be for the purpose of defining how ~~TCH~~ TCH will meet the requirements legislated under the ~~SHRA~~ HSA, and how social housing programs under which ~~TCH~~ TCH operates will be administered.

7.3.2 8.4.2 The Operating Agreement will include, but not necessarily be limited to:

- (a) defining number of rent-geared-to-income units to be adhered to by ~~TCH~~ TCH;
- (b) ~~(b)~~ —format and timing for provision of budget and other financial information as deemed appropriate by the City CFO to the Shelter, Support and Housing and ~~Support~~ Administration Division in order to prepare their budget;
- (c) format and timing for program reporting required by the Shelter, Support and Housing and Support Administration Division to ~~fulfil City~~ fulfill Service Manager obligations under the ~~SHRA~~ HSA;

### 7.3 Operating Agreement Contents (cont'd)

7.3.2.

- (~~d~~) (d) method and timing for the payment of subsidies to TCH;
- (e) method for calculation of the amount payable to ~~TCH~~ TCH; and
- (f) identification of the ~~Program Administrator's~~ Service Manager's delegated responsibilities to ~~TCH~~ TCH under the ~~SHRA~~ HSA.

### 7.4 8.5 Other City Program Funding

7.4.1. 8.5.1 The City may, from time to time, request of ~~TCH~~ TCH that it perform certain functions and assume certain responsibilities that may include but are not limited to:

- (a) operation of a ~~centralized~~ waiting list system for applicants to social housing in the City;
- (b) ~~(b)~~ —operation of a rent supplement program; and
- (c) ~~(c)~~ —management and facilitation of support programs for ~~tenants~~ Tenants in

TCHCTCH buildings.

~~7.4.2~~ 8.5.2 In these and all other areas in which the City requests that TCHCTCH perform functions that are not mandated functions of a non-profit housing provider under the SHRA Local Housing Corporation, the City and TCHCTCH will enter into agreements that include:

- (a) the source and level of funding to be provided for performance of functions subject to specific conditions and requirements;
- (b) ~~(b)~~ — the conditions and performance expectations of the City, including requirements for cooperation, and transparent and timely access to all related information; and
- (c) ~~(c)~~ — the accountability requirements of TCHCTCH in undertaking these functions.

~~7.4.3~~ The City will not impose on TCHC functions and obligations that are not identified in the SHRA, or that are not agreed to in the Operating Agreement without prior consultation and identification of the administrative, operational and cost impacts. The Commissioner, Community and Neighbourhood Services will determine when there is a requirement to seek Council approval, and seek such approval for agreements other than the Operating Agreement referenced above.

## **8. GOVERNING DIRECTIONS**

### **9. TENANT MATTERS**

#### **9.1 Tenant Participation System**

~~8.1.1~~ Prior to September 30, 2002, TCHC 9.1.1 TCH and the ~~tenants~~ Tenants will develop maintain a democratic system of active Tenant participation and involvement that will:

- (a) provide a Tenant council structure or similar organization;
- (b) provide for Tenant input for decisions at the corporate and local levels;
- (c) — provide for Tenant input for setting local spending priorities and service levels;
- (d) ~~(d)~~ be based on the best practices current systems in place in MTHC and THC; and
- (e) ~~(e)~~ include a process to identify two tenants to be proposed for appointment to Tenant representation on the Board as contemplated by paragraph 5.4.3 Section 6.1.

~~8.1.2~~ The system of Tenant participation will respect the terms of this Shareholder Direction and the financial ~~targets~~ targets and performance benchmarks that are established for TCHCTCH by any Program Administrator Service Manager.

#### **8.2 Employment and Related Matters**

The Shareholder expects that:

TCHC will abide by all relevant employment and occupational health and safety legislation in the conduct of its operations, and will develop appropriate policies in areas such as, but not limited to, fair wages for contracted services consistent

#### **9.2 Tenant Relations**



- (a) ~~TCH shall, in consultation with that of the City of Toronto and employee compensation to address these objectives; and~~
- (b) ~~TCHC will be responsible for determining how the obligations in clause 8.2(a) are to be carried out, recognizing its responsibilities as a public sector employer that is a model to the community.~~

### **8.3 — Other matters**

8.3.1. ~~TCHC will, within the first year of operation, and in consultation with tenants~~ Tenants, and their representatives, and other parties as required, maintain and apply:

