

Clause embodied in Joint Report No. 1 of the Policy and Finance Committee and Community Services Committee, as adopted by the Council of the City of Toronto at its meeting held on October 2, 3 and 4, 2001.

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**Shareholder Direction to the Toronto
Community Housing Corporation (TCHC)**

(City Council on October 2, 3 and 4, 2001, amended this Clause:

- (1) *by amending Shareholder Direction 8.2(a), under the heading “Employment and Related Matters”, by inserting, after the words “fair wages for contracted services”, the words “consistent with that of the City of Toronto”, so that such section shall now read as follows:*

“8.2 Employment and Related Matters

The Shareholder expects that:

- (a) *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 with that of the City of Toronto and employee compensation to address these objectives;”;*
- (2) *to provide that TCHC be required to report to City Council immediately, if the Corporation is no longer able to comply with the requirements of the Shareholder Direction;*
- (3) *in accordance with the report dated September 28, 2001, from the Acting Chief Administrative Officer, embodying the following recommendations:*

“It is recommended that:

- (1) *the Shareholder Direction to the Board of the Toronto Community Housing Corporation be approved subject to:*
- (i) *amending section 3.3.2, under the heading ‘Principles’, by adding thereto:*
- (k) *recognize that social housing primarily serves tenants of low and moderate incomes and accommodates their needs where possible.’;*

- (ii) *amending paragraph 6.3.1(c) by inserting after the words ‘rent-geared-to-income units’, the words ‘,including changes to targeting plans,’ so that the paragraph reads:*
- ‘(c) subject to Section 9 of this Direction proceed with re-development projects, or material changes in the number or distribution of rent-geared-to-income units, including changes to targeting plans, without prior approval of the Shareholder;’;*
- (iii) *amending the introductory clause in section 8.1.1 so that it reads:*
- ‘Prior to September 30, 2002, TCHC and the tenants will develop a democratic system of active tenant participation and involvement that will:’;*
- (iv) *amending paragraph 8.3.1(c) by inserting after the word ‘transparent’ the words ‘,that advocates on behalf of tenants to seek a solution to their complaints,’ so that it reads:*
- ‘(c) implement in the first year of operation a complaint process that is accessible, transparent, that advocates on behalf of tenants to seek a solution to their complaints, and that respects the management accountabilities within TCHC and allows for the review of operational decisions at a senior level within TCHC.’;*
- (v) *amending section 8.3.1 by adding thereto:*
- ‘(d) put in place tendering and purchasing practices that ensure that the TCHC will manage all financial transactions in a transparent and open manner;’;*
- (vi) *amending section 8.4 in the Shareholder Direction by adding the following sentence thereto:*
- ‘The TCHC will advocate on behalf of the TCHC and other social housing providers on issues related to the supply, quality and affordability of housing in the community.’;*
- (vii) *amending section 9.2, under the heading ‘Annual Report’, by adding thereto the following:*
- ‘(g) information regarding the number of evictions each year, the rationale and the cost of these evictions;’;*

- (2) *the following motion, which was moved by Councillor McConnell at the joint meeting of the Policy and Finance and Community Services Committees held on September 20, 2001, be referred to the Board of the Toronto Community Housing Corporation to take into consideration when developing the complaints process:*

‘That Section 8.3 under the heading “Other Matters” be amended to provide that the Shareholder Direction include a requirement to establish an independent Ombudsperson to accept tenant complaints and act on behalf of tenants to resolve issues.’;

- (3) *the Commissioner of Urban Development Services be requested to develop a protocol for enforcement of property standards and other bylaws in City owned agencies including the TCHC, in consultation with those agencies affected;*

- (4) *Recommendation No. (8) in the joint report, dated September 12, 2001, from the Acting Chief Administrative Officer and the City Solicitor be amended by:*

- (i) *adding after the words ‘at the earliest possible time’, the following words: ‘, taking into consideration relevant policies and processes in the THC, MTHC, the social housing sector and the City of Toronto,’; and*
- (ii) *deleting the words ‘at the earliest possible time’ and inserting in lieu thereof the words ‘by April 2002’,*

so that the recommendation now reads:

‘the Board of Directors of TCHC be immediately requested by the Acting Chief Administrative Officer to develop the policies and processes on eviction prevention, a tenant complaints process, fair wages for contracted services, and employment matters by April 2002, taking into consideration relevant policies and processes in the THC, MTHC, the social housing sector and the City of Toronto.’;

- (5) *Council recommend to the Board of Directors of the Toronto Community Housing Corporation that a committee be established to outline options and protocols for conversion to housing co-operatives; that the TCHC Board be requested to consider inviting the Co-op Housing Federation and other housing organizations to be members or advisors to such a committee; and further that the Board of Directors report back to Council on this issue as part of the Community Management Plan; and*

(6) *the appropriate City officials be authorized and directed to take the necessary action to give effect to the foregoing recommendations.’ ”; and*

(4) *by adding thereto the following:*

“It is further recommended that:

- (a) *the Board of Directors of the Toronto Community Housing Corporation be requested to:*
 - (i) *recognize that housing is a right and a basic need, as recognized by the United Nations Declaration on Human Rights;*
 - (ii) *recognize that resident driven participation in decision-making is the key to successful delivery;*
 - (iii) *establish an independent Ombudsperson to accept tenant complaints and to act on behalf of tenants to resolve issues; and*
 - (iv) *maintain the current commitment to promoting and facilitating tenant involvement, including a commitment to fund these efforts to at least the current level;*
- (b) *the report on the protocol for enforcement of property standards described in Recommendation No. (3) of the report dated September 28, 2001, from the Acting Chief Administrative Officer, be developed by the Commissioner of Urban Development Services within four months;*
- (c) *the recommendations of the Striking Committee embodied in the communication dated October 1, 2001, from the City Clerk, be adopted, viz.:*

‘The Striking Committee on October 1, 2001, recommended to Council:

- (1) *the appointment of Members of Council to the Board of Directors of the Toronto Community Housing Corporation, as follows:*
 - (a) *that the following Member of Council be appointed as the Mayor’s designate on the Board of Directors of the Toronto Community Housing Corporation:*

N. Kelly;
 - (b) *that the following Members of Council also be appointed to such Board of Directors:*

O. Chow
B. Duguid
G. Mammoliti;

- (2) *that should Council approve the Shareholder Direction, Members be appointed for a term of office to expire November 30, 2003, and until their successors are appointed; and*
 - (3) *that the appropriate officials be authorized and directed to take the necessary action to give effect thereto.’;*
- (d) *the recommendations of the Nominating Committee embodied in the communication dated October 2, 2001, from the City Clerk, be adopted:*

‘The Nominating Committee, at its meetings held on September 17 and 24, and October 2, 2001, recommended to City Council:

- (1) *the appointment of citizens and tenant representatives to the Board of Directors of the Toronto Community Housing Corporation, as listed in the confidential communication dated October 2, 2001, from the City Clerk, such communication now public in its entirety, viz.:*

“The Nominating Committee, at its meetings held on September 17 and 24, and October 2, 2001, recommended to City Council the appointment of citizens and tenant representatives to the Board of Directors of the Toronto Community Housing Corporation, in accordance with the provisions of the Shareholder Direction, as follows:

- (i) *that the following be appointed as citizen members:*

(7 persons to be appointed)

*John Brewin
John Metson
Penny Milton
Wendy Porter
Elaine Todres
Nicholas Volk
David Zimmer*

and further that David Zimmer be appointed as Chair; and

- (ii) *that the following, who were elected by tenants, be appointed as tenant representatives:*

*Sushil Bajpai
Vance Latchford.”;*

- (2) *that:*
- (a) *should City Council approve the Shareholder Direction, which gives Council the authority to appoint the Chair of the Board from among the members appointed to the Board, and*
 - (b) *should City Council wish to appoint a citizen member as Chair,*
- the citizen named in the aforementioned confidential transmittal dated October 2, 2001, from the City Clerk be appointed Chair of the Board; and*
- (3) *that citizens and tenant representatives be appointed for a term of office expiring December 31, 2003, and until their successors are appointed, in accordance with the term specified in the Shareholder Direction; and*
- (4) *that the appropriate officials be authorized and directed to take the necessary actions to give effect thereto.' ”)*

The Policy and Finance Committee and The Community Services Committee jointly recommend to Council the adoption of the joint report (September 12, 2001) from the Acting Chief Administrative Officer and the City Solicitor.

The Policy and Finance Committee and the Community Services Committee jointly report, for the information of Council, having referred the following motions to the Acting Chief Administrative Officer with a request that she report thereon directly to Council for its meeting scheduled to be held on October 2, 2001:

Moved by Councillor Pam McConnell:

- “(1) Section 3 - Objectives and Principles - Staff Continuity:
- (a) that the Shareholder Direction Section 3.2.1 under the heading ‘Shareholder Objectives’ be amended to read as follows:
 - ‘TCHC will employ City staff and, subject to the terms of this direction, be responsible for the management of its housing portfolio;
 - (b) that there be no further privatization or contracting out of programs, services or property management functions;
 - (c) that there be a place reserved on the Board of Directors for a member of organized labour;

- (d) that programs, services and property management functions currently performed by private contractors be re-examined with a view to insourcing them for greater accountability, quality and control;
 - or
 - (e) that the TCHC be required to report to Council on any plans it has to privatize and/or contract-out work, including the use of private property management firms and the contracting-out of work currently performed by City employees.
- (2) Section 3 - Objectives and Principles:
- (a) That the Shareholder Direction Section 3.3.1 under the heading 'Principles' be amended by adding thereto the following:
 - (i) TCHC recognizes that housing is a right and a basic need, as recognized by the UN Declaration on Human Rights;
 - (ii) TCHC recognizes that public housing is a public service and should be publicly administered and publicly delivered; and
 - (iii) TCHC recognizes that resident driven participation in decision-making is the key to successful delivery;
 - (b) that the Shareholder Direction Section 3.3.2 under the heading 'Principles' be amended by adding thereto the following:
 - '(k) recognize that social housing serves tenants of low and moderate incomes and accommodate the special needs of those tenants; and
 - (l) be accountable to the City of Toronto and City Council.'
- (3) Service Quality and Consistency:
- (a) that the City provide a detailed analysis of the benefits and liabilities of incorporating under the Social Housing Reform Act, and how it will impact on Council's ability to make decisions regarding the Housing Company and the provision of housing services;
 - (b) that the TCHC be required to report to Council immediately if the Corporation is no longer able to comply with the requirements of the Shareholder Direction; and
 - (c) that the Shareholder Direction Section 4.2 under the heading 'Creation of Subsidiary Companies' be amended to provide that the Shareholder Direction specifically require Council approval for the creation of any subsidiary companies.

(4) Section 8 - Governing Directions:

- (a) that the Shareholder Direction Section 8.1 under the heading 'Tenant Participation' be amended to provide that:
 - (i) the Shareholder Direction specifically require the TCHC to adopt the tenant involvement process, designed by tenants, that provides for democratic tenant representation;
 - (ii) the Shareholder Direction require the TCHC to maintain the current commitment to promoting and facilitating tenant involvement, including a commitment to fund these efforts to at least the current level; and
 - (iii) the Shareholder Direction include a requirement to actively engage tenants in the policy development process; and
- (b) that Section 8.3 under the heading 'Other Matters' be amended to provide that the Shareholder Direction include a requirement to establish an independent Ombudsperson to accept tenant complaints and act on behalf of tenants to resolve issues.

(5) Compliance with City Policies:

- (a) that the TCHC shall adhere to an eviction policy that is consistent with the Council policy on evictions; and that the Acting Chief Administrative Officer be requested to forward to Council a draft policy for approval that shall be incorporated into the Shareholder Direction or in the by-laws of the Corporation, as appropriate;
- (b) that the TCHC shall adhere to a human rights and harassment policy that is consistent with the Council policy; and that the Acting Chief Administrative Officer be requested to forward to Council a draft policy for approval that shall be incorporated into the Shareholder Direction or in the by-laws of the Corporation, as appropriate;
- (c) that the TCHC shall adhere to a property standards policy that is consistent with the property standards enforced by the City; and that the Acting Chief Administrative Officer be requested to forward to Council a draft policy for approval that shall be incorporated into the Shareholder Direction or in the by-laws of the Corporation, as appropriate;
- (d) that the TCHC shall adhere to a conflict of interest policy that is consistent with the Council policy; and that the Acting Chief Administrative Officer be requested to forward to Council a draft policy for approval that shall be incorporated into the Shareholder Direction or in the by-laws of the Corporation, as appropriate;

- (e) that the TCHC shall adhere to a purchasing and financial accountability policy that is consistent with the Council policy on transparency of financial transaction, tendering and open and accountable public spending; and that the Acting Chief Administrative Officer be requested to forward to Council a draft policy for approval that shall be incorporated into the Shareholder Direction or in the by-laws of the Corporation, as appropriate; and
 - (f) that the TCHC shall adhere to a Fair Wage policy that is consistent with the City's policy; and that the Acting Chief Administrative Officer be requested to forward to Council a draft policy for approval that shall be incorporated into the Shareholder Director or in the by-laws of the Corporation, as appropriate.
- (6) Consistency in Service:
- That the Shareholder Direction be amended to provide that:
- (a) the TCHC shall not sell any property without Council approval;
 - (b) the TCHC shall not convert the use of any property (including conversions from use by specific client groups, such as seniors) without Council approval; and
 - (c) the TCHC shall continue the practice of the Toronto Housing Company in being a provider of affordable housing and an advocate for affordable housing.
- (7) That, prior to the meeting of City Council on October 2, 2001, the Acting Chief Administrative Officer be requested to convene a meeting with the Members of Council who have been involved in the preparation of the foregoing motions (1) to (6), in order to discuss her responses to such motions.
- (8) That the Acting Chief Administrative Officer be requested to submit to Council for its meeting scheduled to be held on October 2, 2001, a report on the concerns raised in the depositions around income verification and eviction procedures, particularly in light of the fragility of many of the tenants served by the two housing companies; and that resolutions to these matters be included in either the Shareholder Direction or through the Community Management Plan.
- (9) That Council recommend to the Board of Directors of the Toronto Community Housing Corporation that a committee be established to outline options and protocols for conversion of housing co-operatives; that the Co-operative Housing Federation of Toronto be a member of such committee; and further that the Board of Directors report back to Council on this issue as part of the Community Management Plan.”

Moved by Councillor Joe Mihevc:

- “(1) That, if the motions under ‘(5) Compliance with City Policies’ by Councillor McConnell are not adopted, City Council recommend to the new Board of Directors of the Toronto Community Housing Corporation the adoption of:

- (a) a Fair Wage policy consistent with that of the City of Toronto;
 - (b) a Human Rights and Harassment Policy consistent with that of the City of Toronto;
 - (c) a Conflict of Interest policy consistent with that of the City of Toronto;
 - (d) a purchasing policy consistent with that of the City of Toronto.
- (2) That the new Toronto Community Housing Corporation be made aware that it is Council's desire that the practice of the current Toronto Housing Company with respect to evictions be adopted until new policies and practices are adopted by the new Board.
 - (3) That the Board of Directors of the Toronto Community Housing Corporation be requested to establish a procedure for dealing with City by-law infractions (property standards, heating, etc.) and any appeals in an arm's length fashion that can address compliance in a fair and expeditious manner."

Moved by Councillor Olivia Chow:

- "(1) That Recommendation No. (8) contained in the joint report of the Acting Chief Administrative Officer and the City Solicitor be amended to read as follows:
 - '(8) the Board of Directors of TCHC be immediately requested by the Chief Administrative Officer to develop the policies and processes on eviction prevention, a democratic tenants' participation system and structure, a tenant complaints process, fair wages for contracted services, and employment matters by April 2002, and report to Council in a manner consistent with the Shareholder Direction;'
- (2) That the Shareholder Direction Section 9.2 under the heading 'Annual Report' be amended by adding thereto the following:
 - '(g) information regarding the number of evictions each year, the rationale and the cost of these evictions.'"

Moved by Councillor Gloria Lindsay Luby:

- "(1) That Recommendation No. (2) contained in the joint report of the Acting Chief Administrative Officer and the City Solicitor be amended by deleting the amount of '\$500.00' and inserting in lieu thereof the amount of '\$250.00';

or
- (2) that Recommendation No. (2) contained in the joint report of the Acting Chief Administrative Officer and the City Solicitor be amended to provide that the remuneration paid to Board Members be capped at \$10,000.00 per year.

- (3) that City Council request that the Metro Toronto Housing Corporation and the Toronto Housing Company communicate in a timely manner to all tenants and employees the decisions reached by City Council concerning the Toronto Community Housing Corporation Shareholder Direction and the composition of the Board of Directors.”

Moved by Councillor Suzan Hall:

“That the Acting Chief Administrative Officer be requested to report directly to Council for its meeting on October 2, 2001, on an annual maximum remuneration for Board Members of the Toronto Community Housing Corporation.”

Moved by Councillor Sandra Bussin:

- “(1) That the new Board of Directors of the Toronto Community Housing Corporation be requested to follow Council’s existing sale of surplus property policy with respect to the Wineva-Hubbard properties; and
- (2) that a protocol be established in terms of the restructuring of any portfolio leading towards the sale of properties.”

The Policy and Finance Committee and the Community Services Committee submit the following joint report (September 12, 2001) from the Acting Chief Administrative Officer and the City Solicitor:

Purpose:

This report seeks approval for:

- (i) the Shareholder Direction to the Board of Directors of the Toronto Community Housing Corporation (TCHC);
- (ii) the remuneration for the Chair and Directors of the TCHC;
- (iii) the revised Articles of Incorporation pursuant to the Council decision of June 26-28, 2001, to rename the TCHC and to reflect the provisions contained in the proposed Shareholder Direction;
- (iv) the By-law Number 2 for the TCHC to reflect the Council decisions of June 26-28, 2001, and to reflect provisions contained in the proposed Shareholder Direction;
- (v) the appointment of TCHC Directors as Directors of the Toronto Housing Company Board in replacement of the current Directors;
- (vi) the City to enter into an Operating Agreement with the TCHC that will establish the framework for funding and reporting on housing programs under which the TCHC operates; and

- (vii) the appointment of an auditor for the TCHC.

Financial Implications and Impact Statement:

There are no direct financial implications resulting from the approval of the Shareholder Direction, amendments to the Articles of Incorporation or TCHC By-law No. 2. As noted in Clause No. 1 of Report No. 9 of the Policy and Finance Committee, the proposed organizational restructuring is expected to generate reduced operating costs. TCHC expenditures will be required to fund restructuring efforts, information systems integration and other related transition costs. No additional City funds are required for this purpose. It is currently estimated that TCHC costs to the City in the 2002 fiscal year will be at the same level as in 2001.

Recommendations:

It is recommended that:

- (1) Council approve the attached Shareholder Direction of Toronto City Council to the Board of Directors of the Toronto Community Housing Corporation, to be effective on the date of the appointment of the Board of Directors;
- (2) Council approve the remuneration of TCHC Directors in the amount of \$500.00 per Board meeting, and the remuneration of the Chair at \$10,000.00 per annum plus \$500.00 per Board meeting;
- (3) Council approve the attached amendments to the Articles of Incorporation;
- (4) Council approve the attached amended By-law No. 2 of the Toronto Community Housing Corporation;
- (5) Council appoint the Directors appointed to the Toronto Community Housing Corporation Board to the Toronto Housing Company in replacement of the current Board and create a common membership between the two Boards;
- (6) the Commissioner of Community and Neighbourhood Services enter into an Operating Agreement with the Toronto Community Housing Corporation, in accordance with Section 7 of the Shareholder Direction, for the purpose of setting out the funding and program administration framework between the two parties;
- (7) the firm of Ernst and Young be appointed as the auditors of the Toronto Community Housing Corporation for the 2001 and 2002 fiscal years, subject to entering into contractual arrangements acceptable to the City;
- (8) the Board of Directors of TCHC be immediately requested by the Chief Administrative Officer to develop the policies and processes on eviction prevention, a tenant complaints process, fair wages for contracted services, and employment matters at the earliest possible time and report to Council in a manner consistent with the Shareholder Direction;

- (9) the Chief Administrative Officer report back to Council no later than the Council meeting of December 4, 2001, on the actions taken by the Board of Directors of TCHC on the resolution of employment matters that have been raised by representatives of the Toronto Housing Company bargaining units and non-bargaining unit staff; and
- (10) the appropriate City officials and the Boards of Directors of the Toronto Housing Company and Metro Toronto Housing Corporation be authorized and directed to take the necessary action to give effect to the foregoing recommendations.

Background:

On June 26-28, 2001, Council adopted, as amended, Clause No. 1 of Report No. 9 of the Policy and Finance Committee. In adopting this clause, Council approved the transfer of Toronto Housing Company (THC) assets and operations to the Metro Toronto Housing Corporation (MTHC). MTHC is the local housing corporation created by the provincial government under the *Social Housing Reform Act, 2000* (SHRA) to effect the transfer of responsibility for the former Metropolitan Toronto Housing Authority (MTHA) to the City of Toronto. Council directed that the MTHC be renamed the Toronto Community Housing Corporation (TCHC).

Council directed the Acting Chief Administrative Officer and the City Solicitor to develop a Shareholder Direction to the TCHC 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. Council approved a list of specific policy issues for consideration during preparation of the Shareholder Direction and directed the Acting Chief Administrative Officer and City Solicitor to report the proposed details back to Council for consideration at the Council meeting on October 2, 2001. A summary of the resolutions adopted by Council as part of Policy and Finance Committee Report No. 9(1) is appended to this report as Attachment No. 2.

In response to Council's direction, this report describes the process undertaken to develop the Shareholder Direction and brings forward, as Attachment No. 1, a proposed Shareholder Direction for Council's consideration. In conjunction with this Direction, approval is sought for the remuneration of TCHC Directors. The report also recommends adoption of amendments to the Articles of Incorporation (Attachment No. 4) and a revised By-law for TCHC (Attachment No. 5). These revisions are required to reflect Council's decisions on June 26-28, 2001, and provisions in the proposed Shareholder Direction.

TCHC housing programs and funding are currently administered by the Ministry of Municipal Affairs and Housing (MMAH). These MMAH responsibilities will be transferred to the City (Shelter, Housing and Support Division, Community and Neighbourhood Services Department) in May 2002. Council approved a transfer plan for this purpose at the Council meeting held on May 30, 31 and June 1, 2001 (Clause No. 2 of Report No. 4 of the Community Services Committee). Council delegated authority to the Commissioner of Community and Neighbourhood Services to make administrative decisions that are required by the SHRA, including setting annual funding amounts. TCHC will be unique among the housing providers in the City of Toronto in that it will manage a diverse portfolio, with up to five different funding agreements under the SHRA. To manage this situation, Section 7 of the Shareholder Direction

proposes that the City enter into an Operating Agreement to establish the funding and administration relationship between TCHC and the City, and streamline the administration requirements. A recommendation to that effect is included in this report.

