

**SHAREHOLDER DIRECTION**

CITY OF TORONTO

TO

TORONTO SENIORS HOUSING CORPORATION

April 2021

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## 1. INTERPRETATION

### 1.1 Definitions

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

“*Auditor*” means the auditor of *TSHC*;

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

“*Board*” means the Board of *Directors* of *TSHC*;

“*CEO*” means the most senior employee and officer of *TSHC*;

“*Chair*” means a *Director* of the *TSHC Board* appointed as *Chair* of the *Board* from time to time;

“*City*” means the City of Toronto;

“*City CFO & Treasurer*” means the Chief Financial Officer and Treasurer of the City of Toronto or any *Person* appointed to act in the place of that individual or their delegate;

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

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

“*Directed by Council*” means a direction from *City Council*, acting on behalf of the City of Toronto in its capacity as *Shareholder*, to the *Corporation*, which direction shall be in the form of a recommendation or resolution approved by *City Council* which applies to *TSHC*;

“*Director*” means a member of the *Board* of Directors of *TSHC*;

“*Duly appointed representatives of the Shareholder*” means the *City Manager*, the *City CFO & Treasurer*, the Deputy City Manager Community and Social Services, the General Manager, Shelter, Support and Housing Administration, General Manager, Seniors Services and Long-Term Care, the City Solicitor and the *Auditor General* or their designates, or others as approved by *Council* from time to time.

“*Financial Statements*” means, for any particular period, audited or unaudited (as stipulated in this *Shareholder Direction*), consolidated or unconsolidated (as stipulated in this *Shareholder Direction*), comparative *Financial Statements* of *TSHC* consisting of not less than a Statement of Financial Position, a Statement of Operations and Accumulated Surplus, a Statement of Changes in Net Assets, a Statement of Cash Flows, 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 or upon request from the City of Toronto;

“*Integrated Service Model*” means the *Council*-approved program delivered by the *Toronto Seniors Housing Corporation* to support ageing in place through a prescribed staffing model, strong connections to health and social services and the development and implementation of seniors-specific policies and procedures;

"*Integrated Service Model Accountability Framework*" means the Council-approved framework which outlines the accountability relationship between the City (as represented by its Seniors Services and Long-Term Care Division) and the TSHC for the delivery and evaluation of *Integrated Service Model*;

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

"*Operate*" means to manage and maintain buildings under its control, and deliver subsidized and market rental housing programs in these buildings.

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

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

"*Public Member*" means an individual who is a *Board Director* and member of the public at large or a tenant of *TSHC* housing, but is not a member of *Council*;

"*Senior Household*" means a household with at least one household member aged 59 or over.

"*Senior Executive*" means the *CEO* and the senior management team that reports directly to the *CEO*;

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

"*Shareholder*" means the City of Toronto acting as the owner of *TSHC*;

"*Shareholder Direction*" means this *Shareholder Direction* as it may be amended, revised, supplemented or superseded in writing from time to time;

"*Social Housing*" means rental housing units which are owned by a non-profit housing provider and which are produced or funded under government programs providing comprehensive funding or financing arrangements. The particular funding program under which the housing was created determines eligibility.

"*Subsidized rental housing*" means rental housing units where the housing provider receives an operating subsidy, or the *Tenant* receives a rent subsidy.

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

"*Tenants*" means the tenants of *TSHC*, as defined in the *Residential Tenancies Act, 2006* as amended from time to time;

"*TCHC*" means Toronto Community Housing Corporation;

"*TSHC*" means Toronto Seniors Housing Corporation.

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## **2. INTRODUCTION**

### **2.1 City as TSHC Shareholder**

The *City* of Toronto is the sole Shareholder of *TSHC* pursuant to Part IV of the *HSA*.

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

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

- (a) To set out the accountability, responsibility and relationship between the *Board* and the *Shareholder*;
- (b) Subject to the *Board's* authority to supervise the management of the business and affairs of *TSHC*, to provide the *Board* with the *Shareholder's* operating principles regarding the business;
- (c) To recognize the *Board's* authority to supervise the management of the business and affairs of *TSHC* in accordance with this *Shareholder Direction* or as *Directed by Council*;
- (d) To inform the *Tenants* of *TSHC* and the general public of the *Shareholder's* operating principles regarding *TSHC*;
- (e) To set out the *City's* expectations of and objectives for *TSHC*;
- (f) To set out *TSHC's* mandate, scope of responsibilities and reporting requirements;
- (g) To set out certain rules of the *Service Manager* governing the operation of *TSHC* authorized by subsection 27(1)(b) of the *HSA*;
- (h) To constitute in part a declaration by the *City* pursuant to subsection 108(3) of the *OBCA* with respect to certain powers of the *Board*; and
- (i) To describe the structure of the *Board*.