- (a) ~~implement in the first year of operation an eviction prevention policy with an aim to reduce evictions for non-which aims to balance efforts to ensure the payment of rent and maintain while facilitating the tenancies of households experiencing financial difficulties in paying rent;~~
- (b) ~~ensure that there will be a system of local accountability established between TCHCTCH and tenants~~ Tenants such that ~~tenants~~ Tenants are informed of the operating budget for the communities in which they reside, capital plans, and that there is regular reporting on the achievement of the budget targets and progress on plans for repairs and renovations;
- (c) ~~implement in the first year of operation a complaint process that is accessible, transparent, that advocates on behalf of tenants~~ Tenants to seek a solution to their complaints, and that respects the management accountabilities within ~~TCHCTCH~~ and allows for the review of operational decisions at a senior level within ~~TCHC; and TCH;~~
- (d) ~~put in place tendering and purchasing practices that ensure that TCHCTCH will manage all financial transactions in a transparent and open manner.~~

8.3.2 ~~TCHC will report on matters identified in subsections 8.1, 8.2 and 8.3 in the Annual Report and/or the Community Management Plan.~~

### **8.4 — Memberensure that Tenants of the social housing sector**

- (d) ~~TCHCTCH will be protected from harassment, in an active participant in the social housing sector and seek to identify and support, directly or through its work with associations, opportunities for sector cooperation, information sharing and other activities that promote an effective partnership among stakeholders, the efficient use of resources and effective operations and programs. TCHC will advocate on behalf of TCHC and other social housing providers on issues related to the supply, quality and affordability of housing in the community environment where human rights are respected and upheld; and~~
- (e) ~~9TCH will ensure that all communications with Tenants will be undertaken in English and the language of the Tenant's choice.~~

## **10. ACCOUNTABILITY**

### **9.1 ~~Community Management~~ 10.1 Business Plan**

~~9.1.1 The Board will approve and submit to the Shareholder a Community Management Plan developed in accordance with this Section 9.1, for TCHC's 2002-2004 fiscal years by December 31, 2001 or any other date set by the Shareholder in consultation with the Board.~~

## ~~9. ACCOUNTABILITY (CONT'D)~~

### ~~Community Management Plan (cont'd)~~

~~9.1.2 In each subsequent year TCHC will submit to the Shareholder its next Community Management Plan to permit consideration at its October meeting, or any other date set by the Shareholder in consultation with the Board. Each such plan will cover a rolling three year period, and include a long range outlook beyond the plan horizon.~~

~~9.1.3 Each Community Management Plan will outline for a period of three years:~~

~~anticipated results for the year in progress~~  
~~10.1.1 Each Business Plan will be a four year business plan that is reviewed and updated annually and includes:~~

- ~~(a) long term business strategies and objectives and strategic goals but not including detailed activity plans for the period covered by the Business Plan;~~
- ~~(b) key issues and challenges facing TCHC/TCH;~~
- ~~(c) key strategies to be implemented to resolve key issues facing TCHC/TCH;~~
- ~~(d) aggregate budget estimates;~~
- ~~(d) financial a four year operating budget and a 10 year capital plan with a long range outlook beyond the plan horizon, with explanatory notes and assumptions;~~
- ~~(e) financial and service targets and performance measures in accordance with Section 10.3 based on benchmarks set out in regulations pursuant to the HSA or established in the Operating Agreement or Business Plan;~~
- ~~(f) strategies to address material enterprise risks;~~
- ~~(f)(g) service level targets and changes;~~
- ~~(h) performance indicators;~~
- ~~(g)(i) environmental and energy efficiency targets; and~~
- ~~(h)(i) major initiatives to be undertaken by TCHC/TCH in the medium and long term, and,~~
- ~~(k) other matters as may be required by the Shareholder.~~

~~9.1.4 10.1.2 In the context of the Community Management Business Plan TCHC, TCH will identify the issues and directions of TCHC/TCH in the management of its housing portfolio, including any proposals to convert to co-operative/cooperative housing corporations or implement other forms of self-management.~~

~~Council 10.1.3 TCH will submit its Business Plan to the Shareholder annually at a date specified by the City to permit due consideration and inclusion in the City's financial planning process.~~

~~9.1.5 10.1.4 TCH will provide the draft Business Plan to the City Manager so that a report may be~~

prepared for consideration by Council in order that the City may provide comment to the Board on the draft Business Plan, the including its financial targets and major initiatives initiatives, to ensure strategic alignment with City goals and objectives. Such comment comments will be includedreflected in the preparation of detailed action plans approved by the Board. The spending estimates, including separate capital and operating budget requirements, included in the Community ManagementBusiness Plan, will form the basis of TCHCthe TCH component of the budget requirement to be included in the CommunityShelter, Support and Neighbourhood ServicesHousing Division budget estimates for social housing programs.