The report also recommends the appointment of an auditor for TCHC in compliance with the *Ontario Business Corporations Act*.

Council approved the creation of a 13-member Board of Directors for TCHC and set in motion the appropriate processes to recruit nine citizens, two of whom must be tenants, and four Members of Council, including the Mayor or his designate, to the Board. The Striking and Nominating Committees will report the outcomes of these processes and submit their recommendations directly to the October meeting of City Council. This report recommends that the current THC Board of Directors be replaced by the Directors that Council appoints to the TCHC Board in order to simplify administration of the transfer of operations, and ensure a common purpose in the decisions of the THC and TCHC Boards.

Comments:

(a) Process for Drafting the Shareholder Direction:

Consistent with Council's direction, staff developed the attached Shareholder Direction in consultation with a Political Reference Group. The Reference Group was chaired by Councillor Brad Duguid (Chair of the Community Services Committee) and included Councillor Olivia Chow (Community Services Committee member), Dr. Gordon Chong (Chair, MTHC), Dr. John Metson (Chair, THC), Councillor Bas Balkissoon (Director, MTHC) and Councillor Mike Feldman (Director, THC).

The Political Reference Group provided advice on the process for developing the Shareholder Direction and assisted in identifying approaches to be used in addressing the motions of Council and developing overall content of the Shareholder Direction. The Reference Group reviewed drafts of the Shareholder Direction and comments put forward by tenant, union and employee representatives and community stakeholders. The Chair of the Reference Group communicated the process and its progress to all Members of Council.

As directed by Council, staff conducted consultations with representatives of MTHC and THC tenants, community groups and agencies, unions and non-unionized staff. Invitations were sent to 122 tenants from among the THC City-wide Tenant Council and the MTHC Resident Advisory Council; 71 community agencies and organizations; CUPE Local 79, TCEU Local 416, OPSEU Local 592, representatives of trades unions and 52 representatives of non-unionized staff at MTHC and THC. A total of 125 persons participated in the August 8, 2001, consultations and 111 persons participated in the August 29, 2001, consultations.

The consultations were held in two phases. The first sessions (August 8, 2001) were designed to gather ideas and comments on the objectives and principles for the Shareholder Direction, as well as identify issues and subject areas to be addressed in the document. The second sessions (August 29, 2001) were designed to gather comments on a draft text. A summary of the

comments made by stakeholders at the August 8 and August 29, 2001, sessions is appended to this report as Attachment No. 3.

Participants in the consultation sessions expressed concerns about the compressed time line for developing the Shareholder Direction and the fact that consultations were in August, which is considered a holiday period for many people.

TCEU Local 416 raised concern about the approach to be taken in conducting focus groups in the first phase of consultations and proposed instead that a facilitator satisfactory to the bargaining agents be engaged to assist with the consultation. Staff agreed to this proposal. TCEU Local 416 participated in the August 8 session, as observers only and declined to participate in the August 29 session, but provided a written statement. CUPE Local 79 did not participate in the August 8 or August 29 consultations.

After several requests were made to submit written comments, staff indicated to participants at the August 8 session as well as those who had asked for such an option, that all comments, oral and written would be welcome. All participants in the August 29 session were invited to submit additional written or oral comments and a follow up letter was sent to all persons and organizations that attended the session confirming the ability to submit additional comments.

The Acting Chief Administrative Officer and staff also met separately with TCEU Local 416, CUPE Local 79 and COTAPSAI representatives to discuss concerns with the Shareholder Direction and employment matters. Additional meetings of staff have been held with bargaining unit and non-bargaining unit representatives on these issues.

As instructed by Council, staff met with members of the Advisory Committee on Homeless and Socially Isolated Persons. As a full Committee could not be organized within the set time frames it was agreed with the Advisory Committee Co-chairs to consult with a representative group that included the chairs of sub-committees and others as deemed appropriate by the Co-chairs. An initial meeting was held on September 6, 2001. At this meeting it was agreed, at the request of Advisory Committee members, that staff would meet with them again, in order that Committee members could share their comments more fully. It should be noted that Advisory Committee members also participated in the stakeholder consultations as members of community groups and agencies.

(b) Summary of Proposed Shareholder Direction to TCHC:

The full text of the proposed Shareholder Direction to TCHC is appended to this report as Attachment No. 1. The following sections provide an overview of its contents.

General:

The purpose of the Shareholder Direction is to give the TCHC Board of Directors instructions on governance, accountability and the City's expectations for the housing corporation in the form of stated objectives and principles to be followed in doing business. The Shareholder Direction is framed by the Council decision that TCHC operate at arm's length, employ its own staff, and be responsible for the management of its housing portfolio.

Notwithstanding the Council decisions of the June 26-28, 2001, meeting with regard to TCHC, some stakeholders consulted reiterated their objections to TCHC operating at arm's length from the City, stating that all of the employees of TCHC should be employees of the City. Objections were also raised to any work of TCHC being contracted to third parties.

The Shareholder Direction recognizes the responsibility of the Board of Directors to manage and be accountable for the operations of the Corporation and the interest of the Shareholder in the outcomes of the operations. This Direction supports the Board in its role of setting policies and operating the Corporation and identifies how the Board will be held accountable to the City in its role as a Shareholder. The Board of Directors is required to submit an annual report to City Council.

TCHC has a two-fold accountability to the City. The first is as a share-held corporation. The City, within the parameters of the requirements of the *Ontario Business Corporations Act* (OBCA) and the *Social Housing Reform Act, 2000* (SHRA) defines this accountability through the Shareholder Direction. TCHC must meet these expectations and specific business goals as set by the Shareholder from time to time. The second accountability is between the City as Program Administrator (Shelter, Housing and Support Division) and TCHC as service delivery agent (provider of subsidized housing under social housing programs). This accountability is largely defined by the terms of the SHRA and the program funding agreements in existence. To address this second accountability it is proposed that, in addition to the Shareholder Direction, TCHC sign an Operating Agreement with the Commissioner of Community and Neighbourhood Services. The Operating Agreement would set out how the housing program funding and reporting will be administered.

Organized into 12 sections, the Shareholder Direction identifies the high level outcome the City is seeking, principles to be followed by TCHC and specific areas in which the City gives direction to the Board. Comments made on the various sections of the Direction by stakeholders are summarized in Attachment No. 3.

Interpretation (Section 1.1):

The first section defines terms used in the Shareholder Direction. Stakeholders have expressed a desire to see more definitions, including those of descriptive terms used in the Direction such as "quality" "safe" and "affordable" when used in conjunction with the term "housing". These definitions are not the subject of current policies, and will be defined through development of TCHC policies. Such policies, by the terms of this Direction, will be developed in consultation with tenants and stakeholders where appropriate.

Objectives (Section 3.1 and 3.2):

The objectives for TCHC are, for the most part, based on the resolutions of Council contained in Clause No. 1 of Report No. 9 of the Policy and Finance Committee), as amended. The objectives are intended as statements of outcomes for TCHC. The Board of Directors will determine how these outcomes are achieved, within the limitations that may be described elsewhere in the Shareholder Direction.

Objectives were also defined based on comments made during the stakeholder consultations. Representatives of the tenant, bargaining agents and employee stakeholders identified a desire to frame objectives related to the need for protection from harassment and the need for safe and healthy communities. These issues have been reflected in the draft Shareholder Direction. In part, the issues raised by Labour are responded to in Sections 8 and 11.

Tenant and other stakeholders consulted expressed a desire to see a statement included in the Direction that housing is a human right, as defined by the United Nations. This was seen to be a more appropriate discussion for inclusion as a City policy rather than as part of the Direction to TCHC.

Principles (Section 3.3):

The principles are intended as values to be used in the development of policies and operational plans. The principles reflect the Council motions and deliberations. A key principle for TCHC is that it will conduct its business within the terms of the SHRA. The Act sets out a number of terms and conditions for all housing providers, and sets restrictions on these providers through regulations. For example, funding levels and annual change formulae for some housing programs are set by regulations. While responsibility for social housing has been transferred to municipalities, the Province, through this Act, retains a number of regulatory authorities to which TCHC will be subject.

A key principle is that TCHC will consult with tenants on issues and policies that have an impact on service standards and the levels of service. This will include issues related to the harmonization of policies and major organizational changes that have an impact on service delivery. Consultation will be through a system of tenant participation that is to be developed by tenants (see also paragraph Governing Direction (Section 8) below).

Other principles direct TCHC to develop policies and plans in support of tenants retaining housing, promotion of communities in which there is a diversity of incomes, diversity of all communities of TCHC, and consultation on matters which have an impact on tenants. TCHC's accountability to the City will include its adherence to these principles.

Business of TCHC (Section 4):

This section of the Shareholder Direction outlines the business to be carried out. The description of the business is similar to that described in the Articles of Incorporation.

The purpose of TCHC is to provide affordable housing for low and moderate-income households. This means owning and operating rental housing. In carrying out this purpose, TCHC may engage in other related activities. These may be related to management of commercial activities that are incidental to the main functions of the corporation (e.g., lease TCHC-owned commercial space). Some activities may also be intended to provide services at reasonable costs to tenants (e.g., operation of coin operated laundry machines) or intended to generate revenues that are used to provide housing services (e.g., rental of roof top locations for antennae). The terms of all funding agreements for social housing programs identify that TCHC revenues must contribute to its housing mandate.

The section is drafted in recognition that TCHC will review opportunities for the generation of non-rental income as a method of addressing long-term capital issues and to fund operations. To a significant degree, provincial program requirements identify the need to generate these incomes and specify that certain services cannot be offered at lower than commercial rates. For example, a benchmark is being set by provincial regulation pursuant to the SHRA on the level of income to be generated through non-rental activities. The provincial intent is that social housing providers use the opportunities they have to generate non-rental revenues, and thereby reduce their need for subsidies (Federal and Municipal). Stakeholders identified concerns with TCHC generating any non-rental revenues. In some cases, some stakeholders felt all non-rental services consumed by tenants should be at no or low cost. This is not permissible under provincial regulations.

TCHC will, as part of its normal activities, engage in the review of its portfolio in order to determine whether all of its assets can continue to be used in the long term for the provision of housing. The Board may choose to replace some of the buildings through redevelopment or sale. This is permitted, but subject to the terms of Section 4, which requires Shareholder approvals for sale of housing assets or redevelopment of sites. Such approval is also required where there are material changes in the number of rent-geared-to-income (RGI) units.

Currently both existing housing corporations use a mix of contracted and in-house services. Any changes will form part of the TCHC business strategies that are to be included in the Community Management Plan. Some stakeholders objected to any mix of service delivery, wanting all services to be delivered in-house. Such a decision would be taken by the Board in recognition of the impact on levels of service, service quality and costs. These considerations are reflected in the Shareholder Direction principles.

TCHC may identify certain services that can best be delivered in partnership with other housing providers or through related entities. Where this is the case it is common to create a subsidiary corporation in which there is shared ownership. Creation of a partnership may also be appropriate. For example, it is contemplated that a subsidiary corporation may be the appropriate vehicle for TCHC to operate the common waiting list for social housing. A subsidiary would mean that both TCHC and other community interests can be represented on a Board, and can be included in decision-making. All subsidiaries must have a Shareholder Direction that is consistent with that of TCHC and that ensures similar accountabilities.

Not all activities of THC are described here, as these would not constitute the business of TCHC as defined in the Articles of Incorporation. For example, as is current practice at MTHC and THC, it can be anticipated that TCHC will provide support services to tenants. These services are not considered business activities, but rather the methods by which TCHC will achieve its objectives and principles related to ensuring/creating/supporting healthy communities and ensuring that tenants can maintain their housing. Stakeholders expressed an interest in seeing that TCHC continue the practices of MTHC and THC in this area.

Operation and Control (Section 5):

This section sets out the responsibilities of the thirteen (13)-member Board of Directors, and addresses governance issues. Council motions and the OBCA set many of these parameters and

define most of these responsibilities. Council, at the June meeting, established the Board composition, the nomination process and qualifications of Board members and eligibility criteria. Three reports to Council on the October 2-4, 2001, agenda propose the appointment of Board members for TCHC – reports from Nominating Committee on the appointment of citizen members, a second report on the appointment of tenant members, and a report from Striking Committee on the appointment of Councillors.

Tenants of THC and MTHC will each propose one tenant nominee to the first City-appointed Board. The THC City-wide Tenant Council, representing tenants in the 16 Community Operating Units of the THC, will elect from among its members a tenant to be nominated for appointment to the TCHC Board of Directors. The MTHC Resident Advisory Council and representatives of the known MTHC resident groups and organizations met with staff to design an interim nomination method. Notification was sent out to all MTHC residents, with translation in several languages, advising them that a new TCHC Board was being struck, and that an interim tenant Board member was required. Tenants were advised that nominations from community representatives were invited, and that an election would take place at an evening meeting on September 11, 2001. The names of the two proposed tenant nominees will be forwarded to the Nominating Committee, for transmittal to Council.

This Direction identifies that Council will appoint the Chair of the City-appointed Board. This is consistent with the practice in other major City-owned corporations (e.g., Hydro and Enwave).

The term “citizen” has been used to describe those persons on the Board who are not Councillors. This is in keeping with City practice. Citizens eligible as Board members can be either Canadian citizens or Landed Immigrants. Tenants of TCHC may also apply to sit as “citizen” Board members. Such tenants would not be considered to be filling the two positions reserved for tenant members of the Board.

Shareholder Matters (Section 6):

This section outlines the areas in which the Shareholder retains an authority or in which the Board is required to seek the approval of the Shareholder. A certain number of these matters are defined in the OBCA. In addition, there are other matters that the Shareholder can identify for which TCHC must seek its concurrence. TCHC cannot enter into loans or create indebtedness if there is a financial impact on the City (as Program Administrator or as Shareholder). This allows TCHC to manage its debt and proceed with the regular renewal of mortgages (within the terms of the SHRA), but requires prior approvals if there is to be additional indebtedness that would increase housing program costs or create a financial risk to the City. Housing assets cannot be sold or redeveloped without first obtaining the approval of Council.

The purpose of this section is to be explicit about where there is a major interest of the Shareholder and to restrict, in these specified areas, the decision-making ability of the Board. The purpose of this section is not for the Shareholder to take the place of the Board in the management of TCHC.

Funding Relationship with City and Operating Agreement (Section 7):

As noted above, the City is the Program Manager for the subsidized housing programs (formerly Federal and Provincial). This results from the provincial devolution of its housing responsibilities, which include the responsibility to manage federal programs. The framework for the transfer of these responsibilities is the SHRA.

The subsidies to be received from the City by TCHC are estimated at \$269 million for 2002. The net cost to the City is estimated at \$94 million. The Province largely sets the flow of subsidies and program regulations. These subsidies fund a variety of existing programs, with different administrative and reporting requirements. It is proposed that TCHC and Shelter, Housing and Support negotiate an Operating Agreement that will set out how the program funding is to be delivered, TCHC accountability for this funding under the SHRA and specific programs, and simplify the program administration for the City (as Program Manager). This Shareholder Direction sets out principles and a description of the areas to be covered by such an agreement.

The City, in its capacity as the Program Administrator, may request TCHC to perform functions and assume certain responsibilities that are Program Administrator's functions as defined in the SHRA. These responsibilities include, but are not limited to, operation of a centralized waiting list system for applicants to social housing in the City, operation of a rent supplement program and annual testing of incomes of tenants in receipt of rent-geared-to-income assistance. In the case of TCHC, the terms and conditions for TCHC management of these functions will be detailed in the Operating Agreement.

Governing Directions (Section 8):

This section highlights the Council direction to implement a tenant participation system, provides direction on employment matters and on some specific operational policy areas identified by Council.

This Direction speaks to the development of a tenant participation system that will allow for input at the local and corporate levels. More broadly, TCHC will consult with tenants on issues and matters that may have an impact on services and service levels. A key area of consultation in the first year will be the development of the Community Management Plan that will include the timing and processes for development of operating policies.

Tenant representatives from MTHC and THC have completed and agreed on a draft plan for developing a tenant participation system. The draft plan is to be distributed to all TCHC tenants prior to being presented to the TCHC Board for consideration. The Board will consider the proposed tenant participation system and have regard for how the impacts on the processes for input to TCHC decisions are made and operations are managed, as well as the costs of such a system.

Tenants have commented that TCHC should be restricted from having any other form of tenant participation system. However, there is no ability for TCHC to restrict tenants from organizing in whatever system they choose, even where tenants may choose more than one system. The

TCHC Board can choose to whom and how it directs its resources in support of tenant participation.

TCHC will, by this Direction, abide by all relevant employment and occupational and safety legislation. Beyond this, there is the recognition that TCHC is an accountable public sector employer and should be a model for the community. Employment and compensation policies are framed by this principle including the development of a fair wage policy for contractors. In addition to using the City fair wage policy as a basis for setting its policy in this regard, TCHC can examine the similar policies in the social housing, broader municipal and provincial sectors.

The Board of TCHC will be directed by this section to develop, in the first year of operation, policies in the area of eviction prevention and to develop and implement a complaint process. Eviction prevention policies will be based on the principles as stated in this Direction to ensure that tenants are able to preserve their housing. The complaint process will be developed in consideration of the SHRA that requires the City, as a Program Administrator, to have systems of appeals for all social housing tenants and applicants. Tenants have expressed a desire to have an Ombudsman appointed by the TCHC. This is one option the Board may consider in establishing the complaint policy.

The policies are to be developed by the Board and senior staff once Directors are appointed and a CEO and other senior managers hired. In keeping with the nature of the arm's length relationship between the City and TCHC, the Board should determine operating policies and practices, within the general guidance of the Shareholder Direction, and within relevant legislation and program constraints.

Notwithstanding the deadline of one year, this report recommends that the TCHC Board will be requested to expedite the development of these policies and to put these in place at the earliest possible time.

Accountability (Section 9):

The accountability of TCHC to the Shareholder will be framed by two key reports – the Community Management Plan, and the annual report. The diagram below illustrates the TCHC reporting cycle.

TCHC is to submit an annual Community Management Plan to the October Council meeting. This Board-approved plan identifies the major issues and challenges for TCHC, sets out the strategies to be implemented (both short and long term) to address these issues, and sets out the financial framework of TCHC. The plan is to be a three-year “rolling business plan” designed to guide TCHC management of the operations. It will identify the specific financial targets and needs. This includes revenue estimates, spending estimates, and the housing program subsidy requirements. Annual subsidy requirements are based on TCHC operating benchmarks, allowable program costs, the terms of various program operating agreements, TCHC revenue projections and TCHC needs to meet long and short-term operating issues.

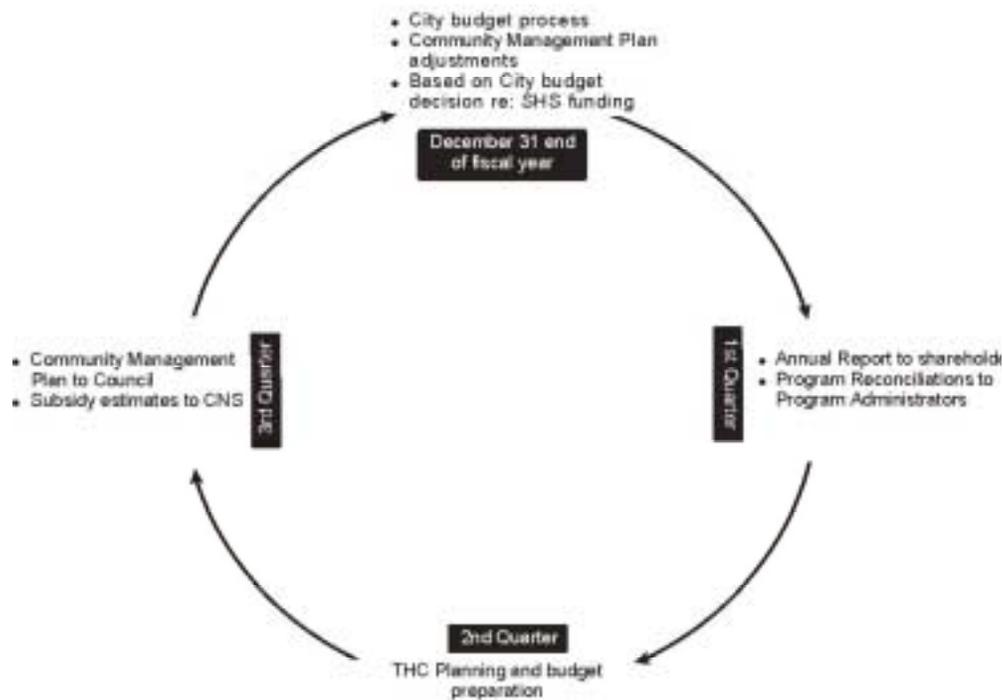


Fig.1 TCHC Accountability

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The initial Community Management Plan will address issues related to the transfer of THC operations to TCHC and establishing administrative and operational policies for TCHC. Harmonization of operations and policies and the phasing of changes will be the subject of consultations with tenants and stakeholders where this is appropriate, as per the terms of this Direction. In consideration of the impact on tenants (positive or negative) of implementing these changes, the plan will deal with how changes are to be implemented and how major policy issues, other than those identified specifically in this Direction, will be addressed.

TCHC financial requirements will be communicated to Shelter, Housing and Support Division for inclusion in their budget submission to Council. TCHC subsidy requirements are part of the overall program costs of social housing. Approved subsidy costs as per the Shelter, Housing and

Support budget will enable TCHC to implement the Community Management Plan, or require the Board to make changes to this plan based on approved funding levels.

TCHC spending and revenue totals will be reflected in the City budget. Detailed budget development and approval is the responsibility of the Board. Shelter, Housing and Support Division will assess TCHC program performance in the context of its role as Program Administrator. This role in relation to TCHC will be similar for all other non-profit housing providers for which the Shelter, Housing and Support Division acts as the Program Administrator.

The annual reporting to Council will occur within 120 days of the end of the fiscal year (December 31). This report will include audited financial statements, reporting on financial and service performance targets, and other related information.

The submission of annual plans and reports, combined with the program level reporting required of TCHC as a service delivery agent for programs subject to the SHRA, create a complete and thorough framework of accountability.

Financial Performance (Section 10):

TCHC will be subject to financial performance benchmarks set by the Province pursuant to the SHRA. Shelter, Housing and Support Division in its role as Program Manager will monitor these. This is the case for all non-profit and co-operative housing providers subject to the SHRA and in receipt of subsidies from the City. In addition, TCHC will report overall financial performance to the City in its annual reports.

Successor Rights (Section 11):

The successor rights provisions of *the Labour Relations Act* are designed to preserve a union's bargaining rights in respect of a particular business when the business is sold. The definition of a sale includes a transfer and a business has been interpreted to include a municipality. Upon the transfer of THC, TCHC will be bound by the collective agreements as if it had been a party thereto, until the Labour Relations Board declares otherwise.

Section 11 is an acknowledgement by the Shareholder, for its part, of the nature of the transaction. To facilitate a timely changeover respecting the successor rights of the unions, the Direction requires the Board of TCHC at its first meeting to deal with successor rights and declare whether it also considers the transfer a sale of a business.

Amendments (Section 12):

As the Shareholder Direction is a Council direction, any amendments must be initiated by the Shareholder.

Other Comments:

(a) Toronto Social Housing Connections:

As noted in Clause No. 2 of Report No. 4 of the Community Services Committee entitled, "Social Housing Transfer Plan" TCHC will continue to manage a centralized waiting list for applicants to social housing. Under the SHRA the City is responsible for this function but can delegate this to another agency. In the past, Toronto Social Housing Connections (TSHC) has operated within the organizational structures of THC and MTHC, but included an opportunity for other non-profit housing providers, community stakeholders and applicants to have a voice in TSHC operations through an advisory committee. As participation in the centralized waiting list is mandated by the SHRA, it will be incumbent on TCHC to develop a governance structure for TSHC that recognizes stakeholders as having a role in the governance and oversight of operations. As noted earlier in this report, the structure of a TCHC subsidiary corporation may be most appropriate to achieve the goal of community inclusion.

(b) Remuneration of Directors:

Citizen participation is valued by the City and adds diverse perspectives and expertise to City decisions. The City experiences an excellent response to advertised appointments and it is clear that citizens are motivated by the opportunity to become involved as a public service. Monetary reward is not a primary factor in deciding to contribute to the decision-making process.

However, directors of OBCA corporations, have a fiduciary duty to act in the best interests of the corporation and assume personal liability for their actions. Directors of large business corporations, both public and private, bring specific expertise and experience to benefit the corporation and do not represent "stakeholder" interests. It is therefore recommended that a modest remuneration be available to citizen Board members of TCHC.

Non-profit housing agencies in Ontario do not compensate board members. However, few such corporations are of the size and complexity of TCHC. Ottawa is the only other OBCA Corporation established for housing and no policy on remuneration has yet been determined. The City's other OBCA corporations provide remuneration for board members at the low end of rates for comparable industry corporations recognizing the profit-orientation of the businesses. These comparators provide limited guidance in determining the remuneration level for TCHC.

In general, there is a tendency in the public sector to compensate using a per diem rate rather than an annual honorarium in order to reflect the workload as well as to encourage attendance. This was the practice in both the former Cityhome and Metro Toronto Housing Company Limited prior to the amalgamation of these organizations into the THC. For other corporations, the City has limited the per diem to full meetings of the Board only. The Chair, however, would have additional obligations beyond attendance at Board meetings and some additional annual allowance should be provided.

Balancing all of these issues, it is recommended that remuneration be as follows:

For the Chair: \$10,000.00 per year plus \$500.00 per Board meeting
For other citizen members: \$500.00 per Board meeting
For Councillor members: none

It is anticipated that there will be monthly Board meetings with three or four additional meetings in the first few months to organize and oversee the integration of the companies. Board members may also be asked to sit on other committees or to represent the Board from time to time in functions external to the TCHC.

All Directors including Councillors would be reimbursed for reasonable expenses incurred in the conduct of Board business.

(c) Articles of Incorporation:

Amended Articles of Incorporation are required to give effect to Council decisions to change the name of the corporation to Toronto Community Housing Corporation. In addition to the name change, changes are designed to bring the draft Shareholder Direction and the Articles into agreement. The original Articles of Incorporation of MTHC were drafted by the Province, and are generic in nature. Changes made reflect that TCHC is a City-owned corporation.

(d) By-laws:

By-law No. 2 replaces MTHC By-law No. 1 (see Attachment No. 5). The Province developed By-law No. 1 at the time of the incorporation of the MTHC and its transfer to the City. The revised By-law No. 2 includes changes to ensure agreement between the By-law and the Shareholder Direction. Amendments were made to Section 3, Directors, to reflect the composition of the (thirteen) 13-member Board and its operation. Section 5, Remuneration of Directors, reflects the intent to provide remuneration for Directors of TCHC. Section 6, Officers and Personnel, has been amended to clarify the role of the Chair and the Chief Executive Officer. Section 8, Indemnification of Director and Officers has been changed to add the language of the OBCA. Section 9, Meetings of the Shareholder reflects the City as sole shareholder, and the process for Council meetings.

(e) Appointment of Directors:

THC will continue to operate until such time as all assets and operations are transferred to TCHC. Until such time a Board of Directors is required to be in place.

It is anticipated that operations will be transferred by December 31, 2001, at the conclusion of the current fiscal year. This will allow for the close of one complete year under the THC. This is simpler for financial accounting and audit reasons. A close at any other point in the year requires financial reconciliation be completed and an audit be performed. This would then have to be repeated at the close of the calendar year.

Assets will be transferred to TCHC as soon as possible. This is likely to be within 2001. For some real property asset transfers, the lenders', provincial or federal regulators' permission for such transfers is required. This could cause some transfers to be delayed until 2002.

It is recommended that the Directors appointed to the TCHC Board also be appointed to the TCHC Board in replacement of the current Board. A common membership between the two Boards will simplify administration of the transfer of operations, and ensure a common purpose in the decisions of the THC and TCHC Boards. The City in the amalgamation of the former Cityhome and the former Metro Toronto Housing Company Limited took this approach.

(f) Operating Agreement:

The City, through the Shelter, Housing and Support Division (SHS), Community and Neighbourhood Services Department, is the primary funder and program administrator for the subsidized housing programs under which TCHC operates. The funding relationship is set out in part through the SHRA and the related regulations.

It is recommended that the Commissioner of Community and Neighbourhood Services enter into an Operating Agreement with TCHC related to the role of the City as Program Administrator. This technical agreement would define the number of rent-g geared-to-income units to be adhered to by TCHC (as part of the overall standard that the City will be held to by the Province). The Operating Agreement will also set out the format and timing for providing budget information to the Shelter, Housing and Support Division in order to prepare the budget for social housing costs for the City, the format and timing of program reporting, the method and timing for the payment of subsidies to TCHC and the amount payable to TCHC. The Operating Agreement to be entered into by the City and TCHC will be for the purpose of defining how TCHC will meet the requirements legislated under the SHRA, and how social housing programs under which TCHC operates will be administered.

At the May 30-June 1, 2001, meeting, Council approved a plan for the transfer of social housing responsibilities from the Province to the City. In this plan the Commissioner of Community and Neighbourhood Services was delegated authority to make the administrative decisions required by the SHRA, including the setting of annual amounts to each specific provider.

(g) Acting Chief Administrative Officer Report to Council on Employment Matters:

Council, at the meeting of June 26-28, 2001, requested that the Acting Chief Administrative Officer meet with bargaining unit representatives and representatives of COTAPSAI for the purpose of discussing employment matters related to the transfer of THC operations to TCHC. Meetings were held with all three groups in August, and follow up meetings are ongoing.

Transfer of the THC operations will take place on or close to December 31, 2001. Prior to the transfer, TCHC will have a new Board. The Board will have the opportunity to establish terms and conditions of employment for non-bargaining unit staff, and to discuss directly with bargaining unit representatives issues that are not covered by legislation prior to the transfer date.

The matter of successor rights for the bargaining agents upon a sale of a business is governed by the *Labour Relations Act* which provides that when an employer bound by a collective agreement(s) sells (transfers) its business, the transferee is, until the Labour Relations Board otherwise declares, bound by the collective agreement(s) as if it had been a party thereto. The Labour Relations Board has the jurisdiction to resolve any disputes respecting the bargaining rights of the unions. Upon the transfer of the THC, the *Employment Standards Act* and the common law govern the rights of the non-bargaining unit employees.

Representatives of bargaining units and COTAPSAI have raised issues with respect to access to positions, staffing policies, departure incentives and other employment related matters that cannot be discussed unilaterally by the City. The TCHC Board, on a priority basis, will address many of these issues.

It is therefore recommended that the Chief Administrative Officer report back to Council no later than the Council meeting of December 4, 2001, on the actions taken by the Board of Directors of TCHC on the resolution of employment matters that have been raised by representatives of the Toronto Housing Company bargaining units and non-bargaining unit staff.

(h) Appointment of Auditor:

It is recommended that the firm of Ernst & Young be appointed as the auditors of TCHC for the 2001 and 2002 fiscal years, subject to entering into contractual arrangements suitable to the City. The City, as Shareholder, is responsible for the appointment of the auditor of TCHC. As TCHC is not a local board as defined in *the Municipal Act* there is not a statutory requirement to appoint the same auditor for TCHC as is the auditor for the City. However, Ernst & Young are currently the auditors of THC (under the City contract for audit services for the years 1998 to 2002 inclusive). Appointment of Ernst & Young as the auditor for TCHC will simplify the completion of the 2001 and 2002 year-end audits for both THC and TCHC, and ensure that these audits are completed in similar formats for consolidation of financial results with those of the City as required. Subject to approval of this recommendation, Ernst & Young will be requested to quote on the audit for TCHC, and subject to the receipt of a reasonable quote, will be engaged as the TCHC auditors for the current and next fiscal year. This matter has been reviewed by staff of Audit Services and Purchasing (Finance).

(i) Acting CAO request to the TCHC Board of Directors:

At the meeting of June 26-28, 2001, Council approved resolutions related to the development of the Shareholder Direction for TCHC, as well as providing further instruction to the TCHC. The Shareholder Direction provides instruction to TCHC, and establishes deadlines for addressing matters that are within the responsibilities of the Board. Notwithstanding this instruction, it is recommended that the Acting Chief Administrative Officer specifically request that the Board deal with these matters expeditiously, respecting the intent to consult with stakeholders where this is appropriate.

The Shareholder Direction contains in Section 8 (Governing Directions) specific instructions that the TCHC develop within one year of the approval of the Direction policies on eviction prevention, fair wages for contracted services and employment matters and a complaints process

for tenants. Currently both THC and MTHC have policies in these areas. However, these policies are not the same in all respects. In addition, there will be a need to consult and determine what additional policies are required to address the issues identified by tenants and stakeholders.

The one-year timeframe is in order to provide sufficient time to the TCHC Board to become familiar with the range of operational issues, and for consultation with tenants and other stakeholders where this is appropriate. This process can be completed within a limited period of time, and the CAO will communicate the desire that the Board do so where this is possible.

Council, in the resolutions of June 26-28, 2001, requested that the Shareholder Direction provide policy direction on TCHC provision of enhanced tenant support initiatives and maintenance of a service delivery mix that ensures stability of service delivery. These issues are linked to the long-term strategies to be outlined by the Board in the Community Management Plan, as set out in Section 9 of the Shareholder Direction. The specific resolution of these issues and the related operating policies may have significant financial impacts in the short and long term that are best identified in the context of the Community Management Plan to be submitted to Council by the end of the year, and annually thereafter.

Finally, Council resolved that TCHC ensure that the new corporation develop a new corporate culture, structures and mechanisms that replace those inherited from the previous provincial housing authority. It is recommended that the Chief Administrative Officer request the TCHC to address this in the context of the Community Management Plan.

Conclusion:

Approval of the recommendations in this report will give effect to the Council resolutions of June 26-28. These include the transfer of THC assets and operations to TCHC and the delivery of an instruction to the TCHC Board in the form of the Shareholder Direction. TCHC will employ its own staff and, subject to the terms of the Shareholder Direction, be responsible for the management of its housing portfolio, making all policy and operational decisions.

Contacts:

Phillip Abrahams, Manager, Intergovernmental Relations, Tel: (416) 392-8102,
Fax: 416 696-3645; E-mail: pabraham@city.toronto.on.ca

Nancy Autton, Manager, Governance Structures and Corporate Performance, Tel: (416)
397-0306, Fax: (416) 696-3645; E-mail: nautton@city.toronto.on.ca

George S. Monteith, Director, Employment Law, Tel: (416) 392-8062, Fax: (416) 392-3848;
E-mail: gmonteit@city.toronto.on.ca

Harold M. Ball, Director, Employee and Labour Relations, Tel: (416) 392-8727,
Fax: (416) 392-5046; E-mail: hball@city.toronto.on.ca

Peter Schafft, Chief Executive Officer, MTHC, Tel: (416) 969 6346, Fax: (416) 969-6315;
E-mail: peter.schafft@mthc.on.ca

Derek Ballantyne, Chief Executive Officer, THC, Tel: (416) 392-6135, Fax: (416) 392-0555;
E-mail: dballant@torontohousing.com

Attachment No. 1

Draft Shareholder Direction - City Of Toronto/Toronto
Community Housing Corporation (TCHC)

City of Toronto Shareholder Direction Relating to the Toronto Community Housing Corporation
dated September, 11 2001.

N.B. The Shareholder Direction does not include the comments found in the right hand column
of this document. These are provided to facilitate reading and understanding, and will not form
part of the Final Shareholder Direction

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- (8.4) Member of the Social Housing Sector

(9) Accountability

- (9.1) Community Management Plan
- (9.2) Annual Report
- (9.3) Access to Records
- (9.4) Audit
- (9.5) Accounting
- (9.6) Annual Financial Statements

(10) Financial Performance

- (10.1) Financial Performance
- (10.2) Financial Performance Targets

(11) Successor Rights

(12) Amendments

(1) Interpretation

Comments

(1.1) Definitions:

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

“auditor” means the auditor of the TCHC;

“Board” means the Board of Directors of the TCHC;

“business” means the business of the TCHC;

“Chair” means the director of the TCHC appointed as Chair of the Board from time to time;

“citizen” means with respect to a Board member or a candidate for such membership an individual who is not a member of Council and is not related to whether an individual is a Canadian citizen;

“City” means the City of Toronto;

- Request made to add definition for all descriptive terms used in Direction (affordable, quality, safe, etc.)
- TCHC may also have an internal audit function that is not defined in this term

“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;

“Council” means the Council of the City of Toronto;

“financial statements” means, for any particular period, audited or unaudited (as stipulated in this Direction), consolidated or unconsolidated (as stipulated in this Direction), comparative financial statements of the TCHC 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) 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 the Metro Toronto Housing Corporation

“OBCA” means the *Business Corporations Act* (Ontario), as such statute may be amended or re-enacted from time to time;

“person” means an individual, a natural person or a body corporate;

“Program Administrator” means the City of Toronto (Shelter, Housing and Support Division) 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;

“Shareholder” means the City of Toronto (as owner of the TCHC);

“SHRA” means the *Social Housing Reform Act, 2000* and regulations thereunder;

“Subsidiary” means, with respect to the TCHC, any body corporate of which more than 50 percent of the outstanding securities of any class carrying exercisable voting rights are beneficially owned, directly or indirectly, by the TCHC, and includes any body corporate in like relation to a Subsidiary;

“tenants” are the tenants, as defined in the *Tenant Protection Act* of TCHC and of the Toronto Housing Company ;

- Tenants of THC will not be tenants of TCHC at time of first Board appointment – therefore there is a need to be specific in the definition to include them as they will participate in the first tenant Board nominations
- Tenants have asked that the term “tenant” be replaced by “resident”. City legal has advised that “tenant” is used and defined in legislation, and should be used for the purpose of this document. “Resident” can have a meaning other than the definition of “tenant” in legislation.

“THC” means the Toronto Housing Company Inc.

“TCHC” means the Toronto Community Housing Corporation.

(2) Introduction

(2.1) City as TCHC 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 Toronto Housing Company Inc., 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.

- This is the decision of Council at the June meeting.

- Some stakeholders continue to object to this Council decision of June 28, 2001

2.2 Function of this Direction

This Direction

- The Direction is from the City to the TCHC, and is not subject to negotiation with TCHC

(a) establishes certain principles of governance for TCHC and any Subsidiaries;

(b) includes certain rules governing the accountability of TCHC to the City, as mandated by section 32 of the SHRA; and

(c) constitutes in part a declaration by the City pursuant to subsection 108(3) of the OBCA with respect to certain powers of the Board.

(3) Objectives And Principles

(3.1) Purposes

The purposes of this Direction are as follows:

- This sets out the purpose of having a Shareholder Direction

(a) to recognize the Board's authority to manage or supervise the management of the business and affairs of TCHC in accordance with this Direction;

(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:

- (a) TCHC will employ its own staff, and subject to the terms of this Direction, be responsible for the management of its housing portfolio, 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); - Continued concern from tenants / labour about TCHC as an arm's length corporation – this is a Council decision of June 28.2001
- (b) TCHC will utilize its assets for the purposes of providing quality, affordable housing; - Tenants have identified a desire to state as an objective that housing is a human right and the TCHC is established for this purpose.
- (c) 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;
- (d) TCHC will act to mitigate financial risks to the City as Shareholder, while service standards and levels are maintained or enhanced;
- (e) the tenants of TCHC are able to participate in local and corporate decisions through an accountable, democratic system of representation; - Additional tenant involvement issues addressed in Section 8.1
- (f) tenants will be protected from harassment, in an environment where human rights are upheld;

- (g) TCHC support and promote efforts aimed at providing TCHC tenants with healthy, safe and sustainable communities;
 - (h) TCHC support the diversity of its communities through the development and implementation of its policies and plans; and
 - (i) TCHC be accountable for achieving stated results, and meeting the intent of this Direction to the City as Shareholder, and to stakeholders as recipients of its services. - Added in response to stakeholder comments
- (3.2.2) Organizational changes can 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 the TCHC affects, that TCHC conduct its affairs in a manner consistent with the principles outlined below.
- (3.3.2) TCHC will: - SHRA places some restrictions on the TCHC in terms of how access to housing is provided and defined funding formulae
- (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 Program Administrators 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) have due regard for the role of Councillors in representing the interest of their constituents and having timely access to information concerning the activities of the TCHC in their wards;
- (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; - Not all housing programs are based on income mixing principles, TCHC restricted from reducing RGI numbers
- (h) ensure that policies and programs are consistent with the goal of reducing homelessness and providing affordable housing;
- (i) will consult with tenants, through the 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; and
- (j) will, 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. - Board is ultimately accountable for development of polices in response to these principles and operating within the terms of the SHRA, the Direction and budgets which means a balance between objectives

(4) Business of the Toronto Community Housing Corporation

(4.1) Business of TCHC

Subject to the ongoing ability of TCHC to meet the financial objectives as established through funding arrangements with the Program Administrator and the ability of the Board to demonstrate the same, and in support of the mandate to provide affordable housing, TCHC, directly or through Subsidiaries or through partnerships, or through arrangements for the purchase of services, may engage in any of the following business activities, consistent with TCHC's Articles of Incorporation and the SHRA:

- (a) own, operate or have an ownership interest in rental housing and affordable-ownership housing and provide related services;
- (b) develop new affordable housing;
- (c) redevelop existing housing sites;
- (d) develop and operate commercial space and other commercial services in support of meeting business objectives; - Limit on redevelopment is no loss of RGI (see also Section 6.3) – needs Council approval
- (e) provide housing-related services to third parties; - In some cases commercial space is required as part of development agreements, zoning
 - MTHC and THC have identified opportunities to partner with other non-profits and the sector to gain efficiencies in areas such as maintenance, purchasing
 - “third parties” generally applies to managing properties on behalf of another non-profit

- (f) provide services to tenants beyond the basic residential landlord obligations; - this generally refers to services for which there are fees (laundry, cable, parking)
 - other services provided by TCHC are referred to in Section 7
- (g) manage an investment program for reserves and other funds, borrow funds to meet long and short term requirements, subject to the conditions outlined in Section 6.3; and - Currently THC manages such a program for reserves to be used for long term repair needs in the “non-profit” program portion of the portfolio
- (h) deliver program related services on behalf of the Program Administrator including, but not restricted to, management of waiting lists and rent supplement programs.
- (4.2) Creation of Subsidiary companies - Subsidiaries may be used to operate joint services with other non-profits or for services such as Social Housing Connections
 - (4.2.1) The TCHC, may from time to time, create one or more Subsidiaries corporations to meet its goals.
 - (4.2.2) Such Subsidiaries may be wholly owned, or may be corporations in which the TCHC has a majority interest.
 - (4.2.3) Where such Subsidiaries are created, TCHC will inform the Shareholder of this at the earliest possible opportunity, and include information related to the purpose, governance, and other such information as may be relevant.
 - (4.2.4) Where such Subsidiaries are created this will be consistent with Section 5.13 b) of this Direction.

(5) Operation And Control

(5.1) Board Responsibilities

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

- (a) establishing annual 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 SHRA and all other relevant legislation;
- (c) establishing and maintaining appropriate reserves consistent with sound financial principles and the program regulations established by the Program Administrators from time to time;
- (d) selecting bankers and other financial institutions and establishing all banking authorities;
- (e) appointing the officers of the 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;

- defined as per Council resolutions 28.06.01

- (d) business and financial management;
- (e) understanding of corporate governance responsibilities;
- (f) organizational development;
- (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.

- Labour has identified a desire for a position on the Board – this was not included in the June Council decision

(5.4) Nomination process

(a) 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;

- Striking Committee generally makes Councillor appointments to Boards

- Council approved the use of a consultant to assist with citizen selection in the June report

(b) Citizen nominations

Members who are not nominated through the tenant nominations process outlined in 5.4 c), 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; and

(c) Tenant nominations

Tenants will be nominated for appointment to the Board by the Nominations Committee, or any other committee of Council as determined by Council from time to time, having regard to

- Tenants will be named by tenants, and then the names forwarded to Nominations Committee so that they can be included in the panel for consideration for

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.

appointment as the Chair (see Section 5.6). Original Council motion said tenants should elect tenants to the Board – this is not possible under the OBCA – only the Shareholder can name Directors

(5.5) Eligibility for appointment to the Board

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 as defined in the OBCA (Canadian citizens or Landed Immigrant), and residing in or pay property taxes to the City.

- OBCA definition, that means a resident of Canada by virtue of the Immigration or Citizenship acts (Canadian citizen or landed immigrant), plus the need to be a property taxpayer and tenants are property taxpayers

(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, the TCHC will cause the vacancy to be filled by another director or officer of the 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.

- First Councillors will be appointed longer than the normal 18 month term for initial Board continuity (to end of Council term, 26 months.

(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

The directors and officers of the TCHC and the Subsidiaries will strictly abide by the requirements of the OBCA, the SHRA, and any related TCHC policy in respect of conflicts of interest, including any requirements in respect of disclosure and abstention from voting.

(5.10) Confidentiality

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

- (a) disclosure to the Shareholder's or the TCHC's employees or agents is necessary for the performance of any of their duties and obligations under this Direction;
- (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 unauthorized disclosure by any party); and
- (c) the Shareholder and the TCHC will abide by all terms of *the Municipal Freedom of Information Act and Protection of Privacy Act*.

(5.11) Remuneration

The remuneration of the members of the Board for their services as directors will be as authorized by Council from time to time. TCHC will reimburse Directors for all reasonable expenses.

(5.12) Removal of Directors

A Director may be removed from the Board in accordance with the OBCA. 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 in activities that are deemed by the Board to have an adverse impact on the duties as Board members; and
- (d) ceases to meet the eligibility criteria of a Board member as described in Section 5.5 above.

- This is to clarify some of the key conditions under which a Board member could be removed

(5.13) Board of Directors of Subsidiaries

- (a) subject to any matters requiring approval of the Shareholder pursuant to this Direction, the business and affairs of the Subsidiaries will be managed or supervised by their respective boards of directors. TCHC will appoint the Directors of the Subsidiaries from among the directors and officers of TCHC or establish a process for the nomination and appointment of the Directors; and

- (b) TCHC will establish Shareholder Directions for Subsidiaries that are consistent with this Direction and ensure accountability to the TCHC. - Reporting on Subsidiaries will be included with TCHC annual reporting

(6.1) 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) Matters Requiring Shareholder Approval under the OBCA

In accordance with the provisions of the OBCA, neither the TCHC nor any Subsidiary will, without the approval of the Shareholder:

- (a) apply to make changes to the Articles of Incorporation;
- (b) amalgamate (except for an amalgamation with one or more Subsidiaries), apply to continue 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, 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 residential and commercial leases for the units and commercial spaces of the TCHC;
- (f) change the Auditor;
- (g) make any change to the number of directors comprising the Board; and
- (h) enter into any transaction or take any action that requires shareholder approval pursuant to the OBCA.

(6.3) Other Matters Requiring Shareholder Approval

(6.3.1) Without the approval of the Shareholder the TCHC will not:

- (a) create any additional indebtedness that would require additional payment in the form of subsidies from the Program Administrators, not including the impact of increased subsidy payments that may be required pursuant to other program cost increases as identified in agreement with the Program Administrator and not including the renewal of existing mortgages and loans; - this is to mitigate any impacts of TCHC borrowing on the level of subsidy funding required

- (b) 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; - this allows for the sale of leasehold interest in commercial space, and disposal of non-housing assets
- (c) subject to Section 9 of this Direction proceed with re-development projects, or material changes in the number or distribution of rent-geared-to-income units without prior approval of the Shareholder; - RGI levels vary from time to time based on household incomes / in situ subsidy requirements, etc.
- (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 or (ii) that are that are inconsistent with this Direction.
- (6.3.2) TCHC will, where by-laws and by-law amendments have been approved and implemented by the Board, seek Shareholder approval for such by-laws and by-law amendments. Where such approval is denied, TCHC will cease to implement such by-laws and by-law amendments. - This is standard in order for the TCHC to do business pending Shareholder approval (existed for the THC)

(6.4) Regulatory Matters

(6.4.1) Social housing

Social 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 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 Shareholder; and
- (b) seek the cooperation of the Program Administrator in ensuring that issues that require provincial intervention are rapidly resolved; and
- (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.

(6.4.2) Other legislation

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

- There is a potential for there to be a conflict between what the City as Shareholder and the Province or City as program administrator requires. Where this is related to housing programs, the program administrator will have greater authority, so that Council cannot ask the TCHC to break a law

(7) Funding relationship with City and Operating Agreement

(7.1) General

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

- It is proposed that an operating agreement be signed with the City, whereby the TCHC and City (as program administrator) will agree on such things as the funding model to be used for TCHC housing programs, etc. If the City has particular reporting or information requirements, these will be outlined in the agreement

(7.1.2) The role of the City as Program Administrator is governed by the SHRA and for the TCHC will be defined in an Operating Agreement with TCHC. The parameters of such agreement are identified in this Section 7.2 and 7.3 below, and relate to implementation of the flow of subsidies, detailed program-level reporting and other such issues will be implemented.

- The Commissioner Community and Neighbourhood Services has been delegated the responsibility to enter into agreements with the housing providers on income testing and other administrative matters

(7.2) Operating Agreement Principles

Within the first six months of the appointment of the new Board of Directors, the TCHC will negotiate and enter into an Operating Agreement with the City, through its Commissioner, Community and Neighbourhood Services. The Operating Agreement will be based on the following principles:

- (a) both parties will seek to ensure stable and predictable funding for the TCHC to mitigate any impacts on tenants from program funding decisions;
- (b) both parties will seek to simplify and harmonize the social housing program structures and

funding models in order to reduce administration costs;

- (c) the City will require timely information required to prepare budgets and fulfil its reporting obligations to the Province and other agencies; and

(7.3) Operating Agreement Contents

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

- (7.3.2) 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 TCHC; This is the benchmark related to the provincial regulation
 - (b) format and timing for provision of budget information to the Shelter, Housing and Support in order to prepare their budget; Tenants and agencies concerned about unit sizes (e.g. Number of bedrooms) as well as Number of units
 - (c) format and timing for program reporting required by Shelter, Housing and Support to fulfil City obligations under the SHRA;
 - (d) method and timing for the payment of subsidies to TCHC;
 - (e) method for calculation of the amount payable to TCHC; and

- (f) identification of the Program Administrator's delegated responsibilities to TCHC under the SHRA. - This will include such things as income verification where this is delegated to TCHC

(7.4) Other City Program Funding

The City may, from time to time, request of TCHC that it perform certain functions and assume certain responsibilities that include but are not limited to:

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

- (7.4.2) In these and all other areas in which the City requests that TCHC perform functions that are not mandated functions of a non-profit housing provider under the SHRA, the City and TCHC will enter into agreements that include: - Where the City asks TCHC to assume certain responsibilities, there is a need to know the level of funding and expectations of the City

- (a) the level of funding to be provided for performance of functions;
- (b) the conditions and performance expectations of the City; and
- (c) the accountability requirements of TCHC 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 - TCHC funding is based on housing programs only and should not be expected to take on additional responsibilities without the resources

requirement to seek Council approval, and seek such approval for agreements other than the Operating Agreement referenced above.

(8) Governing Directions

(8.1) Tenant Participation

(8.1.1) Prior to September 30, 2002, TCHC and the tenants will develop a system of tenant participation 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) be based on the best practices current systems in place in MTHC and THC; and
- (e) include a process to identify two tenants to be proposed for appointment to the Board as contemplated by Clause 5.4 c) of this Direction.

- Tenants representatives from MTHC / THC are working on a plan for the development of a new system – the plan will be ready this fall, the new system developed in 2002

- Based on Council motions - these were more specific (have tenant councils, etc. but tenants want to propose their system, which may or may not be structured in this way)

(8.1.2) The system of tenant participation will respect the terms of this Direction and the financial targets and performance benchmarks that are established for TCHC by the Program Administrators.

(8.2) Employment and related matters

The Shareholder expects that :

- (a) 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 and employee compensation to address these objectives; and
- (b) TCHC will be responsible for determining how the obligations in 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 and their representatives, and other parties as required:

- (a) implement in the first year of operation an eviction prevention policy with an aim to reduce evictions for non-payment of rent and maintain the tenancies of households experiencing financial difficulties in paying rent;
- (b) ensure that there will be a system of local accountability established between TCHC and tenants such that tenants are informed of the 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; and

- As TCHC is at arm's length these specific polices will be developed by the Board, based on these directions

- Tenants also expressed an interest in an eviction policy with broader scope re: those whose activities compromise the safety of others in the community – this can be addressed when the new Board looks at policy, and are more likely addressed as part of healthy community policies and safety policies

- (c) implement in the first year of operation a complaint process that is accessible, transparent and that respects the management accountabilities within TCHC and allows for the review of operational decisions at a senior level within TCHC.
- There are also mandated appeal processes under the SHRA that must be considered in development of a policy and process
 - Tenants/agencies/unions in a written document recommended new Board appoint an Ombudsman - this will be a Board decision
- (8.3.2) TCHC will report on matters identified in Sections 8.1, 8.2 and 8.3 in the Annual Report and / or the Community Management Plan.
- (8.4) Member of the social housing sector
- TCHC will 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.
- Recognizes the role of TCHC as a significant part of the local and provincial housing system
 - Some stakeholders expressed a view that TCHC be an advocate for housing issues
- (9) Accountability
- (9.1) Community Management Plan
- Propose the business plan be for a three year horizon
- (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.

- (9.1.2) 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. - Propose the Community Management Plan be the Council document that sets out strategies and spending plans, and the City budget impact of these be in the Shelter, Housing and Support budget
- (9.1.3) Each Community Management Plan will outline for a period of three years: - The Community Management Plan will include the high level strategies and directions, on which TCHC will base action plans and more detailed work plans. The CMP will identify how the TCHC intends to address proper property management issues - for example maintenance of buildings and properties, long term capital requirements, accessibility of properties and units, utility management, and promotion of community health and safety.
- (a) anticipated results for the year in progress;
 - (b) key issues facing TCHC;
 - (c) key strategies to be implemented to resolve key issues facing TCHC;
 - (d) aggregate budget estimates;
 - (e) financial targets and performance measures in accordance with Section 10.3;
 - (f) service level targets and changes;
 - (g) environmental and energy efficiency targets;
and
 - (h) major initiatives to be undertaken by TCHC in the medium and long term.
- (9.1.4) In the context of the Community Management Plan TCHC will identify the issues and directions of the TCHC in management of its housing portfolio, including any proposals to convert to cooperative housing corporations or implement other forms of self-management. - Does not fully respond to Council motion – motion was to allow all communities to convert to coops. This is a limited option (e.g. there are other self-management options, and does not recognize the impacts on labour and capital spending, risk to City, etc.

(9.1.5) Council will provide comment to the Board on the Plan, the financial targets and major initiatives. Such comment will be included in the preparation of detailed action plans approved by the Board. The spending estimates included in the Community Management Plan will form the basis of the TCHC component of the budget requirement to be included in the Community and Neighbourhood Services budget estimates for social housing programs.

(9.2) Annual Report

(9.2.1) Within 120 days after the end of the fourth fiscal quarter, TCHC will prepare an annual report and submit this report to the Council, through the Policy and Finance Committee. This report will include:

- (a) 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 Management Plan, and any material variances in the projected ability of any business activity to meet or continue to meet the financial objectives of the Shareholder;
- (b) information that is likely to materially affect the Shareholder's financial objectives;
- (c) information that is likely to materially affect tenants' views or opinions regarding TCHC;
- (d) 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;
- (e) information regarding the performance of TCHC such that the Shareholder can determine that the Shareholder Direction has been respected; and

- variance reporting will be from TCHC approved benchmarks and targets, as well as from benchmarks established in the context of housing programs – tools used to measure performance will be developed by TCHC and may include tenant and other surveys.

(f) any such additional information as the Shareholder may specify from time to time.

(9.2.2) TCHC Annual Report will be consistent with, but not in lieu of, other reporting that the Program Administrator may require that is consistent with the social housing program funding requirements or otherwise agreed to by the Board.

(9.3) Access to Records

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

(9.4) Audit

(9.4.1) The auditor will be appointed in accordance with the OBCA TCHC will determine the remuneration for the auditor. The annual consolidated and unconsolidated financial statements of TCHC will be audited by the Auditor

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

(9.5) Accounting

TCHC 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 Financial Statements

The Board will deliver, as soon as practicable and in any event within 120 days after the end of each fiscal year, the audited consolidated Financial Statements of the TCHC for consideration by the Shareholder.

(10) Financial Performance

(10.1) Financial Performance

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

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

(11) Successor Rights

The Shareholder acknowledges that THC is being transferred to the MTHC, renamed as the Toronto TCHC. The Shareholder, for its part, acknowledges 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 the TCHC is also of the view that this transfer amounts to a sale of business

- A sale of business (by the OLRA definition this includes transfer) means that all successor rights are respected.

(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.

DATED at Toronto as of this day of

City of Toronto
By: _____

By: _____

Attachment No. 2
Disposition of Council Resolutions

Clause No. (1), Report No.(9) of the Policy and Finance Committee, as amended by Council June 26-28, 2001

On June 26-28, 2001 Council has before it Report No. 9(1) of the Policy and Finance Committee on the renaming of MTHC to the TCHC, and the transfer of assets and operations of the THC to the TCHC. The table below is a summary of the Council resolutions and where applicable, the actions taken in response to these resolutions. Please note that this is a summary. Please refer to the Certificate of Amendments for the Clerk's record of the precise wording of Council decisions.

Resolution	Action Taken
(1) The City of Toronto utilize the local housing corporation created under the <i>Social Housing reform Act, 2000</i> and its regulations to integrate the operations of THC and the former provincial MTHA.	- Preparatory work for transfer of THC assets and operations underway - No transfer to take place until Shareholder Direction approved - Target transfer date for operations December 31, 2001

<p>(2) The necessary actions, including obtaining all required consents and approvals, be commenced immediately to transfer all THC assets and operations to the newly formed MTHC, but not be executed until the new membership of the MTHC Board is in place, and THC be dissolved as soon as may be convenient following completion of such executions.</p>	<p>See above</p>
<p>(3) The Acting CAO have meaningful consultations with the affected parties, such as CUPE Locals 416 and 79 and COTAPSAI, in terms of any changes with regard to employment issues at THC and MTHC.</p>	<ul style="list-style-type: none"> - Initial meetings held in August with COTAPSAI, CUPE Local 416 and CUPE Local 79 on employment matters - Follow-up meetings held in September
<p>(4) The City Solicitor be directed and authorized to undertake the necessary actions to change the name of the local housing corporation that the provincial government established under the <i>Social Housing Reform Act, 2000</i> from “Metro Toronto Housing Corporation” to “Toronto Community Housing Corporation” (TCHC).</p>	<ul style="list-style-type: none"> - Name search conducted by Legal staff - TCHC name reserved for use by housing corporation
<p>(5) Appropriate steps be taken to appoint a new 13 member Board of Directors for MTHC comprising:</p> <p>(a) nine (9) citizens, 2 of whom would be tenants, collectively representing a range of relevant expertise including:</p> <p>(i) knowledge of the social housing area;</p> <p style="padding-left: 20px;">(ii) housing advocacy;</p> <p style="padding-left: 20px;">(iii) community development;</p> <p style="padding-left: 20px;">(iv) business and financial management;</p> <p style="padding-left: 20px;">(v) understanding of corporate governance responsibilities;</p> <p style="padding-left: 20px;">(vi) organizational development;</p> <p style="padding-left: 20px;">(vii) labour relations;</p> <p style="padding-left: 20px;">(viii) legal aid experience; and</p> <p style="padding-left: 20px;">(ix) social services for hard to serve tenants;</p> <p>(b) 3 Councillors; and</p> <p>(c) the Mayor or a Councillor as the Mayor’s designate</p>	<ul style="list-style-type: none"> - Consultant retained to assist with citizen Board recruitment - Advertisements placed in daily newspapers for interested citizens - Nominations Committee to submit separate report to October 2-4 Council meeting for appointment of citizens - Striking Committee to submit separate report to October 2-4 Council meeting for appointment of Councillors

<p>(6) Council choose as the method to appoint tenants to the Board of Directors a tenant nomination process, whereby tenants make nominations for the tenant positions on the Board of Directors.</p> <p>And</p> <p>The tenant representatives on the Board be directly elected rather than appointed by Council.</p>	<ul style="list-style-type: none"> - Tenants of THC and MTHC have developed a process to nominate one tenant from each organization to Nominations Committee, for recommendation to be appointed to new Board - Process for tenant nominations for future Boards to be developed as part of resident participation process - OBCA does not allow anyone other than the Shareholder to elect or name Board members – tenants have developed a process for providing tenant nominations – these are forwarded to Nominations Committee as per the draft Shareholder Direction. Nominations Committee will forward the tenant nominations to Council.
<p>(7) In order to have the new Board of Directors in place as soon as possible to deal with the development of a business plan and organizational restructuring within the MTHC:</p> <p>(a) the CAO engage a search consultant to recruit suitable citizen candidates for the Nominating Committee’s consideration and recommendation to Council at the Council meeting on October 2, 2001; and</p> <p>(b) the City Clerk immediately begin to canvass Councillors’ interest in appointment to the MTHC Board of Directors for the Striking Committee’s consideration and recommendation to Council at the Council meeting on October 2, 2001. (Provide that the Council representatives on the new Housing Company be those who have a social housing component in their respective community.)</p>	<ul style="list-style-type: none"> - see (5) above

<p>(8) Council direct the CAO and the City Solicitor, in consultation with:</p> <ul style="list-style-type: none"> (i) the Commissioner of Community and Neighbourhood Services; (ii) staff, Commissioners and interested Councillors; (iii) a reference group comprising the Chair and one member of the Community services Committee and the Chairs and one member each (preferably who are elected representatives) from THC and MTHC Boards of Directors; (iv) THC and MTHC tenants' councils (and submit the resulting report to the Advisory Committee on Homeless and Socially Isolated Persons for comment); (v) Inter-Clinic Public Housing Work Group; (vi) representatives of the staff and unions of THC and MTHC, <p>to prepare a Shareholder Direction to MTHC, which:</p> <ul style="list-style-type: none"> (i) recognizes MTHC as a separate, arms length corporation with its own management structure, employees, labour relations regime, and authority to control its own finances and decide how it meets its business targets; (ii) sets out the funding relationship between the City and MTHC; (iii) is consistent with service levels, program requirements and other obligations under the <i>Social Housing Reform Act, 2001</i> and its Regulations; (iv) reflects the City's expectations in the context of Council's Service Delivery policy framework; and 	<ul style="list-style-type: none"> - Reference Group formed and met three times to advise CAO / City Solicitor on Shareholder Direction - Reference Group comments and draft Shareholder Direction circulated to all Councillors - Consultations held with tenant, bargaining unit representatives, community groups and agencies representatives and representatives of non-bargaining unit staff <p>Response to the following resolutions are in the draft Shareholder Direction</p> <ul style="list-style-type: none"> - Shareholder Direction based on this resolution, stated in Shareholder Direction Objectives (Section 3.2) - Described in Shareholder Direction Section 7 and 9 (Funding relationship and Operating Agreement / Accountability) - General requirement of TCHC is to operate within the SHRA (Section 3.1 / Section 4)
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<p>(v) requires MTHC to establish methods and structures that enable continuous input from tenants;</p>	<p>- Set as an objective for TCHC (Section 3.2.1 – Objectives, paragraph e))</p>
<p>(vi) contains a provision to ensure the role of the Councillors in terms of decisions that are made that impact on their particular community;</p>	<p>- Set as an objective (Section 3.2.1 f)), and stated in Section 8.1, tenant Participation)</p>
<p>(vii) allows for the conversion of the buildings to co-operative units, subject to the approval of City council</p>	<p>- Addressed as a Principle, Section 3.3.1, paragraph e)</p>
<p>and, in developing the Shareholder Direction, the Reference Group and Staff provide policy direction in the following areas:</p>	<p>- Addressed in Section 9.1.4</p>
<p>(viii) mandatory tenant council structure at the local and city-wide levels;</p>	<p>- Tenants are to develop the system of tenant participation, that may or may not include tenant councils , but will include participation at local and corporate levels</p>
<p>(ix) mandatory Fair Wage Policy, consistent with that of the City;</p>	<p>- Addressed in Section 8.2 (Employment Matters)– it is mandatory for the Board to establish a policy on fair wages</p>
<p>(x) successor rights for employees at both housing companies;</p>	<p>- Addressed in Section 11, Successor Rights</p>
<p>(xi) an overarching commitment to set policies and programs consistent with the overall goal of eliminating homelessness and providing affordable housing;</p>	<p>- Set as a principle, Section 3.3.1 h), (Principles)</p>

<p>(xii) maintenance of the highest standard of tenant security and tenure and an equitable method of tenant selection;</p>	<p>- Set as an objective (Section 3.2.1 i) and a principle (Section 3.3.1 b) – specific standards that are not mandated by Provincial regulations will be set by the Board</p>
<p>(xiii) development of new service standards and levels aimed at improving tenant satisfaction;</p>	<p>- Addressed as part of Objectives (Section 3.2.1 d)) and as a Principle (Section 3.3.1 d)) – new Board will have to set service level standards for TCHC</p>
<p>(xiv) enhanced tenant support initiatives;</p>	<p>- Part of overall Board responsibility to set Community Management Plan – enhanced services may require additional program funding.</p>
<p>(xv) regarding maintenance of a service delivery mix that ensures stability of service delivery;</p>	<p>- Part of overall Board responsibility to set Community Management Plan. Service delivery mix is one of the business strategies to be</p>
<p>(xvi) the inclusion of a meaningful process for management accountability at the local level;</p>	<p>addressed in the Plan, and is related to program funding requirements</p>
<p>(xvii) inclusion of a requirement for the new corporation to involve tenants in decision-making, policy formulation and planning, building on the “Resident Participation System” currently in place in the THC and MTHC’s Resident Advisory Council;</p>	<p>- Addressed as part of tenant participation process to be developed by tenants, and process and outcomes to be communicated in Community Management Plan</p> <p>- See above responses (v) and (vi)</p>

<p>(xviii) a provision to provide that the annual plan be forwarded annually to Council with a staff report ensuring that the plan complies with the Shareholder Direction;</p> <p>(xix) that the Shareholder Direction include requirements to seek Council approval for the removal of any RGI units;</p> <p>(xx) the inclusion of a requirement that the new corporation recognize applicable successor rights obligations including recognition of their existing collective agreement rights;</p> <p>(xxi) the inclusion of an effective eviction prevention policy;</p> <p>(xxii) the inclusion of an effective tenant complaint process;</p> <p>(xxiii) that the Shareholder Direction include a requirement to maintain levels of service and a requirement to engage in service level adjustments and harmonization only after full tenant consultation;</p> <p>(xxiv) ensures that the new corporation will develop a new corporate culture, structures and mechanisms that replace those inherited from the previous provincial local housing authority;</p> <p>and to report the proposed details back to Council for its consideration at the Council meeting on October 2, 2001.</p>	<ul style="list-style-type: none"> - Addressed in Section 9 (Accountability) - Addressed in Section 6.3.1, paragraph b) (Shareholder Matters) - Addressed in Section 11 – Successor Rights, and indirectly in Section 8.2 (Employment Matters) - Addressed in Section 8.3 (Governing Direction – Other matters) - Addressed in Section 8.3 (Governing Direction – Other matters) - Addressed as a Principle – Section 3.3.1, paragraph i) - Board to address this issue as part of development of organizational structures and Community Management Plan - Draft Shareholder Direction contained in report to Policy and Finance Committee / Community Services Committee meeting of September 20, 2001
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<p>(9) Tenants and staff to be consulted be provided with a brief summary of Council’s “Service Delivery Policy Framework”.</p>	<p>- Distributed with consultation materials and to all THC tenant representatives and MTHC Resident Advisory Committee members and other stakeholder participants in consultations</p>
<p>(10) Staff be authorized to work with Councillors wishing to hold meetings in the community and to provide staff support for the consultation process.</p>	<p>- Support provided where requests made to staff</p>
<p>(11) The respective Board of Directors be directed to maintain all current policies, programs and operations until such time as Council approves a comprehensive Shareholder Agreement.</p>	<p>- Instructions communicated to THC / MTHC</p>
<p>(12) any sale or major redevelopment of City-owned social housing require approval by Toronto Council after an open public process.</p>	<p>- Addressed in Shareholder Direction, Section 6.3.1 (Shareholder Matters) – THC will be subject to City planning and approvals processes, that include opportunity for public input</p>
<p>(13) The new corporation not be permitted to release an asset from the portfolio that is transferred to the corporation until receiving specific instructions from City Council at its meeting of October 2, 2001 or thereafter according to the Shareholder Direction or business plan.</p>	<p>- Instructions communicated to MTHC</p>
<p>(14) The operations of the Toronto Housing Company remain with the THC until the Shareholders Direction is executed.</p>	<p>- Instructions communicated to THC</p>
<p>(15) The new Board of Directors of MTHC be directed to prepare a business plan, in consultation with staff, commissioners and interested Councillors, for review by the CAO to ensure consistency with the Shareholder Direction and forward its business plan to</p>	<p>- Addressed in Shareholder Direction, Section 9.1 Accountability</p>

Council no later than December 2001.	
(16) Any business plan be renamed the Community Management Plan and be developed with the involvement of the residents of the housing company.	- Addressed in Shareholder Direction, Section 9.1 Accountability
(17) The Shareholder Direction and the business plan be submitted to joint meetings of the Community Services and Policy and Finance Committees for approval prior to City Council's decision.	- Addressed in Shareholder Direction, Section 9.1 Accountability
(18) The Board of Directors of the new corporation be requested to proceed as quickly as possible to appoint a CAO to the new corporation.	- Instruction to be communicated to new Board per recommendation of P&F/CNSI report on Shareholder Direction

Attachment No. 3
 Consultation Process

On June 28, 2001, Council directed that the Toronto Housing Company (THC) assets and operations be transferred to the Metropolitan Toronto Housing Corporation (MTHC) and that it be renamed the Toronto Community Housing Corporation (TCHC). Council directed that the CAO and City Solicitor prepare a Shareholder Direction for the TCHC. It further directed the Chief Administrative Officer (CAO) and the City Solicitor to prepare the document in consultation with a number of stakeholders including tenant representatives of THC and MTHC, unions representing staff, representatives of non-bargaining staff and representatives of agencies in the community.

It was necessary that the consultation be carried out in a very short time frame in order to return to Council with the Shareholder Direction at its meeting of October 2-4, 2001. On July 25, 2001 the Reference Group reviewed and agreed with the approach selected of a two-phase consultation process. The process included meetings with focus groups representing the stakeholders identified by Council. Initially written submissions were not invited due to the short time frame in which to analyze them properly. However, due to concerns expressed by stakeholders, this decision was rescinded and focus group participants were advised that written submissions would be welcome.

Phase One

A full set of information documents was sent to 356 individuals and organizations of the above-noted stakeholder groups approximately a week in advance of the first consultation session on August 8, 2001. The documents included an overview of the consultation process, a discussion document highlighting key areas for discussion and input to the development of a Shareholder Direction, a summary of Council motions from its June meeting and a copy of the City's Service Delivery Policy Framework. Council directed that this latter document be provided to those being consulted.

Participants in the consultations self-identified through a different means for each stakeholder group. Tenants of THC were represented by members of the elected tenant councils and City-wide Tenant Council. Members of the Resident Advisory Council and representatives of other known local resident groups represented MTHC tenants. Non-bargaining staff self-selected from among their local work groups. Unions selected who would represent them. Agencies who were invited were those identified as having key interests in social housing and supporting residents in THC and MTHC communities.

For the first consultation, 122 invitations were issued to resident representatives, 177 to agencies and 52 to non-bargaining staff. Unions representing CUPE 416, CUPE 79, CUPE 767 (represented by CUPE 416), OPSEU 592 and the trades were contacted and asked to send representatives of their choice. CUPE 416 and CUPE 79 expressed concerns about the consultation process. However, CUPE 416 identified an external facilitator whom they thought would be helpful to the process and this facilitator was engaged by staff to assist with the Union focus group discussion. The other focus groups were facilitated by a combination of in-house and external resources.

The August 8th session was held in two parts in order to accommodate work schedules and participant availability. The first session was held in the morning to which staff (union representatives and non-bargaining representatives) were invited and the second in the evening to which tenant and agency representatives were invited. 52 tenant representatives from both companies attended, as did 50 representatives of non-bargaining staff and 18 agency representatives. Although both CUPE 416 and CUPE 79 had originally indicated that they would send participants, the bargaining units did not do so. CUPE 416 observers attended the session. Participants from OPSEU 592 and representatives the trades attended.

Both sessions consisted of a plenary with representatives of the focus groups together for a presentation and Q & A session led by staff. Following the plenary, the groups held separate discussions and worked through the discussion document to provide input to the development of the first draft of the Shareholder Direction as well as identifying any other issues or concerns they had about the process.

All feedback from the plenary sessions and the individual focus groups was documented for the information of those charged with preparing the draft Shareholder Direction. At the suggestion of many participants, all the documentation was also forwarded to all those who had been invited to the sessions. This was done within two days after the session.

A summary of the feedback received at the August 8th session is attached to this report and a full set of the feedback documents is on file with the Clerk's Office. Many suggestions were provided to assist in the development of the draft Shareholder Direction and these have been incorporated in various sections of the document. Some of the key issues raised were a concern with the short time frame allowed for consultation and the fact that it was designed as a focus group process rather than a full consultation with all stakeholders over an extended period of time. Tenants identified a concern with the arm's length relationship between the City and TCHC. An issue is the accountability of TCHC to elected officials. Unions and agencies share this concern. There is also a concern that the employees of the new corporation should be City employees and that they should provide all services rather than work being contracted out to external service providers.

Phase Two

At the time the invitation to the original consultation was sent out, stakeholder representatives were advised that a second follow up consultation would be held on August 29th. In order to make the second consultation meaningful, stakeholders advised staff that they would need to receive the draft Shareholder Direction a week in advance of the consultation session. The Reference Group agreed that the draft could be shared with the focus group participants before the Reference Group had an opportunity to review the document and provide its comments. On August 22nd a confirmation of the meeting to be held on August 29th was sent out along with a draft of the Shareholder Direction. The same participants invited to the first consultation were invited to the second meeting, with the addition of some who had self-identified after the August 8th meeting.

The second session held on the evening of August 29th was designed to bring all stakeholder groups together for a plenary. This was designed as an opportunity to obtain clarification of the document's contents, hear each other's views and an opportunity to once again work in their individual stakeholder groups to provide feedback on the draft document. As had been noted to participants in the cover letter distributing the draft Shareholder Direction, the Reference Group's comments on the draft Direction were shared with the participants. Participants were invited to share their comments on the draft, as well as comment on the proposed revisions of the Reference group.

A summary of the comments from the second consultation is attached to this document. 111 participants registered (48 tenants, 12 union representatives, 30 non-bargaining staff and 21 agency staff representing 18 agencies). CUPE 79 declined to attend. CUPE 416 attended the plenary session briefly and used the opportunity to transmit a written submission. Other written submissions received at this session included one from the Toronto-Central Ontario Building and Construction Trades Council and one from the City Wide Tenant Council of THC. Copies of all three submissions are attached to this document. Copies of the full notes from the plenary session of August 29th and the individual focus groups are on file with the Clerk's Office.

At the meeting staff committed to forwarding a copy of the consultation feedback and copies of the three written submissions to all those who were invited to the session. This was done by September 10. A copy of the Council report, including the revised Shareholder Direction will be forwarded as soon as it is available from Clerk's Office. Stakeholder representatives at both

consultation sessions have also been advised about the next steps in the process and the opportunity to make deputations to the Joint Meeting of the Policy and Finance and Community Services Committees on September 20, 2001.

Developing a Shareholder Direction for TCHC
Summary of Feedback from Consultation August 8, 2001

Content Category	Comments
(1) Objectives	Union
High level objectives for the document	Create and maintain a healthy and safe work environment for all staff Recognition of existing rights under legislation and collective agreements Successor rights for ICI agreements Foster climate of pro-active, positive labour relations
Shareholder expectations for the relationship with TCHC	Agency Expand portfolio Maintain in good repair-shouldn't be exempt from City by-laws Equal rights for public housing tenants as others Commitment to "best practices" Shouldn't be arms length Add "quality" to affordable in reference to housing Participation of tenants must be "meaningful" Opposition to privatization In addition to not reducing number of RGI units, should not reduce bed size mix Need to clarify what is meant by "safe", "healthy" Principle of "human rights" should be an objective to strengthen it

Management/Excluded

Develop creative ways to increase supply of affordable housing
(also a Business)

Add that TCHC communities are diverse

Not necessarily lowest level of risks and costs but following
standards for non-profit housing

Should acknowledge employees as well re: minimizing impacts
of new TCHC

Policy harmonization should look at best practices of both
organizations and City – City should not always be standard
(comes up again in Principles)

Refer to housing as “affordable” not “rental” or “social”

Define what arms length means

Managers should have input to business plan (probably not an
Objective but was a theme with tenants and labour as well)

Concern with commitment to safe, healthy – introduce mitigating
word such as “strive to make...”

Statement re: operating within OBC Act

Tenants

TCHC will continuously involve tenants in decision making,
policy formulation and planning through the implementation of a
resident approved participation system

TCHC will maintain levels of service and will engage in service
level adjustments and harmonization only after full tenant
consultation

Bullet No. 2 delete will “seek to” – replace with “maximize”

Bullet No. 6 strike out “unduly”

Replace “good repair” with “maintenance of highest standards”

Eviction policy that promotes safe living environment for all
(also covered later)

(2) Principles

Statements of principles
that will guide the
development of business
strategies and plans

Unions

Tenants, staff and their unions should have an opportunity to
participate in decision making etc.

Agency

Should be committed to issues of homelessness not just on whim of City of Toronto Direction to develop appropriate policies re: homelessness prevention, eviction, establish ombudsman

“Tenants participate” not just “opportunity to” – strengthening this area was a common theme with tenants as well and some staff

“equitable access”

Business to be conducted in child and family friendly manner

Need more clarity on “living independently” and “barrier free”

Address how tenants are treated

Need to reflect diversity of cultures – e.g. translation should be matter of principle

Concern re: TCHC staff not city staff

What level of contracting out – principles should be same for contracted staff as company staff

Issue of “class” should be addressed

Management/Excluded

Include rights of management not just unions

Same issue re: policies – should not have to adhere to City - existing or others may be better

Renew supply of affordable housing, regenerate, redevelop, build new

More proactive wording on staff desire to have and adhere to policies such as anti-racism

Need clarity on meaning of “ preserve housing for tenants”

How will we address need for tenants to be accountable?

Should have policies to direct alternative service providers in their work

Concern about conflict between “Fair Wage “ policy and ability to contract out

Tenants

Replace No. 2 with TCHC will establish and maintain methods and structures to enable continuous input from tenants

TCHC will support and promote the development of Tenant (resident) Council structures at local and city-wide levels

No. 5 changes – add “low and moderate income” before tenants; delete “to the greatest degree possible” in both places

TCHC will develop and continuously implement a Communications plan to regularly and effectively inform residents

TCHC will provide its services with an emphasis on resident satisfaction

TCHC shall not replace or make any material amendment to the principles without prior written approval from the shareholder

TCHC policies should be equal to or better than those of the City of Toronto

Draft principles of tenants and labour:

-Housing is a basic need and the purpose of the Corp is to fill that need

-Housing is a public service and should be publicly delivered by city employees – no privatization of housing mgmnt or services – all contracts must meet highest standards

-Social housing is for low and moderate income tenants and must recognize the special needs of all residents – no loss of any RGI units of any size – build more to meet demand

-Tenant driven resident participation in decision making is key to successful delivery – tenant representation must be determined by tenants and new Board must be accountable to tenants

-To ensure fairness and accountability, city should appoint an ombudsperson to help resolve tenant/landlord disputes and any problems between new company and city

-new housing company must be accountable to City Council, submit regular reports and honour city policies and procedures

Points in bold noted above were supported by tenants, union and agency

TCHC to establish committee of staff and tenants to facilitate/maintain level of trust and respect between staff and tenants – promote effective ongoing communications

Need policy on crime prevention – zero tolerance

Incorporate ethnic diversity and be inclusive

How is application process enforced - should be known to everyone

Concern expressed about not checking backgrounds of tenants and accepting tenants who may contribute to lack of secure environment – need this reflected in City agreement

(3) Business of the TCHC Union

Defines the activities the City agrees that the TCHC will conduct N/A

Agency

Should be developing quality, affordable housing – need to define “affordable”

Lobbying and advocacy for housing/funding

User fees should be eliminated

Commercial enterprises on premises should recognize are serving low income tenants

Need to include community and social services as part of business

Not just provide but improve quality

Service contracts should have process to include equity and inclusiveness

Encourage tenants to provide services themselves

Tenant management should be allowed where wanted

Management/Excluded

Development of affordable housing

Services to be defined as “those necessary to the operation of affordable housing”

Business of being an EMPLOYER

Flexibility/ability to look at ways to do other business and increase revenues

Community development

Social support to tenants

Able to partner not required to partner

Should say “housing and related services”

Should we say “provide” or should we say “facilitate or make available” services to tenants

Strong resident participation with resources

Any revenues generated should stay within TCHC

Providing housing services to other agencies

Providing services on contract basis to agencies and corporations

Receive services from other agencies (e.g. community care, etc.)

Provide access to social services

Promote community economic development

Have ability to incorporate other businesses

Housing Connections

Tenants

Establish marketing committee (tenant/staff) to explore any/all other appropriate and available opportunities to increase revenues

Provide service such as cable as well as supportive services

Concern about commercial leases in buildings – don't make profit on tenants use of services

Mixed views on partnership with private sector re: development

Establish maintenance policies ensuring cleanliness, sanitation, etc

Operate commercial enterprises that only cater to tenants

(4) Governance

Union

The composition of the Board, terms, rules of governance, etc. that the City wishes to define (primarily defined by the Report on Integration approved by Council in June)

Labour supports tenant representation on Board

Board should include rep of labour

Should have meaningful participation by employees and unions in governance and framework of policies and procedures

Agency

Appointments should be done by Council or CNS Committee not consultant

Tenants should have say in selection of Council member on Board

Should be able to give 24 hour notice of deputation to Board

Community reps on Board should have qualities of understanding, commitment to equity and diversity and inclusiveness

Not all community members are citizens?

Management/Excluded

Should resident participation system be part of governance?

Positions for staff on Board?

Clarify term of Board members (maybe 2 years)

Should be fair, open, equitable process for competition to be officer of corporation

Of the 2 tenants on Board at least one should be RGI

Tenants

Add – Committees of Board and composition of same and conflict of interest statement

Define role and responsibilities of committee members

Increase number of tenants on Board

Disagree with term “citizens” too vague

Suggest composition of committee members – mayor, 3 councillors, 3 citizens, 6 tenants

If number of tenants remains at 2, Board should not meet if one of those tenants is absent

Add provision for back up to tenant members

(5) Governing Directions Union

Particular outcomes that the City expects of the TCHC Need to develop fair wage policy and new company to have “fair wage office”

Agency

Consult with tenants, legal clinics, agencies always

Policy should be eviction as last resort

Anti-oppression and human rights polices should be in existence

Management/Excluded

Eviction prevention – proactive steps, emphasis on maintaining tenancy, responsibility of tenants

Problem with fair wage clause – will increase costs – does it mean union rates or reasonable rates?

Complaints process doesn’t belong in SD – rework to reflect customer service/effective service delivery

Need statement on Board compensation

Need conflict of interest statement

Need employment equity policy

Need code of conduct for tenants and staff

Need to clarify TCHC right to operate day-to-day without direct Council involvement

Measurement system is an operational matter

Should be resident system not tenant system - should be reflective of communities it serves – should be inclusive – should be equitable system

Tenants

For each point need to add “by when and by whom” so people will know when these things will happen and who is responsible
Need to adopt and support tenant driven resident participation system (No. 4)

(6) Shareholder Matters

Union

Statement of legal obligations between Shareholder and TCHC and Shareholder imposed requirements

N/A

Agency

Must adhere to principles already established re: creating new shares without approval of Shareholder?

Not in favour of drafted version re: arms length – refer to Cdn. Housing Act

Last point – must have Council approval

Management/Excluded

Indebtedness – statement conflicts with arms length intent

Need to clarify with respect to Council resolutions on “need to consult”

TCHC should be able to create new shares

Option for employee investment or stock options

Tenants

No. 1 – add “by-laws and changes to same”

No. 4 eliminate – should only be done with Council approval and tenant consultation

Last point – delete – contradicts Council motion re: no sale without council approval

Nos. 1, 2 and 3 incorporate that all decisions are approved by appropriate committees before being sent to shareholder for final approval

Tenants should have say in approvals if matter affects them

Check all bullets for contradictions with Council motions

Can there be a vehicle where residents can appeal decision that contravenes shareholder agreement

(7) Financial Performance and Accountability

Union

N/A

City expectations on conduct of financial matters (e.g. how the funding relationship between the City and TCHC will be defined)

Agency

City should have power to determine quarterly report, timelines, call for special reports

Reporting relationship of TCHC to the City (e.g. requirement for annual reports)

Tenant/resident participation to be included not just financial reports

How to measure “soft stuff” – should be determined
Tenants to be included in business planning

Plain language important

Local should mean – tenant and general community

Management/Excluded

Additional funding must be City responsibility if a request is not in mandated budget

City (Service Manager) not owner must abide by provincial benchmarking budgeting process – if additional funding needed,

City must come up with it

Development of financial plans concerning unfunded future liabilities relating to employee benefits

Need audit process that is independent but internal to organization

Need specifics on revenue – reinvesting in TCHC

Need to address deficit/surplus

Need to address access to city reserves

Business plan should have performance measures comparative to industry

Identify relationship with federal funder

Tenant

Reclarification of existing tenant benefit fund in THC by-law - don't want this lost

Add bullet: Identification of funding relationship with resident participation system

Approval by committee (internal to company and including tenants) first then to Council

Need quarterly report instead of annual

Provide funding so reps can discuss process with other tenants and get legal and business advice as necessary

(8) Other Items not
Identified in the
Consultation Guide

Union

Suggestions for Aug 29th consultation and materials to be sent in advance

Agency

N/A

Management/Excluded

Need statement about enabling TCHC to sell services to other non-profits

Do we need limits on Council resolution about ability to remove rgi units?

Commitment to mixed income communities
Access to city jobs – grandfathering for current city employees

Tenants

Need separate category in shareholder direction for tenant participation – key point

Should be resident not tenant throughout document

Need to reconfirm wording in SD with Council motions

Worried about wording on redevelopment

Need to have language that guarantees tenants rights and involvement

Tenants/landlord should be equal partners

Need to be clear about differences between objectives and goals

Both models of tenant participation should not be forced on each other

Definitions

Auditor – should be clarified as external	Staff (S) S
Should specify also includes MTHC tenants	S
Program Administrator – clarify if appointed under SHRA	Plenary (P)
Tenant – still want resident; has another legal opinion that this term is OK	P Tenant (T)
Stakeholder – should be included and should be defined	T
Citizen – appears to conflict with other terms found on page 8	
“good repair”– needs to be defined	

Section 2 – Introduction

Why has City decided this is the only way to do it – other municipalities have made other choices e.g. Peel	P P
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	Most tenants find the whole process is flawed but will continue to engage in consultation	T
	Brackets should enclose “pursuant to Part III of the SHRA”	T
	Want assets and operation of TCHC transferred to THC not vice versa	P
	Tenants should be mentioned in SD as stakeholders	
Section 3 – Objectives and Principles	New organization should be committed to maintaining a good core of skilled in-house staff to ensure “good repairs”	Union (U) Agency (A)
	Need to include a commitment to access, equity and human rights, race relations, the fair treatment of residents and anti-oppression	A, T, U
	The paper submitted by the Tenant Council should be included in the Principles	U
	City must retain full authority over TCHC and it must follow City policies	T
	A number of wording changes to this section suggested in written deputation of CWTC (see memo for details)	T, U, P
	General concern re: not enough clarity on how TCHC will be held accountable	P
	Opposition to idea of corporation employees not being employees of the City	T T
	Concern about definition of “affordable”	
	TCHC should conduct its affairs with an aim to support tenants and tenant satisfaction; and support access and the ability of tenants to retain their housing with TCHC; live independently, and where it is possible, in accessible, barrier-free environments. To include mentally challenged	S
	What about principle –seniors housing only for seniors	
	Staff should be included (and protected) also	
Section 4 – Business of TCHC	Need to define services in (g) more specifically	P, S U
	Concern with Subsidiary Companies because they will have an even less direct relationship with City Council	A, U, T
	Strong opposition to the contracting out of Property Management Services	T
	Two new clauses suggested re: Marketing Committee and TCHC as broker of services (see submission of CWTC)	P P

	Concern re: “user fees” – tenants should not have to pay for services such as laundry, hydro, etc.	
	Is Housing Connections included in (I)	
Section 5 – Operation and Control	Needs to be provision for Labour representation on the Board	U, T T
	Increase number of tenant board members	T
	Opposition to remuneration for board members	T, A
	Concern re: tenant board members having to be approved by Council – if necessary at all, should be rubber stamp approval only	T P, A
	Other suggested wording changes from CWTC – see memo	T
	Do Board Members have to be residents of the City – shouldn’t they have to be? May need to be expressed differently	A
	The word ‘personal’ should be the first word before knowledge (preferably people who have lived in housing at some point in their lives)	A
	No framework outlined for the appointment of Directors of Subsidiaries. Should be the same framework as is used for the TCHC Board	S
	In naming directors... of relevant expertise including: ...Add “understanding and commitment to the principles of equity, access and human rights protection”	
	Eligibility for housing includes refugee claimants; can this be made common for Board eligibility? Clarify this	
Section 6 – Shareholder Matters	Suggested change “ TCHC is subject to ...such as Tenant Protection Act, Human Rights Code and property standards by-laws”	A
	Does this (6.3.d) mean the Shareholder can approve a new tenant Board Member without consulting tenants	P T
	See suggested wording change to 6.3 in CWTC memo	
Section 7 – Funding Relationship with City and Operating Agreement	Add – Both parties will ensure that appropriate funding will be set aside annually to properly and fully support the Resident/Tenant Participation System	T P
	Still major concern about potential for losing RGI units	A

	The City needs to maintain a more direct relationship as opposed to an arms length relationship	A
	TCHC needs to meet the same standards as those that bind the City, in relation to the issues of equity, access and human rights	A, T
	7.4.1 change “may” to “The City may direct TCHC	A
	Need to maintain current and/or add additional support services for residents as needed	U
	Was the word “not” dropped by mistake as mandated services would not be an issue and the original draft referred to non-mandated items	
	Concern about why decision was made re: setting up new arm’s length corporation	
Section 8 – Governing Directions	Needs to include the fact that tenants and stakeholders can give deputations to the board, with timely notice	A
	Suggest new 8.1 “TCHC will, within the first year of operation, adopt, implement and support a system of tenant representation, as designed and approved by the tenants, that will provide tenant council structures at the local and corporate levels, providing for continuous input from the tenants. The TCHC will not unilaterally step outside of this tenant designed structure to create other structures. The TCHC will ensure that the tenant participation system is respected, nurtured and supported. Then delete 8.1 (a) and (b)	CWTC
	8.3.1a) add “and/or any other pertinent cause”	T
	TCHC should be bound by City’s Fair Wage Policy	U
	Will tenants be able to create their own organization for themselves	P
	Concern re: whose tenant representation system?	P
	What happened to the recommendation about an Ombudsman	P
	Also re: Sect. 9.1 – how and when would policies/documents be articulated	P

Section 9 – Accountability	The Community Management Plan needs to be consistent with the principles of access, equity and human rights	A
	Suggestion that there are already problems with tenants in private management communities having to make their cheques out to private management and getting evicted because they got it wrong. There needs to be better communication and things need to be simple so that residents do not get caught in loopholes	A U
	Housing is a public service that should be publicly administered and publicly delivered – don’t privatize delivery of any services	U P
	SD should include steps City must take to remedy any breach of agreement	P
	Will anything in the SD have any effect if not incorporated into by laws	P
	Suggest more reports and more frequency of reporting for sake of transparency	
	d) Seeking clarification re: what kind of audit is referred to by “other audits”	
Section 11 – Successor Rights	SD should state “The TCHC shall recognize the bargaining rights of trade unions affected”	U
	How long will Collective agreements be respected	U P
	Does this section refer also to Tenant Benefit Fund – will it go over to the new corporation to be used for its intended purpose	P
	Does this section mean that the Board can decide if it is or is not a “sale”	

Attachment No. 4

Revisions to Articles of Incorporation

For Ministry Use Only
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Ontario Corporation Number
Numéro de la société en Ontario
2000533

Form 3
Business Corporations Act

- 4.4 Clauses (d) and (e) of Article 9 (other provisions) are amended by changing the references made therein to section 42 of the Act to section 43 of the Act.
- 4.5 Clause (f) of Article 9 is amended by deleting “and” from subclause ii thereof and adding “and” at the end of subclause iii thereof and adding the following subclause iv:
- “iv. remuneration authorized from time to time pursuant to the provisions of any unanimous shareholder agreement made pursuant to the provisions of the Business Corporations Act.”
- 4.6 Clause (j) of Article 9 is amended by adding “the” to the second defined term so that the defined term shall be “the corporation”.
5. The amendment has been duly authorized as required by Sections 168 and 170 (as applicable) of the Business Corporations Act. La modification a été dûment autorisée conformément aux articles 168 et 170 (selon le cas) de la Loi sur sociétés par actions.
6. The resolution authorizing the amendment was approved by the shareholders/directors (as applicable) of the corporation on Les actionnaires ou les administrateurs (selon le cas) de la société ont approuvé la résolution autorisant la modification le

(Year, Month, Day)
(année, mois, jour)

These articles are signed in duplicate.
exemplaire.

Les présents statuts sont signés en double

METRO TORONTO HOUSING CORPORATION

(Name of Corporation)

(Denomination sociale de la société)

By:/Par: _____

(Signature) (Description of Office)
(Signature) (Fonction)

Attachment No. 5

BY-LAW NO. 2

A by-law relating generally to the conduct of the business and affairs of

TORONTO COMMUNITY HOUSING CORPORATION
(herein called the “Corporation”)

CONTENTS

1. Interpretation	9. Meetings of Shareholders
2. Registered Office and Seal	10. Shares and Transfers
3. Directors	11. Dividends
4. Meetings of Directors	12. Execution of Documents
5. Remuneration of Directors	13. Notices
6. Officers and Personnel	14. Banking and Fiscal
7. Standard of Care and Liability of Directors and Officers	15. Repeal and Amendment
8. Indemnification of Directors and Officers	16. Effective Date

BE IT ENACTED as a by-law of the Corporation as follows:

1. INTERPRETATION

1.01 In this by-law, unless the context otherwise requires:

- (a) “Act” means the *Business Corporations Act* of the Province of Ontario together with the regulations made pursuant thereto and any statute or regulations that may be substituted therefore, as amended from time to time;
- (b) “Board” means the Corporation’s Board of Directors;
- (c) “City” means the City of Toronto incorporated by the *City of Toronto Act, 1997*;
- (d) “City Clerk” means the City Clerk of the City from time to time;
- (e) “Corporation” means this Corporation;

- (f) “Council” means the council of the City;
 - (g) “Director” means a director of the Corporation;
 - (h) “Minister” means the Minister of Municipal Affairs and Housing or such other member of the Executive Council as may be assigned the administration of the SHRA under the *Executive Council Act*;
 - (i) “notice” means written or electronic notice;
 - (j) “person” means an individual, a corporation, the Crown, a municipality, an agency, a board, a commission or any other entity;
 - (k) “recorded address” means in the case of the Shareholder, its address as recorded in the shareholders’ register and in the case of a Director, officer, auditor or member of a committee of the Board, such person’s latest address recorded in the records of the Corporation;
 - (l) “Shareholder” means the City;
 - (m) “Shareholder Direction” means the Shareholder Direction dated October [●], 2001 relating to the Corporation, being a written declaration by the Shareholder made in accordance with subsection 108(3) of the Act and referred to in the Act as a unanimous shareholder agreement, as amended by the Shareholder from time to time; and
 - (n) “SHRA” shall mean the *Social Housing Reform Act, 2000* of the Province of Ontario, together with the regulations made pursuant thereto and any statute or regulations that may be substituted therefor, as amended from time to time.
- 1.02 In this by-law where the context requires, words importing the singular include the plural and vice versa and words importing gender include the masculine, feminine and neuter genders.
- 1.03 Save as aforesaid. all the words and terms appearing in this by-law shall have the same definitions and application as in the Act.
- 1.04 In the event of a conflict between the provisions of this by-law and any other by-law of the Corporation except a by-law amending or repealing all or any part of this by-law, the provisions of this by-law shall prevail.
- 1.05 The provisions of this By-law are expressly made subject to the provisions of the Shareholder Direction, the Act and the SHRA.

- 1.06 In the event of any conflict or inconsistency, then the provisions of the Shareholder Direction, the Act or the SHRA, as the case may be, shall prevail over the conflicting provisions of this By-law, but in all other respects this By-law shall remain in full force and effect.

2. REGISTERED OFFICE AND SEAL

- 2.01 The registered office of the Corporation shall be such location in the City as the Board may from time to time decide by resolution.
- 2.02 The Corporation may have a corporate seal which shall be adopted, and may be changed, by resolution of the Board.

3. DIRECTORS

- 3.01 Number of Directors - Except insofar as stipulated to the contrary in the Corporation's constituting Articles as same may be amended from time to time, the Corporation shall have a minimum of Two (2) Directors and a maximum of Thirteen (13) Directors as determined by the most recent special resolution passed by the Shareholder in that behalf in accordance with the Act or as determined by such provisions of the Act as may otherwise be applicable.

3.02 Categories of Directors

- (1) If the number of Directors of the Corporation is Thirteen (13):
- (a) Four (4) shall be members of the Council, one of whom shall include the Mayor of the City or the Mayor's designate;
 - (b) Two (2) of the Nine (9) set out in clause 3.02(1)(c) shall be residential tenants of the Corporation;
 - (c) Nine (9) shall in each case be persons having the qualifications and selected in the manner specified in the Shareholder Direction,

at the respective times of being elected or appointed as Directors.

- (2) If the number of Directors is less than Thirteen (13), then the Shareholder shall determine the number of Directors, if any, to be appointed or elected from the categories set forth in paragraph (1).

- 3.03 Qualification - No person shall be qualified for election as a Director if he or she

- (a) is less than 18 years of age;
- (b) of unsound mind and has been so found by a court in Canada or elsewhere;

- (c) has the status of a bankrupt;
- (d) is neither a resident Canadian nor a lawful landed immigrant in Canada;
- (e) neither resides in the City nor is the owner or tenant of land in the City.

3.04 **Term of Office**

- (1) (1) The term of office of the first Directors to constitute a 13-member Board shall continue until December 31, 2003.
- (2) Except as stipulated in paragraph (1), the term of office of each Director shall be as follows:
 - (a) for each Director described in clause 3.02(a), Eighteen (18) Months;
 - (b) for each Director described in clause 3.02(b) and 3.02(c), Three (3) Years.

3.05 **Continued Term of Office**

Notwithstanding subsection 3.04 a Director shall remain in office until a successor is appointed, unless such Director has been removed from office, resigns, or is deemed to have resigned pursuant to subsection 3.08.

3.06 Re-Election – A Director may be re-elected or re-appointed at the expiration of his or her term of office.

3.07 **Resignation** - A Director may resign from office upon giving a written resignation to the Corporation and such resignation becomes effective when received by the Corporation or at the time specified in the resignation, whichever is later.

3.07 **Deemed Resignation**

- (1) Any Director:
 - (a) described in clause 3.02(a) who ceases to be a member of the Council;
 - (b) described in clause 3.02(b) who ceases to be a residential tenant of the Corporation;
 - (c) who fails to meet the qualifications set out in subsection 3.03,shall be deemed simultaneously to have submitted to the Board of Directors a resignation from office.
- (2) Paragraph (1) does not apply to a councillor whose term of municipal office has expired prior to the appointment of his or her successor, in cases where the councillor has not sought re-election or who was not re-elected.

3.09 **Vacancies** - If a vacancy occurs in a Director's office:

- (a) any vacancy shall be filled by the Shareholder as soon as is reasonably possible;
- (b) any person appointed to fill such vacancy by the Shareholder shall be a member of the category among those specified in clauses 3.02 (a), (b) and (c) to which the person's predecessor belonged and shall hold office for the unexpired term of that predecessor.

3.10 **Chair**

- (1) The Chair shall be a Director and preside at meetings and may perform any other duties assigned by the Board.
- (2) The Chair shall be appointed by Council from among the Directors and shall hold such office until the cessation of such person's office as a Director.
- (3) In the event that such Chair resigns or the office otherwise becomes vacant during such term, Council shall appoint a replacement to hold office until the expiration of the original term, or Council may authorize the Board to fill such vacancy.

3.11 **Removal**

- (1) The Shareholder may, by ordinary resolution passed at an annual or special meeting remove any Director or Directors from office before the expiration of the applicable term(s) and may elect any person in any such Director's place for the remainder of the term, provided that such person shall be a member of the category specified in subsection 3.02 to which the person's predecessor belonged.
- (2) Without limiting the discretion of the Shareholder to remove any Director from office at any time, any of the following matters may give rise to the removal of a Director from office:
 - (a) breach of the Director's obligations under the Act, the SHRA or the Shareholder Direction;
 - (b) conflict of interest that cannot be resolved in any other manner satisfactory to the Board;
 - (c) engagement in activities that are deemed by the Board to have an adverse impact on the Director's duties as a Board member;
 - (d) ceasing to meet the eligibility criteria of a Board member as described in subsection 3.03 above.

3.12 **Cessation of Office** - A Director ceases to hold office on death, actual or deemed resignation, or removal from office by the Shareholder, or becomes disqualified to serve as a Director.

- 3.13 **Action by the Board** – Subject to the Shareholder Direction, the Board shall have the full power and authority to manage and control the affairs and business of the Corporation.

4. **MEETINGS OF DIRECTORS**

- 4.01 **Meetings by Telephone** - Where all the Directors present at or participating in the meeting have consented, any Director may participate in a meeting of the Board or of a Committee of the Board by means of conference telephone, electronic or other communications facilities to permit all persons participating in the meeting to communicate with each other, simultaneously and instantaneously, and a Director participating in such a meeting by such means is deemed to be present at the meeting.
- 4.02 **Regular Meetings** - The Board shall at or prior to the beginning of each calendar year, set a schedule of regular meetings for that year and, subject to subsections 4.07 and 4.08 adhere thereto.
- 4.03 **Special Meetings** - The Chair or any two Directors may convene a Special meeting of the Board at any time by giving formal notice thereof in accordance with subsection 4.05.
- 4.04 **Place of Meetings** – Each meeting of the Board shall be held at such place in the Province of Ontario as the Board may by standing or specific direction require.
- 4.05 **Notice of Meeting** – Notice of meeting of the Board of Directors, along with any Agenda material, shall be delivered or sent by facsimile or other form of written transmission to each Director not less than 24 hours before the time at which the meeting is to take place, and shall set forth the time, place and matter to be dealt with thereat.
- 4.06 **Non-Attendance at Meetings** – Each Director shall make reasonable efforts to advise the Secretary as far in advance as possible of any meeting which such Director expects not to attend.
- 4.07 **Notice of Cancellation/Rescheduling** – If the Secretary ascertains that there will apparently not be a quorum at a forthcoming regularly or specially scheduled meeting of the Board, the Secretary shall, in consultation with the Chair and the Chief Executive Officer, take appropriate steps to advise all Directors of the cancellation or rescheduling thereof.
- 4.08 **Mandatory Rescheduling** – If a regularly scheduled meeting of the Board is cancelled pursuant to subsection 4.07 without being rescheduled, the next regularly scheduled meeting thereof shall not be cancelled without being rescheduled.
- 4.09 **Quorum** – The quorum for a meeting of the Board shall be a majority of the total number of all Directors, determined as if any vacancies had been filled.

- 4.10 **Chair** - The Chair of any meeting of the Board shall be:
- (a) the Chair; or
 - (b) if the Chair is not available, another Director who is present at the meeting and selected by the Directors who are present.
- 4.11 **Votes to Govern** - At all meetings of the Board, each Director shall have one vote and every question shall be decided by a majority of votes cast on the question.
- 4.12 **Casting Vote** - In the case of an equality of votes on any question at a meeting of the Board, the Chair of the meeting shall be entitled to a second or casting vote.
- 4.13 **Resolution in Lieu of Meeting** - A resolution in writing signed by all the Directors entitled to vote on that resolution at a meeting of Directors or committee of Directors, is as valid as if it had been passed at a meeting of Directors or Committee of Directors, provided that a copy of every such resolution shall be kept with the minutes of the proceedings of the Directors or committee of Directors.
- 4.14 **Delegation**
- (1) Directors may appoint from their number a Committee of Directors and delegate to such Committee any of the powers of the Directors, subject to any limitations on the authority of such a Committee imposed by the Act.
 - (2) Unless otherwise determined by the Board, each Committee of Directors shall have the power to fix its quorum at not less than a majority of its members, to elect its chair and to regulate its procedure.
- 4.15 **Conflict of Interest - Disclosure of Interest in Contracts**
- (1) Every Director or officer of the Corporation who is a party to a material contract or transaction or proposed material contract or transaction with the Corporation or is a Director or officer of or has a material interest in any person who is a party to a material contract or transaction or proposed material contract or transaction with the Corporation shall disclose in writing to the Corporation or request to have entered in the minutes of the meeting of Directors the nature and extent of his or her interest at the time and in the manner required by the Act.
 - (2) Any such contract or proposed contract shall be referred to the Board or Shareholder for approval even if such contract is one that in the ordinary course of the Corporation's business would not require approval by the Board or the Shareholder, and a Director interested in a contract so referred to the Board shall not vote on any resolution to approve the same except as provided by the Act.
- 4.16 **Compliance with Conflict Policies** - The Directors shall ensure that at all times the conflict of interest requirements imposed by the SHRA, and/or by the Shareholder Direction, are complied with.

- 4.17 **Compliance with Confidentiality Policies** - The Directors shall ensure that at all times the confidentiality requirements imposed by the *Municipal Freedom of Information and Protection of Privacy Act* of the Province of Ontario together with the regulations made pursuant thereto and any statute or regulations that may be substituted therefor, as amended from time to time, and/or by the Shareholder Direction, are complied with.

5. **REMUNERATION OF DIRECTORS**

- 5.01 **Remuneration** – The remuneration payable to Directors, including those Directors who are also officers, shall be, subject to the Articles of the Corporation as amended from time to time, as authorized pursuant to the provisions of the Shareholder Direction.

6. **OFFICERS AND PERSONNEL**

6.01 **Appointment**

- (1) Subject to the Shareholder Direction, the Board shall from time to time appoint a Chief Executive Officer, a Secretary, a Treasurer, or a Secretary-Treasurer and may appoint a deputy Chief Executive Officer and such other officers as the Board may determine.
- (2) The Board may specify the duties of, and in accordance with this by-law, delegate to such officers powers to manage the business and affairs of the Corporation.

6.02 **Terms and Remuneration**

- (1) The terms of employment and remuneration of all officers elected or appointed by the Board, other than those who are Directors, shall be determined by resolution of the Board.
- (2) The Board shall also have the power to authorize the reimbursement of any Director or officer of the Corporation for reasonable expenses incurred in the performance of duties.

6.03 **Chief Executive Officer**

- (1) The Board shall appoint a Chief Executive Officer who shall be responsible for the general supervision of the day-to-day business and affairs of the Corporation and shall have such other powers and duties as the Board may specify.
- (2) In particular, but without restriction, the Chief Executive Officer:
 - (a) may engage, or arrange for the services of employees, agents and other personnel as may be required to perform such duties and exercise such powers as may be assigned to them by the Chief Executive Officer;
 - (b) shall have authority:

- (i) to commit the Corporation contractually, in each instance in an amount not in excess of:
 - (A) \$250,000.00, other than for consulting services;
 - (B) \$100,000.00 for consulting services;
- (ii) in cases of emergency, and with the approval of the Chair, to commit the Corporation contractually in an amount in excess of the applicable amount stipulated in item (i);
- (iii) to write off uncollectible rents not in excess of \$5,000.00 annually for any household in default, up to a total maximum of \$30,000.00 in any one fiscal year, provided that such total writing-off is reported to the Board within 3 months next following the end of such fiscal year.
- (c) shall determine, in consultation with the Chair, the agenda for each meeting of the Board;
- (d) shall have the duty to make recommendations to the Board respecting emerging policy questions which require its decision and to report action taken pursuant to the Chair's mandate, after the event, when no new policy question has arisen;
- (e) when submitting written reports to the Board sign at the end thereof over the title "Chief Executive Officer".

6.04 **Secretary** - The Board shall from time to time appoint a Secretary, who shall:

- (a) attend all meetings of the Directors, and committees of the Board and shall enter or cause to be entered in books kept for that purpose, minutes of all proceedings at such meetings;
- (b) give or cause to be given, when instructed, notices required to be given to the Shareholder, Directors, auditor and members of committees;
- (c) be the custodian of the stamp or mechanical device generally used for affixing the corporate seal of the Corporation and of all books, papers, records, documents and other instruments belonging to the Corporation; and
- (d) perform such other duties as may from time to time be prescribed by the Board.

6.05 **Treasurer** - The Board shall from time to time appoint a Treasurer, who shall:

- (a) keep, or cause to be kept, proper accounting records as required by the Act;

- (b) deposit, or cause to be deposited, all monies received by the Corporation in the Corporation's bank accounts;
- (c) under the direction of the Board, supervise the safekeeping of securities and the disbursement of the funds of the Corporation;
- (d) render to the Board, whenever required, an account of all his or her transactions as Treasurer and of the financial position of the Corporation; and
- (e) perform such other duties as may from time to time be prescribed by the Board.

6.06 **Other Officers**

- (1) The duties of all other officers of the Corporation shall be such as the terms of their engagement call for or the Board requires of them.
- (2) Any of the powers and duties of an officer to whom an assistant has been appointed may be exercised and performed by such assistant, unless the Board otherwise directs.

6.07 **Conflict of Interest** - An officer shall disclose his or her interest in any material contract or transaction or proposed material contract or transaction with the Corporation in accordance with subsections 4.15 and 4.16.

7. **STANDARD OF CARE AND LIABILITY OF DIRECTORS AND OFFICERS**

7.01 **Standard of Care** - Every Director and officer of the Corporation, in exercising his or her powers and discharging his or her duties, shall act honestly and in good faith with a view to the best interests of the Corporation, and exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.

7.02 **Limitation of Liability** - Subject to subsection 7.01, no Director or officer shall be liable for the acts, receipts, neglects or defaults of any other Director or officer or employee, or for any loss, damage or expense happening to the Corporation through the letting or subletting of land or premises owned or managed by the Corporation or through the insufficiency or deficiency of title to any property acquired for or on behalf of the Corporation, or for the insufficiency or deficiency in the maintenance, repair or renovation of any building comprising the projects under the control of the Corporation, or for the insufficiency or deficiency of any security in or upon which any of the monies of or belonging to the Corporation shall be invested, or for any loss or damage arising from the bankruptcy, insolvency or tortious acts of any person, firm or corporation with whom or which any monies, securities or effects of the Corporation shall be lodged or deposited, or for any loss, conversion, misapplication or misappropriation of or any damage resulting from any dealings with any monies, securities or other assets belonging to the Corporation, or for any loss occasioned by any error of judgment or oversight on his or her part in the operation, management or administration of the housing projects under the control of the Corporation, or for any other loss, damage or misfortune

whatever, which shall happen in the execution of the duties of his or her office or in relation thereto, unless the same are occasioned by his or her own dishonesty, wilful neglect or wilful default, provided that nothing herein shall relieve any Director or officer from the duty to act in accordance with the Act or from liability for any breach of the Act.

8. INDEMNIFICATION OF DIRECTORS AND OFFICERS

8.01 **Indemnification** – The Corporation shall indemnify and save harmless every Director or officer of the Corporation, or other person who has undertaken or is about to undertake any liability on behalf of the Corporation and his or her heirs, executors, administrators and estate shall be indemnified and saved harmless, out of the funds of the Corporation, from and against:

- (a) all costs, charges and expenses which such Director, officer or other person sustains or incurs in respect of any action, suit or proceedings which are brought against him in respect of any act, deed or matter made, done or permitted by him, in respect of the execution of the duties of his or her office or in respect to any such liability; and
- (b) all other costs, charges and expenses which he or she sustains or incurs in relation to the affairs thereof,

except such costs, charges or expenses as are occasioned by his or her own dishonesty, wilful neglect or wilful default, provided that nothing in this by-law shall limit the right of any person entitled to indemnity to claim indemnity apart from the provisions of this By-law.

8.02 **Insurance** – The Corporation may purchase and maintain such insurance for the benefit of its Directors and officers as such, as the Board may from time to time determine.

9. MEETINGS OF SHAREHOLDER

9.01 **Meetings** – Any meeting of the Shareholder shall be held as part of a Council meeting.

9.02 **Requisite Material** - The written material requisite for any annual or other Shareholder's meeting shall be submitted to the City Clerk, and the inclusion of such material in the documentation distributed by the City Clerk to the members of the Council in connection with the meetings at which such documentation is to be considered, shall constitute the notice of such Shareholder's meeting.

9.03 **Adjournment** – The Council may adjourn any Shareholder's meeting from time to time.

10. SHARES AND TRANSFERS

10.01 **Share Issuance** – No shares in the Corporation in addition to those deemed under the SHRA to have been issued to the Shareholder shall be issued except to the Shareholder.

- 10.02 **Restrictions on Share Transfers** – Except as provided in the SHRA, the Shareholder of the Corporation shall not, without the prior written consent of the Minister, transfer or encumber its legal or beneficial ownership in shares in the capital of the Corporation, and the Corporation shall not, without the prior written consent of the Minister, permit, acquiesce in, approve, ratify, recognize or register any transfer or encumbrance of legal or beneficial ownership in shares in its capital.
- 10.03 **Restriction on Amalgamation** – Except as provided in the SHRA, the Corporation shall not amalgamate with another corporation without the prior written consent of the Minister.
- 10.04 **Restriction on Voluntary Dissolution or Winding Up** – Except as provided in the SHRA or in the Act, the Corporation shall not, without the prior written consent of the Minister, be voluntarily dissolved.
- 10.05 **Restriction on Securities** - Any invitation to the public to subscribe for securities of the Corporation is prohibited.
- 10.06 **Share Certificates**
- (1) Every holder of one or more shares of the Corporation is entitled, at the holder's option, to a share certificate, or to a non-transferable written acknowledgment of the holder's right to obtain a share certificate, stating the number and class or a series of shares held by the holder as shown in the records of the Corporation.
 - (2) Share certificates and acknowledgments of a shareholder's right to a share certificate shall be in such form as the Board shall from time to time approve.
 - (3) Any share certificate shall be signed in accordance with subsection 12.01 and need not be under the corporate seal.
- 10.07 **Replacement of Share Certificates** - The Directors may by resolution prescribe, either generally or in a particular case, the conditions upon which a new share certificate may be issued to replace a share certificate which has been defaced, lost, stolen or destroyed.

11. **DIVIDENDS**

- 11.01 The Directors of the Corporation shall not declare, and the Corporation shall not pay, any dividend on any issued share of the Corporation.
- 11.02 No part of the income of the Corporation shall be payable to or otherwise available for the personal benefit of any shareholder of the Corporation.

12. EXECUTION OF DOCUMENTS

12.01 Signing Officers

- (1) Deeds, transfers, assignments, contracts and obligations of the Corporation may be signed by the Chief Executive Officer or any other person designated by the Board.
- (2) Notwithstanding paragraph (1), the Board may at any time and from time to time direct the manner in which and the person or persons by whom any particular deed, transfer, contract or obligation or any class of deeds, transfers, contracts or obligation or any class of deeds, transfers, contracts or obligations may be signed.

12.02 Seal - Any person authorized to sign any document may affix the corporate seal.

13. NOTICES

13.01 Giving Notice - The giving (including the sending, delivering or serving) of any notice (including any communication or other document) pursuant to the Act or to the Corporation's Articles or by-laws shall be sufficiently given if delivered personally or by facsimile to the intended recipient or to the intended recipient's recorded address, or, if mailed, by prepaid post.

13.02 Deemed Notice

- (1) Notice shall be deemed to have been given in the case of personal delivery or by facsimile at the time of such delivery or receipt of facsimile.
- (2) A prepaid mailed notice shall be deemed to have been received in the absence of a postal disruption, Five (5) Days after the mailing.

13.03 Omissions and Errors - The accidental omission to give any notice, or the non-receipt of any notice, or any error in any notice not affecting its substance, shall not invalidate any action taken at any meeting held pursuant to such notice or otherwise founded on the notice.

13.04 Waiver of Notice - Any person entitled to a notice may at any time in writing waive same or abridge the time for its delivery, and any such waiver, whether given before or after the conduct of the business to which the notice relates shall cure any default in the giving or timeliness of such notice.

14. BANKING AND FISCAL

14.01 Banking - The banking business of the Corporation shall be transacted with such banks, trust companies or other bodies corporate or organizations as may from time to time be designated by or under the authority of the Board under such agreements, instructions, and delegation of powers, subject to subsection 12.01, as the Board may from time to time authorize.

- 14.02 **Signing of Cheques** – All cheques and other negotiable instruments for the payment of money shall be signed in such manner and by such officers or persons as the Board may from time to time designate.
- 14.03 **Electronic Fund Transfers** - All electronic fund transfers by the Corporation shall be authorized in such manner and by such officers or persons as the Board may from time to time designate.
- 14.04 **Financial Year** - The financial year of the Corporation shall terminate on the 31st day of December in each year.

15. REPEAL AND AMENDMENT

- 15.01 **Repeal/Amendment** - Subject to the Shareholder Direction, the Board may repeal or amend all or any part of this By-law.
- 15.02 By-Law No. 1 of the Corporation is repealed.

16. EFFECTIVE DATE

- 16.01 **Effective Date** - This By-Law shall come into force on the [•] day of October, 2001.

The Policy and Finance Committee and the Community Services Committee also submit the following communication (September 17, 2001) from Councillor Soknacki, Chair, Scarborough East:

I write this letter to express concern at the proposed level of remuneration of \$500.00 per Board member per meeting for the Toronto Community Housing Corporation (TCHC).

Without a doubt the TCDC is a substantial responsibility, and Council needs to do its utmost to ensure the commitment of Board members. However, establishing a per meeting remuneration rate far in excess of any other special purpose body is, I believe, the wrong precedent. We all know that citizen members serve to improve our community, and to both gain and share expertise. To set a per meeting remuneration similar to for-profit Board meetings may cause distraction from those volunteers on the City's other special purpose bodies, incorrect expectations from prospective TCHC Board members, and adverse comment from both TCHC tenants and taxpayers alike.

Therefore I request your reconsideration for the remuneration rate.

Thank you.

The Policy and Finance Committee and the Community Services Committee also had before it, during consideration of the foregoing matter, communications from the following outlining their concerns, comments, issues, or recommendations with respect to the draft Shareholder Direction for the Toronto Community Housing Corporation:

- (i) (September 4, 2001) from Mr. Bruce Rivers, Executive Director, Children's Aid Society of Toronto;
- (ii) (September 7, 2001) from Ms. Sandy Nimmo, Chairperson, City Wide Tenant Council;
- (iii) (September 18, 2001) from Ms. Maeve Sullivan, West Toronto Community Legal Services;
- (iv) (September 19, 2001) from Ms. Angie Hains, Chairperson, Toronto Non-Profit Housing Providers Network;
- (v) (September 19, 2001) from Ms. Jill McNall, Community Legal Worker, Willowdale Community Legal Services, on behalf of the Interclinic Public Housing Workgroup;
- (vi) (September 20, 2001) Briefing Note respecting remuneration for citizens appointed by Council to City and External Boards;
- (vii) (September 18, 2001) from The Joint Working Group of MTHC and THC, submitting a paper, entitled "Respecting Our Diverse Pasts: Building Our Common Future"; and
- (viii) (September 20, 2001) from Mr. Tom Clement, Executive Director, Co-operative Housing Federation of Toronto.

The Acting Chief Administrative Officer provided the Policy and Finance Committee and the Community Services Committee with an overhead presentation on the Toronto Community Housing Corporation, and filed a copy of her presentation.

The following persons appeared before the Policy and Finance Committee and the Community Services Committee in connection with the foregoing matter:

- Ms. Irene Jaakson, Advisory Committee on Homeless and Socially Isolated Persons, and filed a written submission in regard thereto;
- Ms. Ann Fitzpatrick, Children's Aid Society of Toronto, and filed a written submission in regard thereto;
- Ms. Pat McKendry, Tenant Representative, City Wide Tenant Council (of the Toronto Housing Company), and filed a written submission in regard thereto;

- Ms. Sandy Nimmo, Volunteer Chairperson, City Wide Tenant Council (of the Toronto Housing Company);
- Ms. Judy Vellend, Homelessness Action Group, and filed a written submission in regard thereto;
- Ms. Josephine Grey;
- Ms. Carolyn Fenn, Greenbrae Residents Group, Coalition of the Public Housing Fightback, and filed a written submission in regard thereto;
- Ms. Sarah Shartel, Member, Toronto and York Region Labour Council, and filed a written submission in regard thereto;
- Mr. John Ford, Staff Representative, OPSEU Local 592;
- Ms. Amber Kellen, Co-Chair, Sub-Committee for Long-Term Prevention Issues, Advisory Committee on Homeless and Socially Isolated Persons;
- Mr. Tim Rourke, and filed a written submission in regard thereto;
- Ms. Kris Devon and Ms. Linda McCormick, Advisory Council of Toronto Social Housing Connections, and filed a written submission in regard thereto;
- Mr. Vance Latchford, Principal, Latchford Associates;
- Ms. Holly McKean;
- Mr. Albert B. Hoogenboom, Broadway Courtyard and Tenants' Association and City Wide Tenant Council, and filed a written submission in regard thereto;
- Mr. John Cartwright, Business Manager, Toronto - Central Ontario Building and Construction Trades Council, and filed a written submission in regard thereto;
- Mr. Brian Cochrane, President, Toronto Civic Employees' Union, Local 416 CUPE, and filed a written submission in regard thereto;
- Mr. Larry Heitner;
- Ms. Juanita Downey, Agnes McPhail Community, East District, and filed a written submission in regard thereto;
- Ms. Tricia De Roche, Youth Housing Outreach Project, and filed a written submission in regard thereto;
- Mr. Rick Coveyduck, Anti-Ableism Committee, and filed a written submission in regard thereto;

- Mr. Tim Maguire, City Unit Officer, Canadian Union of Public Employees Local 79, and filed a written submission in regard thereto; and
- Ms. Patricia Duck.

The following Member of Council also appeared before the Policy and Finance Committee and the Community Services Committee in connection with the foregoing matter:

- Councillor David Soknacki, Scarborough Highland Creek, Ward 16, requesting that the remuneration for the Board of Directors be reduced to \$250.00 per meeting.

(City Council on October 2, 3 and 4, 2001, had before it, during consideration of the foregoing Clause, the following report (September 28, 2001) from the Acting Chief Administrative Officer:

Purpose:

This report responds to various motions that were referred to the Acting CAO at the September 20, 2001 joint meeting of Policy and Finance and Community Services Committees to consider the proposed Shareholder Direction to the Toronto Community Housing Corporation.

Financial Implications and Impact Statement:

This report has no direct financial implications.

Recommendations:

It is recommended that:

- (1) *the Shareholder Direction to the Board of the Toronto Community Housing Corporation be approved subject to:*
 - (i) *amending section 3.3.2 under the heading 'Principles' by adding thereto:*
 - “(k) recognize that social housing primarily serves tenants of low and moderate incomes and accommodates their needs where possible.”;*
 - (ii) *amending paragraph 6.3.1(c) by inserting after the words “rent-gear-to-income units” the words “,including changes to targeting plans,” so that the paragraph reads:*
 - “(c) subject to Section 9 of this Direction proceed with re-development projects, or material changes in the number or distribution of rent-gear-to-income units, including changes to targeting plans, without prior approval of the Shareholder;”;*

- (iii) *amending the introductory clause in section 8.1.1 by so that it reads:*
- “Prior to September 30, 2002, TCHC and the tenants will develop a democratic system of active tenant participation and involvement that will:”;*
- (iv) *amending paragraph 8.3.1(c) by inserting after the word “transparent” the words “,that advocates on behalf of tenants to seek a solution to their complaints,” so that it reads:*
- (c) *implement in the first year of operation a complaint process that is accessible, transparent, that advocates on behalf of tenants to seek a solution to their complaints, and that respects the management accountabilities within TCHC and allows for the review of operational decisions at a senior level within TCHC.”;*
- (v) *amending section 8.3.1 by adding thereto:*
- “(d) put in place tendering and purchasing practices that ensure that the TCHC will manage all financial transactions in a transparent and open manner”;*
- (vi) *amending section 8.4 in the Shareholder Direction by adding the following sentence thereto:*
- “The TCHC will advocate on behalf of the TCHC and other social housing providers on issues related to the supply, quality and affordability of housing in the community.”;*
- (vii) *amending section 9.2 under the heading ‘Annual Report’ by adding thereto the following:*
- “(g) information regarding the number of evictions each year, the rationale and the cost of these evictions”;*
- (2) *the following motion, which was moved by Councillor McConnell at the joint meeting of the Policy and Finance and Community Services Committees held on September 20, 2001, be referred to the Board of the Toronto Community Housing Corporation to take into consideration when developing the complaints process:*
- “That Section 8.3 under the heading ‘Other Matters’ be amended to provide that the Shareholder Direction include a requirement to establish an independent Ombudsperson to accept tenant complaints and act on behalf of tenants to resolve issues.”;*
- (3) *the Commissioner of Urban Development Services be requested to develop a protocol for enforcement of property standards and other bylaws in City owned agencies including the TCHC, in consultation with those agencies affected;*

- (4) *recommendation (8) in the joint report, dated September 12, 2001, from the Acting Chief Administrative Officer and the City Solicitor be amended by:*
- (i) *adding after the words “at the earliest possible time” the following words: “, taking into consideration relevant policies and processes in the THC, MTHC, the social housing sector and the City of Toronto,”; and*
 - (ii) *deleting the words “at the earliest possible time” and inserting in lieu thereof the words “by April 2002”,*

so that the recommendation now reads:

“the Board of Directors of TCHC be immediately requested by the Acting Chief Administrative Officer to develop the policies and processes on eviction prevention, a tenant complaints process, fair wages for contracted services, and employment matters by April 2002, taking into consideration relevant policies and processes in the THC, MTHC, the social housing sector and the City of Toronto”;

- (5) *Council recommend to the Board of Directors of the Toronto Community Housing Corporation that a committee be established to outline options and protocols for conversion to housing co-operatives; that the TCHC Board be requested to consider inviting the Co-op Housing Federation and other housing organizations to be members or advisors to such a committee; and further that the Board of Directors report back to Council on this issue as part of the Community Management Plan; and*
- (6) *the appropriate City Officials be authorized and directed to take the necessary action to give effect to the foregoing recommendations.*

Background:

The Policy and Finance Committee and Community Services Committee met on September 20, 2001 to consider the report, dated September 12, 2001, from the Acting Chief Administrative Officer and the City Solicitor, entitled “Shareholder Direction to the Toronto Community Housing Corporation (TCHC)”. The Committees have recommended adoption of the report to Council.

A number of deputants appeared before the joint Committees. Several deputants expressed their concern with the number of evictions from the THC and MTHC portfolios and identified the need for an eviction prevention policy at the earliest possible time. This issue is addressed in the recommendations contained in this report. Another area of concern articulated by some deputants is the need for a tenant driven system of representation. This issue is addressed in the Shareholder Direction and the recommendations in this report.

Tenants and tenant representatives identified six principles to be included in the Shareholder Direction. These principles were presented to staff during the drafting of the Shareholder Direction. Support for the principles was echoed by labour and community representatives who made deputations. The six principles are:

1. *Housing is a basic need and a human rights obligation under international law.*
2. *Social Housing is a public service that should be publicly administered and publicly delivered.*
3. *Social housing is for low and moderate income tenants and must recognize the special needs of all residents.*
4. *Resident-driven participation in decision-making is key to successful delivery.*
5. *The City will appoint an independent ombudsperson (investigator).*
6. *The new Housing Company is accountable to Council.*

During debate of September 12th report from the Acting CAO and City Solicitor, a number of motions were moved by Members of the Committees. The six principles advocated by the deputants are contained within the motions. The Committees referred the motions to the Acting Chief Administrative Officer for a report thereon directly to Council for its meeting on October 2, 2001. This report responds to the Committees' request. An annotated list of all the referred motions is appended to this report as Attachment #1.

Comments:

Generally the motions fall within three categories.

- (a) *In some instances it is possible to modify the Shareholder Direction to accommodate the concerns expressed in the motion. The recommendations in this report have been developed in that context.*
- (b) *Many of the concerns expressed in the motions have already been addressed in the Shareholder Direction. Relevant sections of the Shareholder Direction are indicated in the annotations in Attachment #1.*
- (c) *Several of the motions propose directions that are inconsistent with positions adopted by City Council at its meeting on June 26-28, 2001 (Policy and Finance Committee Report 9(1)). These motions include recommendations that may have the effect of altering the composition of the Board of Directors. They also include motions that are inconsistent with Council's decision to establish the TCHC as an arm's length corporation, with its own management structure, employees, labour relations regime, and authority to control its own finances and decide how it meets its business targets. In this context, motions which aim to dictate to the Board what its policies and practices should be would have the effect of placing Council in the place of the Board. This is inconsistent with the direction taken by Council in June.*

A number of motions reflect concern about City by-laws, particularly property standards, and procedures for their enforcement. As noted in the comments in Attachment #1, the housing corporation is expected to comply with City by-laws. The issue is one of enforcement and therefore is an issue for the City. For this reason, it is recommended that the Commissioner of Urban Development Services be requested to develop a protocol for enforcement of property standards and other bylaws in City owned agencies including the TCHC, in consultation with the affected agencies.

A number of motions concerned the level of remuneration for Board members that is being recommended in the joint report, dated September 12, 2001, from the Acting CAO and the City Solicitor. Remuneration is discretionary. Therefore Council may choose any remuneration level it wants, including no remuneration or capped amounts at any level. Council has not capped remuneration for Directors of other City-owned agencies. Staff have recommended \$10,000.00 per annum plus \$500.00 per formal Board meeting for the Chair and \$500.00 per formal Board meeting for directors. No remuneration is recommended for committee meetings. Staff concluded that the remuneration recommended in the September 12 report by the Acting CAO and the City Solicitor is fair, taking into consideration responsibilities and effort of the Board, the public service component and the amounts paid to the housing board in the former City of Toronto.

Conclusions:

As requested by Policy and Finance and Community Services Committees on September 20, 2001, staff have reviewed the motions listed in Appendix #1, which were referred to the Acting CAO. The review was undertaken in the context of consistency with positions already adopted by Council at its meeting on June 26-28, 2001. The review also took into consideration matters already addressed in the proposed Shareholder Direction to the TCHC Board of Directors. Detailed comments on each of the motions are provided in the attachment to this report. This report recommends some amendments to the Shareholder Direction in response to issues raised in the referred motions. The City Solicitor was consulted during the preparation of this report and concurs with the comments and recommendations herein.

Contact:

*Phillip Abrahams, Manager, Intergovernmental Relations
Phone: 416-392-8102 Fax: 416-696-3645 Pabraham@city.toronto.on.ca*

Attachments:

- 1. Motions Referred to the Acting CAO by Policy and Finance and Community Services Committees, September 20, 2001*

Attachment #1

Motions Referred to the Acting CAO by Policy and Finance and Community Services Committees, September 20, 2001

<i>MOTION</i>	<i>COMMENTS</i>
<p>1. <i>That the Shareholder Direction Section 3.2.1 under the heading 'Shareholder Objectives' be amended to read as follows:</i></p> <p><i>"TCHC will employ City staff and, subject to the terms of this direction, be responsible for the management of its housing portfolio."</i></p>	<ul style="list-style-type: none"> • <i>Inconsistent with Council's decision on June 26-28, 2001 that the TCHC will be an arm's length corporation that employs its own staff.</i> • <i>Council has decided that THC assets and operations will be transferred to TCHC.</i>
<p>2. <i>That there be no further privatization or contracting out of programs, services or property management functions.</i></p>	<ul style="list-style-type: none"> • <i>This is inconsistent with Council's decision to establish the TCHC as an arm's length corporation as the City would be assuming the Board's decision-making responsibilities.</i>
<p>3. <i>That there be a place reserved on the Board of Directors for a member of organized labour.</i></p>	<ul style="list-style-type: none"> • <i>Inconsistent with Council's decision on the composition of the Board.</i> • <i>There is nothing to prevent a member of organized labour from applying for one of the citizen positions on the Board, if they meet the specified qualifications.</i>
<p>4. <i>That programs, services and property management functions currently performed by private contractors be re-examined with a view to insourcing them for greater accountability, quality and control.</i></p>	<ul style="list-style-type: none"> • <i>This is inconsistent with Council's decision to establish the TCHC as an arm's length corporation as the City would be assuming the Board's decision-making responsibilities.</i> • <i>The Board will examine this in the context of development of the Community Management Plan.</i>
<p>5. <i>That the TCHC be required to report to Council on any plans it has to privatize and/or contract-out work, including the use of private property management firms and the contracting-out of work currently performed by City employees.</i></p>	<ul style="list-style-type: none"> • <i>Section 9 in the Shareholder Direction already requires the Board to provide a rolling three year Community Management Plan and an Annual Report to Council.</i> • <i>Community Management Plan will outline issues, strategies and major initiatives.</i> • <i>Specificity of this motion is inconsistent with Council's decision to establish the TCHC as an arm's length corporation as the City would be assuming the Board's decision-making responsibilities.</i>

MOTION	COMMENTS
<p>6. <i>That the Shareholder Direction Section 3.3.1 under the heading 'Principles' be amended by adding thereto the following:</i></p> <p>(i) <i>TCHC recognizes that housing is a right and a basic need, as recognized by the UN Declaration on Human Rights;</i></p> <p>(ii) <i>TCHC recognizes that public housing is a public service and should be publicly administered and publicly delivered;</i></p> <p>(iii) <i>TCHC recognizes that resident driven participation in decision-making is the key to successful delivery.</i></p>	<ul style="list-style-type: none"> • <i>Federal and provincial governments are responsible for establishing rights in Canada under Constitution and Charter of Rights and Freedoms. At present time, housing is not designated by federal or provincial governments as a need or human rights obligation. It is inappropriate for the City to be creating new rights and obligations where they currently do not exist. Also difficult to assess the implications of imposing such a policy on the TCHC. Section 6.4.2 of the Shareholder Direction does specify that the TCHC will be subject to a variety of legislation that governs its operations, including the Human Rights Code.</i> • <i>TCHC is a public sector housing company wholly owned by the City of Toronto and therefore provides housing as a public service.</i> • <i>Section 3.2.1 (e) already sets an objective of tenant participation "in local and corporate decisions through an accountable, democratic system of representation." Could insert the words "tenant driven" in front of "accountable, democratic system...."</i>
<p>7. <i>That the Shareholder Direction Section 3.3.2 under the heading 'Principles' be amended by adding thereto the following:</i></p> <p>(k) <i>recognize that social housing serves tenants of low and moderate incomes and accommodate the special needs of those tenants; and</i></p> <p>(l) <i>be accountable to the City of Toronto and City Council.</i></p>	<ul style="list-style-type: none"> • <i>Too narrow as written because social housing currently provides for a very diverse group, not only low and moderate income. Could be modified to read: "(k) recognize that social housing primarily serves tenants of low and moderate incomes and accommodates their needs where possible."</i> • <i>Accountability is already in the Shareholder Direction in section 3.2.1 (a).</i>

<i>MOTION</i>	<i>COMMENTS</i>
<p>8. <i>That the City provide a detailed analysis of the benefits and liabilities of incorporating under the Social Housing Reform Act, and how it will impact on Council's ability to make decisions regarding the Housing Company and the provision of housing services.</i></p>	<ul style="list-style-type: none"> • <i>Inconsistent with Council decision of June 26-28, 2001 to use the local housing corporation created under the SHR Act.</i>
<p>9. <i>That the TCHC be required to report to Council immediately if the Corporation is no longer able to comply with the requirements of the Shareholder Direction.</i></p>	<ul style="list-style-type: none"> • <i>Already required to provide three year Community Business Plan and Annual Report.</i>
<p>10. <i>That the Shareholder Direction Section 4.2 under the heading 'Creation of Subsidiary Companies' be amended to provide that the Shareholder Direction specifically require Council approval for the creation of any subsidiary companies.</i></p>	<ul style="list-style-type: none"> • <i>This is inconsistent with Council's decision to establish the TCHC as an arm's length corporation as the City would be assuming the Board's decision-making responsibilities.</i> • <i>The Community Management Plan will indicate to Council how the Board plans to manage business over the next three years. Both the Community Management Plan and the Annual Report will require comprehensive reporting on TCHC, including all subsidiaries.</i>

<i>MOTION</i>	<i>COMMENTS</i>
<p>11. <i>That the Shareholder Direction Section 8.1 under the heading 'Tenant Participation' be amended to provide that:</i></p> <p>(i) <i>the Shareholder Direction specifically require the TCHC to adopt the tenant involvement process, designed by tenants, that provides for democratic tenant representation;</i></p> <p>(ii) <i>the Shareholder Direction require the TCHC to maintain the current commitment to promoting and facilitating tenant involvement, including a commitment to fund these efforts to at least the current level; and</i></p> <p>(iii) <i>the Shareholder Direction include a requirement to actively engage tenants in the policy development process.</i></p>	<ul style="list-style-type: none"> • <i>There is no issue with the tenants designing the participation system. However, Board review and approval is required because of the financial impacts of supporting the system and also to ensure that the system is consistent with the Shareholder Direction (for example, the Board could not agree to a system that is not democratic because that would be in contravention of the Shareholder Direction).</i> • <i>Shareholder Direction already commits TCHC to a system of tenant involvement based on current best practices (section 8.1.1)</i> • <i>Section 8.1.1 already provides for tenant input at local and corporate levels.</i> • <i>Key objectives in this motion are to ensure that tenant participation system is democratic and tenant involvement is active. Therefore recommend that section 8.1.1 be amended so that the introductory statement will read: "Prior to September 30, 2002, TCHC and the tenants will develop a democratic system of active tenant participation and involvement that will."</i>

<i>MOTION</i>	<i>COMMENTS</i>
<p>12. <i>That Section 8.3 under the heading ‘Other Matters’ be amended to provide that the Shareholder Direction include a requirement to establish an independent Ombudsperson to accept tenant complaints and act on behalf of tenants to resolve issues.</i></p>	<ul style="list-style-type: none"> • <i>Recommendation (8) in the September 12, 2001 report requests the Board to develop, inter alia, a tenant complaints process at the earliest possible time and report on this to Council.</i> • <i>Requirement to put in place a complaints process is covered in section 8.3 in the Shareholder Direction.</i> • <i>This motion reflects concern that complaints mechanism should lead to resolution of complaints. Therefore recommend that paragraph 8.3.1(c) be amended by inserting after the word “transparent” the words “,that advocates on behalf of tenants to seek a solution to their complaints,”.</i> • <i>Also recommend that this motion be referred to the Board to take into consideration when developing the complaints process.</i>
<p>13. <i>That the TCHC shall adhere to an eviction policy that is consistent with the Council policy on evictions; and that the Acting Chief Administrative Officer be requested to forward to Council a draft policy for approval that shall be incorporated into the Shareholder Direction or in the by-laws of the Corporation, as appropriate.</i></p>	<ul style="list-style-type: none"> • <i>This is inconsistent with Council’s decision to establish the TCHC as an arm’s length corporation as the City would be assuming the Board’s decision-making responsibilities.</i> • <i>The Board is already requested to develop an eviction prevention policy at the earliest possible time and to report back to Council on the policy.</i> • <i>Also covered in section 8.3 of Shareholder Direction.</i>
<p>14. <i>That the TCHC shall adhere to a human rights and harassment policy that is consistent with the Council policy; and that the Acting Chief Administrative Officer be requested to forward to Council a draft policy for approval that shall be incorporated into the Shareholder Direction or in the by-laws of the Corporation, as appropriate.</i></p>	<ul style="list-style-type: none"> • <i>This is inconsistent with Council’s decision to establish the TCHC as an arm’s length corporation as the City would be assuming the Board’s decision-making responsibilities.</i> • <i>This is addressed in section 3.2.1 and TCHC is covered by all laws related to human rights and harassment.</i>

MOTION	COMMENTS
<p>15. That the TCHC shall adhere to a property standards policy that is consistent with the property standards enforced by the City; and that the Acting Chief Administrative Officer be requested to forward to Council a draft policy for approval that shall be incorporated into the Shareholder Direction or in the by-laws of the Corporation, as appropriate.</p>	<ul style="list-style-type: none"> • TCHC is already bound by property standards bylaws. The issue is one of enforcement. • Recommend that the Commissioner of Urban Development Services be requested to develop a protocol for enforcement of property standards and other bylaws in City owned agencies including the TCHC, in consultation with the affected agencies.
<p>16. That the TCHC shall adhere to a conflict of interest policy that is consistent with the Council policy; and that the Acting Chief Administrative Officer be requested to forward to Council a draft policy for approval that shall be incorporated into the Shareholder Direction or in the by-laws of the Corporation, as appropriate.</p>	<ul style="list-style-type: none"> • This is covered in the Shareholder Direction (section 5.9)
<p>17. That the TCHC shall adhere to a purchasing and financial accountability policy that is consistent with the Council policy on transparency of financial transaction, tendering and open and accountable public spending; and that the Acting Chief Administrative Officer be requested to forward to Council a draft policy for approval that shall be incorporated into the Shareholder Direction or in the by-laws of the Corporation, as appropriate.</p>	<ul style="list-style-type: none"> • This is inconsistent with Council's decision to establish the TCHC as an arm's length corporation as the City would be assuming the Board's decision-making responsibilities. • Recommend amending section 8.3 in the Shareholder Direction by adding thereto: "(d) put in place tendering and purchasing practices that ensure that the TCHC will manage all financial transactions in a transparent and open manner"
<p>18. That the TCHC shall adhere to a Fair Wage policy that is consistent with the City's policy; and that the Acting Chief Administrative Officer be requested to forward to Council a draft policy for approval that shall be incorporated into the Shareholder Director or in the by-laws of the Corporation, as appropriate.</p>	<ul style="list-style-type: none"> • Board is required to develop a fair wage policy (Section 8.2 in Shareholder Direction and recommendation (8) in September 12, 2001 report) • Recommend that recommendation (8) in September 12, 2001 report be amended by adding after the words "at the earliest possible time" the following words: ", taking into consideration relevant policies and processes in the THC, MTHC, the social housing sector and the City of Toronto,".

<i>MOTION</i>	<i>COMMENTS</i>
<p>19. <i>That the Shareholder Direction be amended to provide that:</i></p> <p>(a) <i>the TCHC shall not sell any property without Council approval;</i></p> <p>(b) <i>the TCHC shall not convert the use of any property (including conversions from use by specific client groups, such as seniors) without Council approval; and</i></p> <p>(c) <i>the TCHC shall continue the practice of the Toronto Housing Company in being a provider of affordable housing and an advocate for affordable housing.</i></p>	<ul style="list-style-type: none"> • <i>Shareholder approval for sale of property is covered in section 6 of the Shareholder Direction.</i> • <i>Property conversion adequately covered in Shareholder Direction. Could clarify issue raised in this motion is addressed. Therefore recommend that paragraph 6.3.1(c) be amended by inserting after the words “rent-g geared-to-income units” the words “,including changes to targeting plans,”</i> • <i>Recommend amending section 8.4 in the Shareholder Direction by adding the following sentence thereto: “the TCHC will advocate on behalf of the TCHC and other social housing providers on issues related to the supply, quality and affordability of housing in the community.”</i>
<p>20. <i>That, prior to the meeting of City Council on October 2, 2001, the Acting Chief Administrative Officer be requested to convene a meeting with the Members of Council who have been involved in the preparation of the foregoing motions (1) to (6), in order to discuss her responses to such motions.</i></p>	<ul style="list-style-type: none"> • <i>Opportunity to meet was provided on September 26, 2001.</i>
<p>21. <i>That the Acting Chief Administrative Officer be requested to submit to Council for its meeting scheduled to be held on October 2, 2001, a report on the concerns raised in the deputations around income verification and eviction procedures, particularly in light of the fragility of many of the tenants served by the two housing companies; and that resolutions to these matters be included in either the Shareholder Direction or through the Community Management Plan.</i></p>	<ul style="list-style-type: none"> • <i>Income verification is regulated under the SHRA. There is virtually no discretion in the application of the rules.</i> • <i>The eviction issue is dealt with in Section 8.3 in the Shareholder Direction and recommendation (8) in the September 12, 2001 report.</i>

<i>MOTION</i>	<i>COMMENTS</i>
<p>22. <i>That Council recommend to the Board of Directors of the Toronto Community Housing Corporation that a committee be established to outline options and protocols for conversion to housing co-operatives; that the Co-operative Housing Federation of Toronto be a member of such committee; and further that the Board of Directors report back to Council on this issue as part of the Community Management Plan.</i></p>	<ul style="list-style-type: none"> • <i>This can be recommended to the Board.</i>
<p>23. <i>That, if the motions under ‘(5) Compliance with City Policies’ by Councillor McConnell are not adopted, City Council recommend to the new Board of Directors of the Toronto Community Housing Corporation the adoption of:</i></p> <p>(a) <i>a Fair Wage policy consistent with that of the City of Toronto;</i></p> <p>(b) <i>a Human Rights and Harassment Policy consistent with that of the City of Toronto;</i></p> <p>(c) <i>a Conflict of Interest policy consistent with that of the City of Toronto; and</i></p> <p>(d) <i>a purchasing policy consistent with that of the City of Toronto.</i></p>	<ul style="list-style-type: none"> • <i>This is inconsistent with Council’s decision to establish the TCHC as an arm’s length corporation as the City would be assuming the Board’s decision-making responsibilities.</i>
<p>24. <i>That the new Toronto Community Housing Corporation be made aware that it is Council’s desire that the practice of the current Toronto Housing Company with respect to evictions be adopted until new policies and practices are adopted by the new Board.</i></p>	<ul style="list-style-type: none"> • <i>It is assumed that current policies and practices apply until new policies and practices are developed.</i>

<i>MOTION</i>	<i>COMMENTS</i>
<p>25. <i>That the Board of Directors of the Toronto Community Housing Corporation be requested to establish a procedure for dealing with City by-law infractions (property standards, heating, etc.) and any appeals in an arm's length fashion that can address compliance in a fair and expeditious manner.</i></p>	<ul style="list-style-type: none"> • <i>Issue is one of enforcement</i> • <i>Recommend that the Commissioner of Urban Development Services be requested to develop a protocol for enforcement of property standards and other bylaws in City owned agencies including the TCHC.</i>
<p>26. <i>That Recommendation No. (8) contained in the joint report of the Acting Chief Administrative Officer and the City Solicitor be amended to read as follows:</i></p> <p style="padding-left: 40px;"><i>(8) the Board of Directors of TCHC be immediately requested by the Chief Administrative Officer to develop the policies and processes on eviction prevention, a democratic tenants' participation system and structure, a tenant complaints process, fair wages for contracted services, and employment matters by April 2002, and report to Council in a manner consistent with the Shareholder Direction.</i></p>	<ul style="list-style-type: none"> • <i>Recommend that recommendation (8) in the September 12, 2001 report be amended by deleting the words "at the earliest possible time" and inserting in lieu thereof the words "by April 2002".</i>
<p>27. <i>That the Shareholder Direction Section 9.2 under the heading 'Annual Report' be amended by adding thereto the following:</i></p> <p style="padding-left: 40px;"><i>(g) information regarding the number of evictions each year, the rationale and the cost of these evictions.</i></p>	<ul style="list-style-type: none"> • <i>Recommend that the Shareholder Direction Section 9.2 under the heading 'Annual Report' be amended by adding thereto the following:</i> <p style="padding-left: 40px;"><i>“(g) information regarding the number of evictions each year, the rationale and the cost of these evictions.”</i></p>

<i>MOTION</i>	<i>COMMENTS</i>
<p>28. <i>That Recommendation No. (2) contained in the joint report of the Acting Chief Administrative Officer and the City Solicitor be amended by deleting the amount of '\$500.00' and inserting in lieu thereof the amount of '\$250.00'.</i></p>	<ul style="list-style-type: none"> • <i>Remuneration is discretionary. Therefore Council may choose any remuneration level it wants, including no remuneration or capped amounts at any level. Staff have recommended \$10,000.00 per annum plus \$500.00 per formal Board meeting for the Chair and \$500.00 per formal Board meeting for directors. No remuneration is recommended for committee meetings. Staff concluded that the remuneration recommended in the September 12 report by the Acting CAO and the City Solicitor are fair, taking into consideration responsibilities and effort of the Board, the public service component and the amounts paid to the housing board in the former City of Toronto. N.B. remuneration of directors of other City-owned agencies has not been capped by Council.</i>
<p>29. <i>That Recommendation No. (2) contained in the joint report of the Acting Chief Administrative Officer and the City Solicitor be amended to provide that the remuneration paid to Board Members be capped at \$10,000.00 per year.</i></p>	
<p>30. <i>That the Acting Chief Administrative Officer be requested to report directly to Council for its meeting on October 2, 2001, on an annual maximum remuneration for Board Members of the Toronto Community Housing Corporation.</i></p>	
<p>31. <i>That City Council request that the Metro Toronto Housing Corporation and the Toronto Housing Company communicate in a timely manner to all tenants and employees the decisions reached by City Council concerning the Toronto Community Housing Corporation Shareholder Direction and the composition of the Board of Directors.</i></p>	<ul style="list-style-type: none"> • <i>This will be done.</i>
<p>32. <i>That the new Board of Directors of the Toronto Community Housing Corporation be requested to follow Council's existing sale of surplus property policy with respect to the Wineva-Hubbard properties.</i></p>	<ul style="list-style-type: none"> • <i>Staff will review existing obligations and relationship to Council's surplus property and Housing First policies.</i>
<p>33. <i>That a protocol be established in terms of the restructuring of any portfolio leading towards the sale of properties.</i></p>	<ul style="list-style-type: none"> • <i>This will be done.</i>

(City Council also had before it, during consideration of the foregoing Clause, the following communication (October 1, 2001) from the City Clerk:

Recommendation:

The Striking Committee on October 1, 2001, recommended to Council:

- (1) the appointment of Members of Council to the Board of Directors of the Toronto Community Housing Corporation, as follows:*
 - (i) that the following Member of Council be appointed as the Mayor's designate on the Board of Directors of the Toronto Community Housing Corporation:*

N. Kelly; and
 - (ii) that the following Members of Council also be appointed to such Board of Directors:*

*O. Chow
B. Duguid
G. Mammoliti; and*
- (2) that should Council approve the Shareholder Direction, Members be appointed for a term of office to expire November 30, 2003, and until their successors are appointed; and*
- (3) that the appropriate officials be authorized and directed to take the necessary action to give effect thereto.*

Background:

The Striking Committee had before it a report dated September 17, 2001, from the City Clerk forwarding a list of Members' preferences for appointment to the Toronto Community Housing Corporation, a copy of which is on file with the City Clerk.

The Striking Committee also had before it the following communications:

- (September 27, 2001) from Councillor Sandra Bussin, advising of her interest in being appointed to the Board of Directors, Toronto Community Housing Corporation; and*
- (October 1, 2001) from Mayor Mel Lastman, nominating Councillor Norm Kelly as his designate on the Toronto Community Housing Corporation Board of Directors.*

The following persons appeared before the Striking Committee in connection with the foregoing matter:

- *Councillor Olivia Chow, (Ward 20 - Trinity-Spadina); and*
- *Councillor Pam McConnell, (Ward 28 - Toronto-Centre-Rosedale.)*

(City Council also had before it, during consideration of the foregoing Clause, the following communication (October 2, 2001) from the City Clerk:

Recommendation:

The Nominating Committee, at its meetings held on September 17 and 24, and October 2, 2001, recommended to City Council:

- (1) the appointment of citizens and tenant representatives to the Board of Directors of the Toronto Community Housing Corporation, as listed in the confidential transmittal dated October 2, 2001, from the City Clerk, which was circulated under separate confidential cover to Members of City Council; and*
- (2) that:*
 - (a) should City Council approve the Shareholder Direction, which gives Council the authority to appoint the Chair of the Board from among the members appointed to the Board, and*
 - (b) should City Council wish to appoint a citizen member as Chair,*
the citizen named in the aforementioned confidential transmittal dated October 2, 2001, from the City Clerk be appointed Chair of the Board; and
- (3) that citizens and tenant representatives be appointed for a term of office expiring December 31, 2003, and until their successors are appointed, in accordance with the term specified in the Shareholder Direction; and*
- (4) that the appropriate officials be authorized and directed to take the necessary actions to give effect thereto.*

The Nominating Committee reports, for the information of City Council, having requested the Chair, in consultation with the Members of the Committee and appropriate officials, to respond to a communication dated July 9, 2001, from Emil Kolb, Chair, Peel Region, respecting 905 regional representation the Board of Directors of the Toronto Community Housing Corporation.

Background:

The Nominating Committee, at its meetings held on September 17 and 24, and October 2, 2001, had before it:

- (i) summary list of citizen applicants and copies of applications received for appointment to the Toronto Community Housing Corporation Board of Directors (circulated under separate confidential cover to Members of the Nominating Committee at the meeting held on September 17, 2001, and a copy thereof is on file with the City Clerk);*
- (ii) selection criteria for the appointment of citizens to the Board of Directors of the Toronto Community Housing Corporation (Appendix 1, attached);*
- (iii) communication dated July 9, 2001, from Emil Kolb, Chair, Peel Region, expressing concern as to 905 region representation on the Board of Directors of the Toronto Community Housing Corporation (circulated to Members of the Nominating Committee at the meeting held on September 17, 2001, and a copy is on file with the City Clerk);*
- (iv) confidential communication dated September 10, 2001, from Councillor Frank Di Giorgio in support of a candidate for appointment to the Board of Directors of the Toronto Community Housing Corporation (previously circulated to Members of Council under separate confidential cover with the Agenda for the September 17, 2001 meeting of the Nominating Committee, and a copy thereof is on file in the office of the City Clerk);*
- (v) Schedule for Interviews for Appointment to the Board of Directors of the Toronto Community Housing Corporation (circulated to Members of the Nominating Committee at the meeting held on September 24, 2001, under separate confidential cover, and a copy thereof is on file in the office of the City Clerk);*
- (vi) confidential report dated September 26, 2001, from the Acting Chief Administrative Officer, recommending the appointment of tenant representatives to the Board of Directors of the Toronto Community Housing Corporation (previously circulated to Members of Council under separate confidential cover, and a copy thereof is on file with the City Clerk).*

Appendix 1

***BASIC INFORMATION AND CRITERIA FOR APPLICANTS TO THE
TORONTO COMMUNITY HOUSING CORPORATION BOARD OF DIRECTORS***

City Council, at its meeting held on June 26, 27 and 28, 2001, approved the establishment of the Toronto Community Housing Corporation to manage the City-owned community housing portfolio.

- Composition* *13 members appointed by Council, comprising:*
- *7 citizen members to be appointed by Council on recommendation of the Nominating Committee*
 - *2 citizen members who are tenants, elected by tenants*
 - *the Mayor or a Council Member as the Mayor's designate, and 3 more Members of Council*
- Term of Office* *Citizen and tenants: for a term to expire December 31, 2003, in accordance with the Shareholder Direction; Councillors: for initial term to expire November 30, 2003; all until their successors are appointed.*
- Qualifications:* *Applicants should collectively represent a range of expertise including:*
- *knowledge of the social housing area*
 - *housing advocacy*
 - *community development*
 - *business and financial management*
 - *understanding of corporate governance responsibilities*
 - *organizational development*
 - *labour relations*
 - *legal aid experience*
 - *social services for hard to serve tenants*

To be eligible for appointment under Council's Policy for Citizen Appointments through the Nominating Committee, and the Business Corporations Act, applicants must:

- *be a City of Toronto resident or municipal property tax payer;*
- *be at least 18 years of age;*
- *not be an employee of the City or any of its agencies, boards or commissions*
- *not also be appointed to another City agency, board, or commission or as a City appointee to an external body*
- *not be an undischarged bankrupt*
- *not be found by a court to be mentally incompetent or of unsound mind*
- *not be a person who has been convicted of a criminal offence related to the employment of that person)*

(City Council also had before it, during consideration of the foregoing Clause, the following confidential communication (October 2, 2001) from the City Clerk, forwarding a recommendation of the Nominating Committee, such communication now public in its entirety:

Recommendation:

The Nominating Committee, at its meetings held on September 17 and 24, and October 2, 2001, recommended to City Council the appointment of citizens and tenant representatives to the Board of Directors of the Toronto Community Housing Corporation, in accordance with the provisions of the Shareholder Direction, as follows:

(i) *that the following be appointed as citizen members:*

(7 persons to be appointed)

*John Brewin
John Metson
Penny Milton
Wendy Porter
Elaine Todres
Nicholas Volk
David Zimmer*

and further that David Zimmer be appointed as Chair; and

- (ii) *that the following, who were elected by tenants, be appointed as tenant representatives:*

*Sushil Bajpai
Vance Latchford.)*

(City Council also had before it, during consideration of the foregoing Clause, a presentation dated October 3, 2001, entitled "Shareholder Direction to Toronto Community Housing Corporation", submitted by the Acting Chief Administrative Officer and Acting Chief Financial Officer, a copy of which is on file in the office of the City Clerk.)

(City Council also had before it, during consideration of the foregoing Clause, a communication (October 2, 2001) from Ms. Grace Buller and Mr. Howard Watson, Co-Chairs, Housing Committee, Canadian Pensioners Concerned, Inc., submitting comments regarding the operation of the Toronto Community Housing Corporation.)