## **3. OPERATING PRINCIPLES**

### **3.1 General**

*TSHC* is integral to the well-being and the infrastructure of the *City*. *TSHC* shall conduct its affairs in a manner consistent with the operating principles outlined in this Section (Section 3).

### **3.2 Governance**

- (a) *TSHC*, through the *Board*, will be responsible for determining and implementing the appropriate balance among the operating principles in this Section (Section 3), causing *TSHC* to conduct its affairs in accordance with the same, and be accountable to the *Shareholder* for how this balance is achieved;

- (b) *TSHC* will establish policies to mitigate financial risks to *TSHC* and to the *City* as *Shareholder* and as *Program Administrator* while maintaining or enhancing service standards and levels of service;
- (c) *TSHC* will work from a *Tenant*-centered perspective, recognizing the unique challenges experienced by senior *Tenants* to support ageing in place; and
- (d) *TSHC* shall ensure that its business is managed in compliance with all applicable law.

### **3.3 Housing Portfolio Management**

- (a) Subject to the terms of this *Shareholder Direction*, *TSHC* will be responsible for the management of its housing portfolio and making all policy and operational decisions;
- (b) *TSHC* will maintain assets that it manages in a state of good repair, in coordination with *TCHC*, in accordance with law;
- (c) *TSHC* will manage its housing portfolio consistent with *Council*-approved policy objectives and priorities, including the *City's* plans related to housing, homelessness, real estate or as *Directed by Council* and in compliance with all applicable law;
- (d) *TSHC* will seek out methods to operate as efficiently as possible, while maintaining service levels and meeting requirements, including consideration of reviews of programs, services and processes and opportunities to share services with other providers; and
- (e) *TSHC* will work in coordination with *TCHC* to ensure the capital needs of its housing portfolio are met.

### **3.4 Accountability**

- (a) *TSHC* will be accountable for meeting the intent of this *Shareholder Direction* to the *City* as *Shareholder*, and meeting the reporting requirements included in this *Shareholder Direction* and as required by the *City* from time to time;
- (b) *TSHC* will ensure that its policies and business practices are consistent with *City* standards of public accountability, financial management and transparency for the effective and efficient use of public funds; and
- (c) *TSHC* will have due regard for the role of Members of *Council* in representing the interest of their constituents and the *City*, and will provide timely access to information concerning the activities of *TSHC* respectively in the *City* and in their wards subject to confidentiality requirements.

### **3.4 Tenant Matters**

- (a) *TSHC* will consult with *Tenants* through efficient and effective engagement mechanisms 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*;

- (b) *TSHC* will provide *Tenants* with housing intended to respond to their housing needs and wherever feasible within communities where there is a diversity of incomes and a mix of rent geared-to-income and market rent paying *Tenants*;
- (c) *TSHC* will operate with an emphasis on supporting senior *Tenants* to age in place in dignity and comfort by facilitating access to services and supports needed for healthy ageing; and
- (d) *TSHC* will operate with an emphasis on providing responsive customer service, promoting *Tenant* satisfaction and supporting access to information and services by its diverse communities.

#### **4. MANDATE**

- 4.1.1 The core mandate of *TSHC* is to provide subsidized rental housing in a state of good repair to low and moderate income *Senior Households* in Toronto, and support ageing in place through the delivery of the *Integrated Service Model*.
- 4.1.2 In support of the core mandate in Section 4.1.1, and subject to the ongoing ability of *TSHC* to abide by this *Shareholder Direction*, the funding arrangements established by any *Program Administrator* and the ability of the *Board* to demonstrate the same, *TSHC*, directly or through partnerships or arrangements for the purchase of services, may engage in any of the following business activities, consistent with *TSHC*'s Articles of Incorporation and the *HSA*, other applicable law and best practices:
  - (a) Operate rental housing and provide related services;
  - (b) Assist *Tenants* in need of support to maintain their tenancies and age in place, through delivery of the *Integrated Service Model*;
  - (c) Deliver program-related services on behalf of any *Program Administrator* as requested or required;
  - (d) Operate commercial space and other commercial services in support of meeting business objectives; and
  - (e) Undertake any additional activity consistent with *TSHC*'s core mandate as described in Section 4.1.1 and additional *City* objectives and Council priorities, as *Directed by Council* from time to time, and subject to relevant provisions in Section 8.6.

#### **5. BOARD OF DIRECTORS**

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

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



- (a) Establishing annual and long range strategies and plans consistent with the provisions of this *Shareholder Direction*;
- (b) Establishing policies and taking other actions consistent with this *Shareholder Direction*, Council directives or requests, the *HSA* and all applicable law, agreements, and best practices of corporate governance and financial and risk management;
- (c) Establishing and maintaining appropriate reserves consistent with sound financial principles and the program regulations established by any *Program Administrator* from time to time;
- (d) Selecting bankers and other financial institutions and establishing all banking authorities;
- (e) Managing and directing all labour and employee relations matters;
- (f) Establishing committees of the *Board* including those referred to in Section 6.8 , and delegating to the committees such authority as the *Board* determines is appropriate, provided that the delegation of that authority is permitted under the *OBCA*;
- (g) Appointing the *CEO*, approving the terms of and compensation for their employment, establishing performance objectives for the *CEO*, monitoring the *CEO*'s success in meeting those objectives, and holding the *CEO* accountable for meeting those objectives;
- (h) Appointing the officers of *TSHC*, other than the *Chair* who is appointed by the *Shareholder*;
- (i) Approving and submitting required reporting to the *Shareholder*, including but not limited to requirements in Section 10; and
- (j) Ensuring that the *Board* has appropriate processes in place to ensure that information is reported to the *Board* in a timely manner to enable the *Board* to monitor implementation of its decisions and the performance of *TSHC* staff.

## **5.2 Meetings**

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

5.2.2 The *Board* shall pass a procedure by-law for governing the calling, place and proceedings of meetings of the *Board* and its committees. The *Board* shall seek approval from Council for the by-law.

## **5.3 Conflict of Interest Policy**

The *Directors* and officers of *TSHC* will strictly abide by the requirements of the *OBCA* and the *HSA*. *TSHC* shall adopt and apply a policy regarding conflicts of interest, including requirements concerning disclosure and abstention from voting.

## 5.4 Confidentiality

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

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

## 5.5 Remuneration

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

## 5.6 Removal of Directors

*Board Directors* are appointed to serve on the *Board* at pleasure of *Council*. A *Director* may be removed from the *Board* by the *Shareholder* in accordance with the *OBCA* for any reason as may be determined by the *Shareholder*. *TSHC* shall advise the *Shareholder* immediately when there is cause for removal of a *Director*. The reasons for such removal may include, but are not restricted to:

- (a) Breach of the *Director's* obligations under the *OBCA*;
- (b) Conflict of interest that cannot be resolved in any other manner satisfactory to the *Board*;
- (c) Engaging in activities that are deemed by the *Board* to have an adverse impact on their duties as a *Board* members;
- (d) Ceasing to meet the eligibility requirements in Section 6.1.1 and 6.2.1; and
- (e) Failure to attend three or more consecutive meetings of the *Board* or its committees without approval of the *Board*.

## 6. BOARD STRUCTURE

### 6.1 Composition of the Board

6.1.1 The *Board* will be composed of nine (9) members, including:

- (a) The Mayor or Council member designate appointed by the Mayor;
- (b) One (1) Council member from the Planning and Housing Committee or the Board

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of Health; and

- (c) Seven (7) public members, including:
  - o Five (5) public members at large; and
  - o Two (2) public members who are current tenants in the buildings operated by the *TSHC*.

6.1.2 For the first two years following incorporation, the composition of the *TSHC Board* shall include the *City Manager* or designate sitting in an ex-officio non-voting capacity.

## **6.2 Eligibility and Qualifications of Directors**

6.2.1 All *Directors* must meet the general eligibility requirements in the *City's* Public Appointments Policy for *Public Members*, and any additional eligibility requirements for corporate board members under the *OBCA*.

6.2.2 In naming *Directors* to the *Board*, the *Shareholder* will give due regard to the terms of reference for the *TSHC Board* to ensure that the *Board* members should collectively represent a range of skills and experience, including in:

- (a) Social housing delivery;
- (b) Property management;
- (c) Corporate governance;
- (d) Financial management of large budgets, including reporting and audit functions;
- (e) Organizational development;
- (f) Labour relations;
- (g) Business and contract law; and
- (h) Health and/or seniors services delivery.

## **6.3 Council Member Appointment Process**

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

## **6.4 Public Member Appointment Process**

6.4.1 The appointment of public members to the *TSHC Board* will follow the provisions of the *City's* Public Appointments Policy.

6.4.2 For the five (5) *Public Members* at large, the Corporations Nominating Panel will review applications, conduct interviews, and recommend nominees to *City Council* for appointment to the *Board*.

6.4.3 For the two (2) *Public Members* that are current *Tenants* of *TSHC* ("*Tenant Directors*"), *City* staff, with input from *TSHC Tenants*, will conduct outreach, review applications,

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conduct interviews, and recommend nominees to the Corporation Nominating Panel. The Corporation Nominating Panel will recommend nominees to *City Council* for appointment to the *Board*.

## **6.5 Chair and Vice-Chair**

6.5.1 The *Shareholder* will select a *Public Member* as the *Chair* of the *Board*.

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

## **6.6 Vacancies**

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

## **6.7 Term**

6.7.1 All Members of the *Board* serve at the pleasure of the *Council* for a term as specified by the *Council* or until their successor is appointed. *Directors* may be reappointed to the *Board*.

6.7.2 The term for Members of *Council* appointed to the *Board* shall be two years. Incumbent Councillor *Directors* may be reappointed as the *Shareholder* may determine.

6.7.3 The term for *Public Members*, including *Tenants*, appointed to the *Board* shall be two years. *Public Member* may serve a maximum of four two year terms.

6.7.4 Members of *Council* who are *Board Directors* cease to be *Directors* as soon as they cease to be Members of *Council*. The Member of *Council* who is a *Board Director* and Member of the Planning and Housing Committee or the Board of Health ceases to be a *Board Director* as soon as they cease to be a member of the Planning and Housing Committee or the Board of Health.

6.7.5 *Tenants* appointed to the *Board* cease to be *Directors* as soon as they cease to be *TSHC Tenants*.

## **6.8 Committees of the Board**

6.8.1 The *Board* is required to establish a committee of the *Board* that is responsible for, among other matters, *TSHC's Financial Statements* and auditing compliance by *TSHC* with this *Shareholder Direction* and the compliance of *TSHC* staff with *Board* policies.

6.8.2 The *Board* is required to establish a committee of the *Board* that is responsible for, among other matters, preparing a Senior Executive compensation policy as referred to in Section 11.2. At least one member of this committee is required to be a Member of *Council*.

6.8.3 The *Board* may establish other committees of the *Board* as the *Board* determines are appropriate, and delegating to the committees such authority as the *Board* determines is appropriate, provided that the delegation of that authority is permitted under the *OBCA*.

## **7. SHAREHOLDER MATTERS**

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

- 7.1.1 Subject to Law, *TSHC* shall conduct their affairs and govern their operations in accordance with such rules, policies and directives or objectives as *Directed by Council* from time to time.
- 7.1.2 Where *TSHC* wishes to obtain an approval or decision from the *City*, *TSHC* shall submit a written request to the appropriate *City* liaison for the approval or decision which includes all information necessary for the *City* to make an informed decision. *TSHC* shall submit its request and supporting information in a timely manner that enables the *City* liaison to comply with deadlines for submission to Committees and *Council*. The *City Manager*, the *City CFO & Treasurer*, the General Manager Shelter, Support & Housing Administration or the General Manager Seniors Services and Long-Term Care, as appropriate, shall determine how a particular matter for which approval or decision has been requested will proceed.

### **7.2 Liaison**

- 7.2.1 For matters requiring *Shareholder* approval or other action regarding governance matters set out in this *Shareholder Direction* and intergovernmental matters, the designated liaison is the *City Manager* or their representative.
- 7.2.2 *TSHC* shall ensure that proposals regarding Provincial or Federal legislation, policies or programs are co-ordinated with the *City Manager's Office* and *TSHC* shall follow such protocols as are established by that office from time to time.
- 7.2.3 For financial matters set out in this *Shareholder Direction*, the designated *City* liaison is the *City CFO & Treasurer*.
- 7.2.4 For matters concerning *TSHC's* administration of programs within the scope of the *HSA* or pursuant to agreements between *TSHC* and the *Service Manager*, the designated *City* liaison is the General Manager, Shelter, Support and Housing Administration Division.
- 7.2.5 For matters concerning the oversight and evaluation of the *Integrated Service Model*, the designated liaison is the General Manager, Seniors Services and Long-Term Care Division.

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

- 7.3.1 In accordance with the provisions of the *OBCA*, *TSHC* will not without the approval of the *Shareholder*:
- (a) Apply to make changes to its Articles of Incorporation;
  - (b) Amalgamate, 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 *TSHC*;
- (f) Change the *Auditor*;
- (g) Make any change to the number of *Directors* comprising the *Board*, or appoint *Directors*; and
- (h) Enter into any transaction or take any action that requires *Shareholder* approval pursuant to the *OBCA*.

7.3.2 Subject to law, *TSHC* may be *Directed by Council* to undertake any action in Section 7.3.1.

#### **7.4 Other Matters Requiring Shareholder Approval**

7.4.1 Without the approval of the *Shareholder*, *TSHC* shall not:

- (a) Create any additional indebtedness that would require additional payment in the form of subsidies from any *Program Administrator*, not including the impact of increased subsidy payments that may be required pursuant to other program cost increases as identified in any agreement with any *Program Administrator* and not including the renewal of existing mortgages and loans;
- (b) Dispose of real property interests used for the purposes of providing rent-gear-to-income and market housing;
- (c) Proceed with material changes in the number or distribution of rent-gear-to-income units;
- (d) Pass or amend any by-laws with respect to the composition or number of *Directors* or the term of *Directors* or that are inconsistent with this *Shareholder Direction*; or
- (e) Provide any financial assistance, whether by loan, guarantee or otherwise, to any *Director*, officer or employee of the *Corporation*.

7.4.2 Subject to Sections 7.3 and 7.4, the *Board* may by resolution make, amend, or repeal any of its by-laws and the changes take effect at such time as the *Board* approves. Such changes shall be submitted to the *City*, as *Shareholder*, immediately upon approval by the *Board* for *Council* approval. If *Council* makes any amendments to any by-law passed by the *Board*, the amendments take effect when approved by *Council* and are not retroactive, in accordance with Section 116 of the *OBCA*, as amended from time to time.

7.4.3 Subject to law, *TSHC* may be *Directed by Council* to undertake any action in Section 7.4.1.

## **7.5 Regulatory Matters**

- 7.5.1 *TSHC* shall, at all times, act in compliance with all applicable law in its administration of social housing programs. Where conflicts arise between statutory obligations and this *Shareholder Direction*, *TSHC* shall notify the *Shareholder* and seek the cooperation of the *Service Manager* in ensuring that issues that require Provincial intervention are resolved quickly.
- 7.5.2 *TSHC* is subject to a variety of legislation that governs its operations and sets out the responsibilities of the *Board* such as the *OBCA*, *HSA*, *Residential Tenancies Act*, the *Human Rights Code*, *Accessibility for Ontarians with Disabilities Act*, and municipal property standards by-laws. In all cases such legislation will prevail over this *Shareholder Direction* and any other direction of the *Shareholder* where there is a conflict between these directions and such legislation.
- 7.5.3 As prohibited by O. Reg. 609/06, s. 18 (1) under the *City of Toronto Act, 2006*, *TSHC* shall not create any subsidiary corporation.

## **8. OPERATING AGREEMENT, INTEGRATED SERVICE MODEL AND OTHER FUNDING**

### **8.1 General**

The *City* has a dual role in social housing – that of the *Shareholder* of *TSHC*, which in turn owns a large portfolio of housing, as well as that being the designated *Service Manager* of social housing programs under the *HSA*. *TSHC* and other social housing providers in the *City* participate in these programs. Through the *HSA*, the Province has considerable powers over the *City* as a *Service Manager*, and over *TSHC* as a housing provider. The powers of *TSHC* and of the *City* as *Shareholder* may, in certain circumstances, be subject to Provincial authority.

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

- 8.2.1 The role of the *City* as *Service Manager* and that of *TSHC* as a housing provider is governed by the *HSA* and the relationship of the two parties shall be defined in an *Operating Agreement* between the *City* and *TSHC*. The parameters of such agreement are identified in Sections 8.3 and 8.4 below, and relate to service level standards, implementation of the flow of subsidies, detailed program-level reporting and other such issues.
- 8.2.2 The funding relationships between the *City* and *TSHC* do not constitute a guarantee by the *City* of any debt issued or payable by *TSHC*.

### **8.3 Operating Agreement Principles**

*TSHC* will maintain an *Operating Agreement* with the *City*, with accountability through the *City* General Manager, Shelter, Support and Housing Administration. In executing the *Operating Agreement*, both parties will seek to ensure:

- (a) Stable and predictable funding for *TSHC*;
- (b) Efficient operations including consideration of reviews of programs, services and processes and opportunities to share services with other providers and the *City*;

- (c) Simplified and harmonized social housing program structures and funding models; and
- (d) Transparent reporting relationships and lines of accountability between *TSHC* and the City.