## **9.2 10.2 Annual ReportReporting**

**9.2.1** 10.2.1 Within 120 days after the end of the fourth fiscal quarter, TCHCyear, or as requested by the City, TCH will prepare an annual report for approval by the Board and submit this report to the Council, through the Policy and Finance Committee. City Manager. This report will include:

- (a) objectives, accomplishments since the prior year and performance trends;
- (a)(b) such explanations, notes and information as is required to explain and account for any variances between the actual results from operations and the budgeted amounts set forth in the current Community ManagementBusiness Plan, and any material variances in the projected ability of any businessBusiness activity to meet or continue to meet the financial objectivesobjectives of the Shareholder;
- (c) the achievement of the financial and service targets set out in the Business Plan or the Operating Agreement and such explanations, notes and information as is required to explain and account for any variances between the actual results from operations and the targets established in the Business Plan or the Operating Agreement;
- (d) initiatives to provide responsive customer service;
- (e) tenant engagement activities;
- (b)(f) information that is likely to materially affect the Shareholder's financial objectives;
- (e)(g) information that is likely to materially affect tenants' Tenants' views or opinions regarding TCHCTCH;
- (d)(h) information regarding any matter, occurrence or other event which is a material breach or violation of any law, including major findings of internal and other audits;

## **9.2 Annual Report (cont'd)**

### **9.2.1**

- (e)(i) information regarding the performance of TCHCTCH such that the Shareholder can determinedetermine that thethis Shareholder Direction has been respected;
- (i) information regarding the number of evictions each year and the rationale for these evictions;
- (k) information on the disposition and uses of funds provided to TCH by the City;

(l) the status of the sale of any properties and on any tenant or community impacts resulting from such sales; and

(f)(m) any such additional information as the *Shareholder* may specify from time to time; and

(g) information regarding the number of evictions each year, the rationale and the cost of these evictions.

9.2.2 ~~TCH~~10.2.2 TCH's Annual Report will be consistent with, but not in lieu of, other reporting that the *Program Administrator* *Service Manager* may require that is consistent with the social housing program funding requirements or otherwise agreed to by the *Board* requirements.

10.2.3 TCH will report on matters identified in Sections 8.1, 8.2 and 8.3 in the Annual Report or the *Business Plan*.

10.2.4 TCH will provide a report on senior executive compensation as permitted by law to the *City Manager* annually.

### 9.3 10.3 Access to Records

10.3.1 The duly appointed representatives of the *Shareholder* (as specified in Section 9.3.2 or as approved by report to *Council* from time to time) shall have unrestricted access to the books and records of ~~TCH~~TCH and the *Subsidiaries* during normal business hours. Such representatives shall treat all information of ~~TCH~~TCH with the same level of care and confidentiality as any confidential information of the *Shareholder*.

10.3.2 The *City Manager*, the *City CFO*, the *City General Manager*, *Shelter*, *Support and Housing Administration*, the *City Solicitor* and the *Auditor General* or their designates are deemed duly appointed representatives of the *City*.

### 9.4 10.4 Audit

9.4.1 10.4.1 The auditor *Auditor* will be appointed in accordance with the *OBCA*. ~~TCH~~The *Board* will determine the remuneration for the *Auditor*. The annual consolidated and unconsolidated ~~financial statements~~ *Financial Statements* of ~~TCH~~TCH will be audited by the *Auditor*.

9.4.2 10.4.2 All other audit and review requirements, including internal audits, will be the sole responsibility of the *Board*.

10.4.3 The *Auditor General* may conduct periodic operational audits. All reports by the *Auditor General* shall be considered first by the *Board* and be forwarded immediately thereafter by the *Board* or the *Auditor General* to the *City Audit Committee* for consideration and recommendation to *City Council*.

### 9.5 10.5 Accounting

~~TCH~~TCH will adopt and use the accounting policies and procedures that may be approved by the *Board* from time to time and all such policies and procedures will be in accordance with generally accepted accounting principles and applicable regulatory requirements.

### 9.6 Annual 10.6 Financial Statements

10.6.1 The Board will deliver to the City Manager and the City CFO, as soon as practicable and in any event within 120 days after the end of each fiscal year, the audited consolidated and unconsolidated annual Financial Statements of TCHC for consideration by the Shareholder, including information concerning its Subsidiaries and Joint Ventures as Directed by Council, for consideration by the Shareholder.

#### **10. FINANCIAL PERFORMANCE**

10.6.2 TCH shall provide quarterly unaudited Financial Statements to the City CFO within 90 days after the end of each fiscal quarter.