#### **8.4 Operating Agreement Contents**

8.4.1 The *Operating Agreement* to be entered into by the *City* and *TSHC* will be for the purpose of defining how *TSHC* will meet the requirements legislated under the *HSA* and or any other *Service Manager* direction as allowable in the role of system *Service Manager*, and how social housing programs under which *TSHC* operates will be administered.

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

- (a) Defining level of *Service Manager* service standards allocated to *TSHC*;
- (b) Requirements for the provision of budget and other financial information as deemed appropriate by the *City CFO & Treasurer*, to the Shelter, Support and Housing Administration Division in order to prepare their budget;
- (c) Requirements for program and capital reporting as defined by the Shelter, Support and Housing Administration Division to fulfill *Service Manager* obligations under the *HSA*;
- (d) Requirements for providing any other information described in the *Operating Agreement*;
- (e) Method and timing for the payment of subsidies to *TSHC*;
- (f) Method for calculation of the amount payable to *TSHC*; and
- (g) Identification of the *Service Manager's* delegated responsibilities to *TSHC* under the *HSA*.

#### **8.5 Integrated Service Model Accountability Framework**

8.5.1 Seniors Services and Long-Term Care Division oversees and evaluates the delivery of the *Integrated Service Model* by *TSHC*. This oversight and evaluation is monitored through the *Integrated Service Model Accountability Framework*.

8.5.2 *TSHC* is responsible for adhering to the *Integrated Service Model* implementation schedule, program and tenant engagement obligations, reporting and any other requirements set out in the *Integrated Service Model Accountability Framework*, as may be amended from time to time.

#### **8.6 Other City Program Funding**

8.6.1 The *City* may, from time to time, request of *TSHC* that it perform certain functions and assume certain responsibilities by any Program Administrator consistent with *TSHC's* mandate, in support of Council priorities, in support of the *City's Service Manager* role under the *HSA*, or as *Directed by Council*.



8.6.2 In areas referred to in Section 8.6.1, in which the *City* requests that *TSHC* perform functions that are not mandated functions of a housing provider, the *City* and *TSHC* will enter into agreements that include:

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

## **9. TENANT MATTERS**

### **9.1 Tenant-Centered Operations**

*TSHC* shall, in consultation with *Tenants* and other parties as required, maintain and apply:

- (a) An eviction prevention policy which aims to balance efforts to ensure the payment of rent while facilitating the tenancies of households experiencing financial difficulties in paying rent;
- (b) An accessible, transparent complaints process that advocates on behalf of *Tenants* to seek a solution to their complaints, respects the management accountabilities within *TSHC* and allows for the review of operational decisions at a senior level within *TSHC*;
- (d) Measures to ensure that *Tenants* of *TSHC* will be protected from harassment, in an environment where human rights are respected and upheld;
- (e) Measures to ensure that *Tenants* have reasonable enjoyment of their rental unit and the residential complex in which their rental unit is located in a manner consistent with its eviction prevention mandate;
- (f) *TSHC* shall have a strategy in place to identify *Tenant* language needs and shall deliver communications to *Tenants* in a way that is responsive to those language needs; and
- (g) Delivery of the *Integrated Service Model* to support senior *Tenants* to access the health and social services they require to age in place in dignity and comfort.

### **9.2 Tenant Engagement**

9.2.1 *TSHC* will ensure that *Tenants* are engaged in a manner that allows *Tenants* to be involved in community decision making that affects their housing as appropriate. *TSHC* shall support an approach to *Tenant* engagement that includes:

- (a) Opportunities for *Tenant* engagement regarding their housing, and the full *TSHC* housing portfolio;
- (b) Opportunities for *Tenant* provide input on *TSHC* corporate decisions, including

capital plans, operating budget, service levels, service delivery and *Tenant* facing policies;

- (c) Opportunities for *Tenant* input on setting local spending priorities; and
- (d) Information about opportunities for engagement in other *City* and community initiatives.

9.2.2 *TSHC's* approach to *Tenant* engagement will respect the terms of this *Shareholder Direction* and the financial targets and performance benchmarks that are established for *TSHC* by the *Service Manager*.

## **10. ACCOUNTABILITY**

### **10.1 Strategic Plan**

10.1.1 *TSHC* shall prepare a multi-year Strategic Plan for a period not to exceed four years. Each Strategic Plan will be replaced by a new Strategic Plan. The content of each Strategic Plan will include:

- (a) Long term business strategies and objectives that support and advance the mandate of *TSHC*, including the *Integrated Service Model*, and align with applicable *City* plans and *Council* priorities for the period covered by the Strategic Plan;
- (b) Identification of key challenges and material enterprise risks facing *TSHC*, and strategies to be implemented to resolve these key challenges and material risks;
- (c) Identification of financial, business and service targets and performance measures based on benchmarks set out in regulations pursuant to the *HSA* or established in the *Operating Agreement* or Strategic Plan to be reported on annually;
- (d) Major initiatives to be undertaken by *TSHC* in the medium and long term; and
- (e) Other matters as may be required by the *Shareholder*.

10.1.2 *TSHC* will consult with the *City Manager*, the General Manager Shelter, Support & Housing Administration, the General Manager Seniors Services and Long-Term Care, and other relevant *City* staff in preparation of the Strategic Plan, including on its strategies, targets, measures and major initiatives, to ensure strategic alignment with *City* goals and objectives.

10.1.3 *TSHC* will submit each new Strategic Plan to the Shareholder with its annual report in Section 10.3.1 for the previous fiscal year.

### **10.2 City Budget Process**

10.2.1 To inform the *City's* financial planning process, *TSHC* shall participate in the *City's* annual Budget Process. This includes:

- (a) Submitting *TSHC's* Operating and Capital Budgets to the Chief Financial Officer in accordance with the format, scope and timing determined by the Chief Financial

Officer, and guided by Budget targets established by Council; and

- (b) Participating in the administrative review process, preparing budget notes as required and presenting *TSHC's* Budgets to Budget Committee.

10.2.2 *TSHC* will submit spending estimates, including separate capital and operating budget requirements as specified in the *Operating Agreement* with the *City* referred to in Section 8.4.2 and in a format and as per timing as deemed appropriate by the *City CFO & Treasurer* to the Shelter, Support and Housing Administration Division in order to inform their annual budget submission.

### 10.3 Annual Reporting

10.3.1 Within 120 days after the end of the fiscal year, or as requested by the *City*, *TSHC* will prepare an annual report for approval by the *Board* and submit this report to the *City Manager*. This report will include information on:

#### Program and Financial Reporting

- (a) Progress towards achieving Strategic Plan and *Integrated Service Model* objectives over the prior year and performance trends;
- (b) The disposition and uses of funds provided to *TSHC* by the *City*;
- (c) 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 *TSHC* operating and capital budget, and any material variances in the projected ability of any business activity to meet or continue to meet the financial objectives of the *Shareholder*;
- (d) The achievement of the financial, business and service targets set out in the Strategic Plan or the *Operating Agreement* and such explanations, notes and information as is required to explain and account for any variances between the actual results from operations and the targets established in the Strategic *Plan* or the *Operating Agreement*;
- (e) Any matter, occurrence or other event which is a material breach or violation of any law, including major findings of internal and other audits;

#### Tenant-Centered Services

- (f) Initiatives to provide responsive customer service;
- (g) *Tenant*-centered operations and *Tenant* engagement activities;
- (h) *Tenants'* views or opinions regarding *TSHC*, when available;
- (i) The number of evictions each year and the rationale for these evictions;

#### Other Matters

- (j) Disclosure of *Senior Executive* compensation as permitted by law;

- (k) The status of any specific actions *Directed by Council* during the past fiscal year; and
- (l) Any such additional items as the *Shareholder* may specify from time to time.

#### **10.4 Operating Agreement Reporting**

10.4.1 As a requirement under the *Operating Agreement*, TSHC will report to the *Service Manager* information that is consistent with social housing program funding requirements. This information includes:

- (a) Annual budget and other financial information as deemed appropriate by the *City CFO & Treasurer*, to the Shelter, Support and Housing Administration Division in order to prepare their budget, as specified in Section 10.2.2;
- (b) Program and capital reporting as defined by the Shelter, Support and Housing Administration Division to fulfill *Service Manager* obligations under the *HSA*;
- (c) The achievement of annual financial, business and service targets set out in the *Operating Agreement* and such explanations, notes and information as is required to explain and account for any variances between the actual results from operations and the targets established in the *Operating Agreement*; and
- (d) Any other information described in the *Operating Agreement*.

#### **10.5 Integrated Service Model Accountability Framework**

10.5.1 TSHC will report to the General Manager, Seniors Services and Long-Term Care Division information and on a schedule defined in *Integrated Service Model Accountability Framework*. This information includes:

- (a) Key performance indicators;
- (b) Annual Program Plan, including identification of key achievements and challenges related to the implementation of the *Integrated Service Model*, and changes made to the model based on learnings through implementation; and
- (c) Any other reporting described in the *Integrated Service Model Accountability Framework*.

#### **10.6 Accounting and Financial Statements**

10.6.1 TSHC 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.

10.6.2 TSHC's financial year end shall be December 31.

10.6.3 The *Board* will deliver to the *City Manager* and the *City CFO & Treasurer*, as soon as practicable and in any event within 90 days after the end of each fiscal year, the audited consolidated and unconsolidated annual *Financial Statements* of TSHC for consideration by the *Shareholder*, for consideration by the *Shareholder*.

10.6.4 *TSHC* shall provide quarterly unaudited *Financial Statements* to the *City CFO & Treasurer* within 30 days after the end of each fiscal quarter.

## **10.7 Audit**

10.7.1 The *Auditor* shall be appointed by the *Shareholder* in accordance with the *OBCA*. *TSHC* will be responsible for payment to the *Auditor*. The annual consolidated and unconsolidated *Financial Statements* of *TSHC* will be audited by the *Auditor*.

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

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

## **10.8 Access to Records**

The *Duly Appointed Representatives of the Shareholder* shall have unrestricted access to the data, books and records of *TSHC*, including confidential materials from closed meetings, during normal business hours. Such representatives shall treat all information of *TSHC* with the same level of care and confidentiality as any confidential information of the *Shareholder*.

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

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

11.2 The *Board* of *TSHC* will adopt a *Senior Executive* compensation policy that is:

- (a) Prepared independent of *Senior Executives* and with at least one *Director* who is a Member of Council;
- (b) Consistent with the *City's* Guiding Principles in the Development of Senior Executive Compensation Policies for *City* agencies and corporations; and
- (c) Reviewed every four years and the results are disclosed on public websites and in annual reporting referred to in Section 10.3.1.

11.3 The *Board* of *TSHC* ensure that *Senior Executive* employment contracts contain a provision providing employee consent to the disclosure of their individual compensation through annual public reporting referred to in Section 10.3.1 through the *Board*.

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

- 11.5 *TSHC* is required to adopt policies related to conflict of interest, political activity, disclosure of wrongdoing and reprisal protection.
- 11.6 *TSHC* will be responsible for determining how the obligations in Sections 11.1 through 11.5 are to be carried out, recognizing its responsibilities as a public sector employer that is a model to the community.

## **12. EMERGENCY SOCIAL SERVICES PLANNING AND RESPONSE**

- 12.1 *TSHC* will at all times inform the Office of Emergency Management (“OEM”) of the names, titles and 24/7 contact information of key staff at *TSHC* responsible for emergency social services planning and response, including the most senior *Person* with overall accountability.
- 12.2 In emergencies involving the displacement of *TSHC Tenants* and that exceed the capacity of *TSHC* to manage internally, *TSHC* will activate the *City's* Emergency Social Services response according to a protocol between *TSHC* and the OEM. *TSHC* will support the OEM to implement the response according to this protocol. The OEM will lead the emergency social services response according to its policies, plans and protocols.

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

*TSHC* may be an active participant in the social housing sector and seek to identify and support, directly or through its work with associations, opportunities for sector cooperation, information sharing and other activities that promote an effective partnership among stakeholders, the efficient use of resources and effective operations and programs. Subject to Section 7.2.2, *TSHC* may advocate on behalf of all social housing providers on issues related to the supply, quality and affordability of housing in the community. However, in conducting advocacy on issues that affect the social housing sector, *TSHC* will make clear that it speaks on its own behalf as a member of the social housing sector and not on behalf of the *City*.

## **14. AMENDMENTS**

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

## **15. NOTICE**

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

To the *City* at:

City Manager  
4<sup>th</sup> Floor, East Tower, Toronto City Hall  
100 Queen Street West,  
Toronto, ON M5H 2N2

To Toronto Seniors Housing Corporation at:

Chief Executive Officer  
Toronto Seniors Housing Corporation

**DATED** at Toronto as of this \_\_\_\_\_ day of \_\_\_\_\_ 2021.

**CITY OF TORONTO**

by

:

\_\_\_\_\_  
Deputy City Manager, Community and  
Social Services