#### **11. FINANCIAL PERFORMANCE YEAR END**

~~The Board will use its best efforts to ensure that TCHC meets the financial performance standards set out in each Community Management Plan.~~

#### **10.2 Financial Performance Targets**

~~TCHC will set out in each Community Management Plan financial targets, based on benchmarks to be set by regulations pursuant to the SIIR-1 or established in the Operating Agreement or Community Management Plan. The Board will report all variance against these benchmarks in the annual reporting (see subsection 9.2 above).~~

#### **11. SUCCESSOR RIGHTS**

~~The Shareholder acknowledges that TCHC's assets and undertaking are being transferred to MHHC, re-named as Toronto Community Housing Corporation (TCHC) and that this transfer amounts to a sale of business within the meaning of the Labour Relations Act. The Shareholder also requires that TCHC's Board of Directors consider at its first meeting the matter of the sale of business and whether TCHC is also of the view that this transfer amounts to a sale of business.~~

#### **12. AMENDMENTS**

~~This Direction may be amended solely at the discretion of the Shareholder. The Shareholder will provide prior written notice to the Board, no less than 6 weeks prior to any proposed amendments to this Direction. TCH's financial year end shall be December 31.~~

#### **12. EMPLOYMENT, PROCUREMENT AND RELATED MATTERS**

12.1 TCH will abide by all relevant employment and occupational health and safety legislation in the conduct of its operations, and will develop appropriate policies in areas such as, but not limited to, fair wages for contracted services consistent with that of the City of Toronto and employee compensation to address these objectives.

12.2 TCH will ensure all procurement activities including, but not limited to, materials management, purchasing goods, services and construction contracts, involving purchasing, leasing, or renting, are arrived at by competitive or non-competitive tendering processes, adhere to procurement best practices, policies and procedures and are managed in an open and transparent manner.

12.3 TCH will be responsible for determining how the obligations in clause 12.2.1 are to be carried out, recognizing its responsibilities as a public sector employer that is a model to the community.

### **13. EMERGENCY HUMAN SERVICES PLANNING AND RESPONSE**

13.1 TCH will at all times inform the Office of Emergency Management ("OEM") of the key contacts at TCH responsible for emergency human services planning and response, including the most senior Person with overall accountability.

13.2 In emergencies involving the displacement of TCH Tenants, and in which the City's Emergency Human Services response has been activated, TCH will support the OEM to implement the response according to a protocol between TCH and the OEM. The OEM will lead the emergency human services response according to the Emergency Human Services Policy approved by Council and as amended from time to time.

### **14. MEMBER OF THE SOCIAL HOUSING SECTOR**

TCH may be an active participant in the social housing sector and seek to identify and support, directly or through its work with associations, opportunities for sector cooperation, information sharing and other activities that promote an effective partnership among stakeholders, the efficient use of resources and effective operations and programs. TCH may advocate on behalf of TCH and other social housing providers on issues related to the supply, quality and affordability of housing in the community. However, in conducting advocacy on any issue, TCH will make clear that it speaks on its own behalf and not on behalf of the City.

### **15. AMENDMENTS**

This Shareholder Direction may only be amended or terminated by a resolution adopted by the Council of the City as Shareholder of TCH as at the time such amendment or termination is to become effective. Promptly following the amendment or termination of this Shareholder Direction, the City shall give written notice of the amendment or termination to the Board.

### **16. NOTICE**

Any notices required or desired to be given to any of the Parties in connection with this Agreement or arising there from, shall be in writing and shall be personally delivered or sent by facsimile transmission or other means of instantaneous transmission in regular commercial usage at such time, verified by a transmission report as follows:

To the City at:

City Manager  
11<sup>th</sup> Floor, East Tower, Toronto City Hall  
100 Queen Street West,  
Toronto, ON M5H 2N2  
Facsimile transmission: 416-392-1827

General Manager, Shelter Support and Housing Administration  
6<sup>th</sup> Floor, Metro Hall  
55 John Street  
Toronto, ON M5V 3C6

Facsimile transmission: 416-392-0548

Deputy City Manager and Chief Financial Officer

7<sup>th</sup> Floor, East Tower, Toronto City Hall

100 Queen Street West,

Toronto, ON M5H 2N2

Facsimile transmission: 416-397-5236

To Toronto Community Housing Corporation at:

Chief Executive Officer

Toronto Community Housing Corporation

7<sup>th</sup> Floor, 931 Yonge Street

Toronto, ON M4W 2H2

Facsimile transmission: 416-981-4224

**DATED** at Toronto as of this 4<sup>th</sup> \_\_\_\_\_ day of ~~October, 2001.~~ \_\_\_\_\_ 2013.

**CITY OF TORONTO**

by

:

by: