



**THE REGIONAL MUNICIPALITY OF PEEL
SPECIAL SHAREHOLDERS MEETING**

AGENDA

PHCSSM - 1/2018

DATE: Thursday, December 13, 2018

TIME: Immediately Following Regional Council

LOCATION: Regional Council Chamber, 5th Floor
10 Peel Centre Drive, Suite A
Brampton, ON

MEMBERS: P. Brown; G. Carlson; B. Crombie; D. Damerla; S. Dasko; G. S. Dhillon;
J. Downey; C. Fonseca; P. Fortini; A. Groves; J. Innis; J. Kovac;
M. Mahoney; S. McFadden; M. Medeiros; M. Palleschi; C. Parrish;
K. Ras; P. Saito; R. Santos; I. Sinclair; R. Starr; A. Thompson;
P. Vicente

- 1. CALL TO ORDER**
- 2. APPROVAL OF AGENDA**
- 3. DELEGATIONS**
- 4. COMMUNICATIONS**
- 5. REPORTS**
 - 5.1. Peel Housing Corporation Board - Shareholder Direction
- 6. BY-LAWS**
- 7. ADJOURNMENT**



REPORT
Meeting Date: 2018-12-13
Peel Housing Corporation

DATE: December 5, 2018

REPORT TITLE: **PEEL HOUSING CORPORATION BOARD – SHAREHOLDER DIRECTION**

FROM: Janice Sheehy, Commissioner of Human Services

RECOMMENDATION

That the composition including the slate of Directors of the Peel Housing Corporation Board, attached as Appendix I to the report from the Commissioner of Human Services, titled “Peel Housing Corporation Board – Shareholder Direction”, be approved;

And further, that the recommended escalation process, as outlined in Appendix II to the subject report, be approved;

And further, that the Shareholder Direction for the Region of Peel’s Peel Housing Corporation Board, as outlined in Appendix III to the subject report, be approved.

REPORT HIGHLIGHTS

- The purpose of the PHC Board (“Board”) is to fulfill the functions of a board of directors for PHC and to implement the direction provided by the Shareholder including supporting the implementation of the Peel Housing and Homelessness Plan (“PHHP”).
- The Board will be comprised of five (5) Regional staff, recommended by the Chief Administrative Officer (“CAO”) and appointed by the Shareholder.
- The Board’s composition, including the slate of Directors and Officers for the proceeding term is attached as Appendix I for approval.
- The escalation process that addresses concerns, complaints and delegation requests from members of the public is attached as Appendix II for approval.
- The Shareholder Direction outlining the relationship and expectations of the Board is attached as Appendix III for approval.

DISCUSSION

1. Background

On June 28, 2018, Regional Council approved the transition of the existing Board structure into a Board comprised of Regional staff. A staff Board is being recommended because the new PHC Board will focus primarily on overseeing day-to-day operations, so as not to create a second governing body that has significant mandate overlap with the proposed Strategic Housing and Homelessness Committee (“Committee”). The purpose of the Board will be to fulfill the functions of a board of directors for PHC and to implement the direction provided by the Shareholder including supporting the implementation of the PHHP strategies. Subject

PEEL HOUSING CORPORATION BOARD – SHAREHOLDER DIRECTION

to the shareholder direction, the Board will be responsible for providing board governance, leadership, advice and guidance to PHC on operational matters, tenant satisfaction, and employee engagement.

Also, on June 28, 2018, Regional Council approved the creation of the Committee for the 2018 to 2022 Term of Council with the purpose of advising on the implementation of the PPHP and providing strategic and public policy oversight on housing and homelessness services. Both the Board and the Committee are accountable to Regional Council. The Board is accountable to the Region as the sole Shareholder of PHC.

Through this report, staff is seeking the Shareholder's approval of the Board's composition including the slate of Directors and Officers for the upcoming term, consisting of Regional staff, who will be responsible for implementing the Shareholder's direction, attached as Appendix I.

Staff is also seeking approval of Appendix II, the escalation process, which outlines the process members of the public should take when they have concerns, complaints or delegation requests regarding PHC.

Also, staff is seeking the Shareholder's approval of the Shareholder Direction attached as Appendix III. A Shareholder Direction outlines the relationship and expectations that the Shareholder has of the Board. Under subsection 108(3) of the *Business Corporations Act*, a sole shareholder of a corporation may issue a unanimous shareholder agreement to direct the corporation's board in a manner which the shareholder sees fit.

2. Proposed Direction

a) PHC Mandate

As a Local Housing Corporation, the core mandate of PHC is to provide appropriate and affordable housing to low and moderate income households in Peel and to maintain its assets in a state of repair designated by the Shareholder. PHC will support making affordable housing available to all Peel residents and prevent homelessness in Peel, which are two long-term outcomes that were approved by Regional Council on April 5, 2018 when the new 10-year PPHP was presented.

b) Board Responsibilities

The responsibilities of the Board will include, but will not be limited to:

- implementing the direction provided by the Shareholder;
- developing a four-year business plan that is monitored annually;
- supporting the implementation of the PPHP strategies;
- providing leadership, advice, guidance, and oversight to the Corporation on operational matters, tenant satisfaction, and employee engagement;
- providing regular updates to the Shareholder including an annual progress report;
- providing updates to the Committee as requested; and,
- appointing Officers from among the Board Members.

The Board's role may evolve as ongoing direction is provided by the Shareholder.

PEEL HOUSING CORPORATION BOARD – SHAREHOLDER DIRECTION

c) PHC Board Composition

The Board will be comprised of five (5) Directors all of whom are Regional staff. The initial set of Directors will serve for a one (1) to three (3) year term based on their positions. Following the appointment of the initial Board, Directors will be appointed to the Board for three (3) year terms. Going forward this means that one (1) to two (2) Director positions will turnover every year to provide a manageable level of Board renewal.

As approved by Regional Council on June 28, 2018, the initial staff Board will be comprised of Regional staff who are not directly involved in delivering Housing and Homelessness services. The Board will be comprised of the following roles:

- Chair (1)
- Vice Chair (1)
- Treasurer (1)
- Secretary (1)
- Director (1)

Further details on the categories of Directors can be found in section 8.2 of the Shareholder Direction. The Board's composition and proposed slate of Directors are attached as Appendix I for approval.

d) PHC Board Selection

The following process was used for selecting the Members of the staff Board, as outlined in Appendix I:

- Use the Region of Peel's internal Performance Management Program to identify staff whose knowledge, skills, interests, and development areas align with the positions.
- The Executive Leadership Team will determine staff best fit for positions based on the internal succession planning exercise.
- The CAO will recommend staff to the Shareholder for appointment.
- The Shareholder will appoint Board Members to Director and/or Officer positions.

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e) Reporting

Regional Council in their capacity as Shareholder will remain informed about PHC's operations and progress through an annual progress report presented at the Annual General Meeting. As required, the Committee may request the Board to provide updates at Committee meetings.

f) Escalation Process

The escalation process, attached as Appendix II, outlines the process members of the public should take when they have concerns, complaints or delegation requests regarding PHC. Requests being made directly to Regional Councillors should be referred to the Region of Peel's Commissioner of Human Services and/or the General Manager of PHC as the initial point of contact.

RISK CONSIDERATIONS

The transition of the PHC Board structure to one comprised of Regional staff is open to a public perception of compromise of the Board's independence and of public interest representation on the Board. Staff feel that this risk is addressed through the terms governing the PHC Board of Directors, which are clearly defined in the Shareholder Direction (Appendix III). Public interest representation is adequately ensured through the oversight role provided by the Peel Strategic Housing and Homelessness Committee and through Regional Council's continuing authority as the governing body of the sole shareholder. Further, the escalation process outlined in Appendix II, provides a mechanism for members of the public to ensure their concerns, complaints and delegation requests continue to be heard.

CONCLUSION

On June 28, 2018, Regional Council approved the transition of the existing PHC Board structure into a Board comprised of Regional staff to implement the direction provided by the Shareholder.

Through this report, staff is recommending that the Board's composition including the slate of Directors, the escalation process and Shareholder Direction be approved by the Shareholder.



Janice Sheehy, Commissioner of Human Services

PEEL HOUSING CORPORATION BOARD – SHAREHOLDER DIRECTION

Approved for Submission:



David Szwarc, Chief Administrative Officer

APPENDICES

Appendix I - PHC Board Composition and Slate of Directors

Appendix II - Escalation Process

Appendix III- Shareholder Direction

For further information regarding this report, please contact Jason Hastings, Director, Strategic Initiatives, extension, 8135, jason.hastings@peelregion.ca.

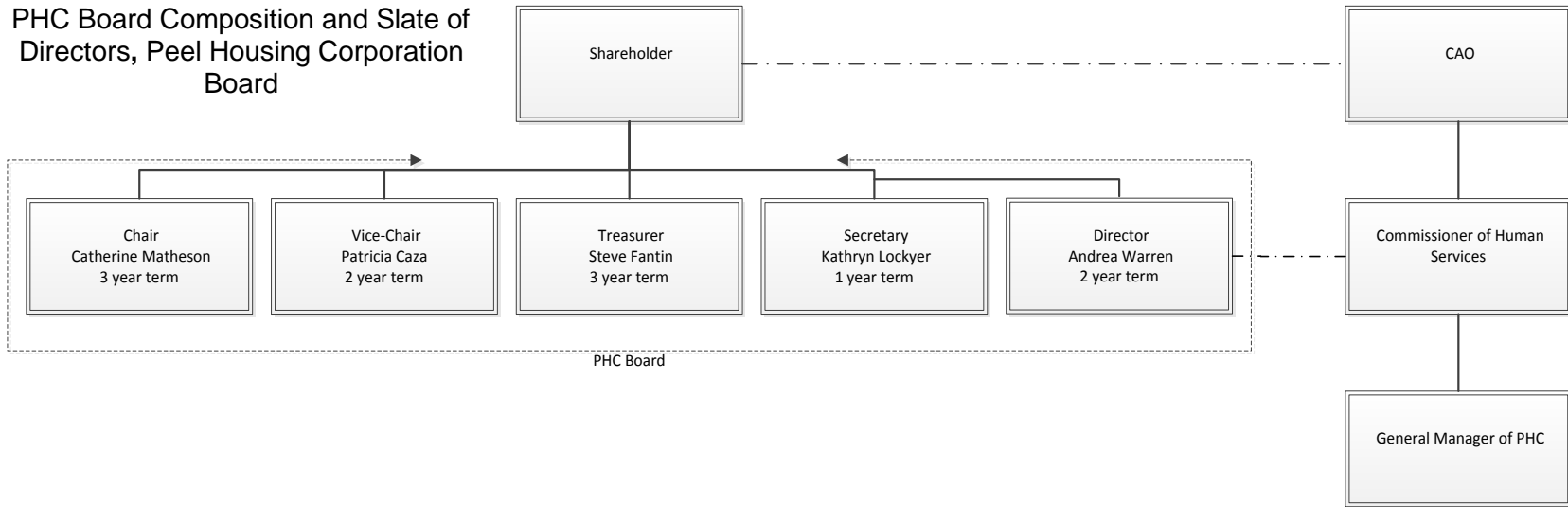
Authored By: Harpreet Rai, Program Support Analyst, Strategic Initiatives and Jaineel Purohit, Project Manager, Strategic Initiatives

Reviewed in workflow by:

Legal Services

**APPENDIX I
PEEL HOUSING CORPORATION BOARD – SHAREHOLDER DIRECTION**

PHC Board Composition and Slate of Directors, Peel Housing Corporation Board



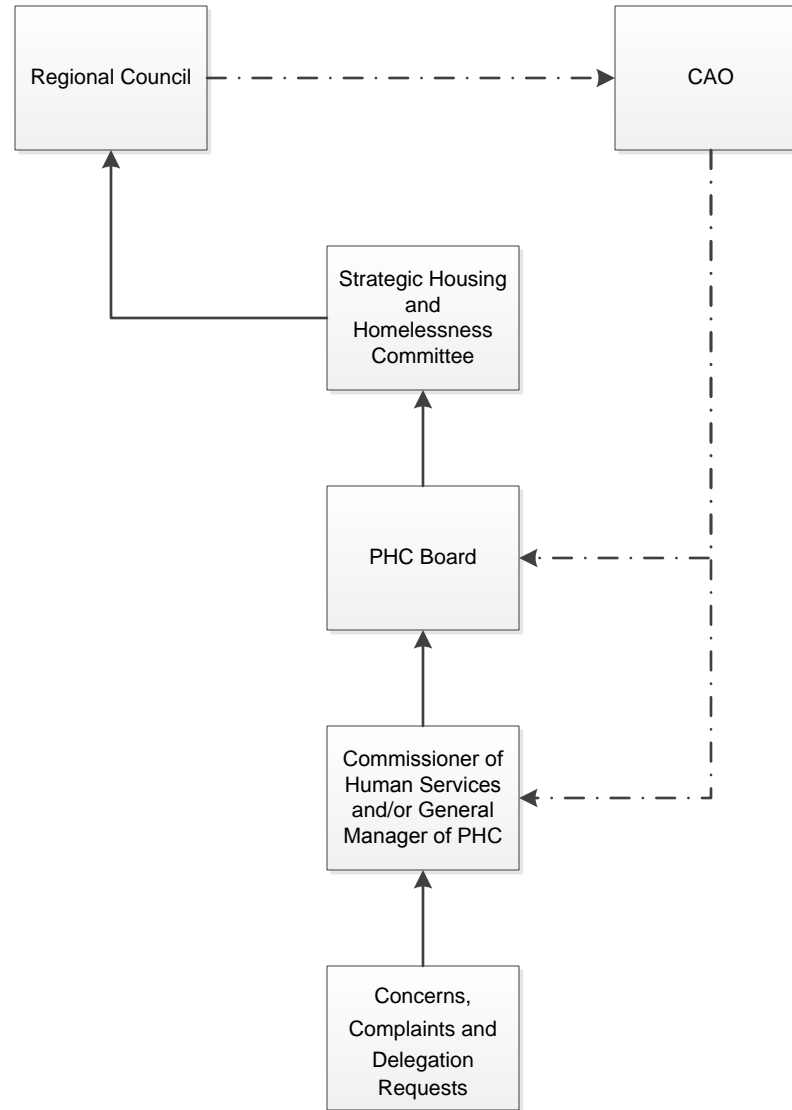
Please note:

- i. The PHC Board is accountable to its sole Shareholder for carrying out the Shareholder Direction.
- ii. The CAO is responsible to the Shareholder. The CAO is the link between the Shareholder and Regional staff.
- iii. The Commissioner of Human Services is accountable to the CAO and responsible to the PHC Board for carrying out its direction. The Commissioner of Human Services may delegate responsibilities to the General Manager that have been requested by the Board.
- iv. The Commissioner of Human Services will be the appropriate link between the PHC Board, CAO and General Manager of PHC.
- v. The General Manager of PHC is accountable to the Commissioner of Human Services.

Legend:
 _____ Accountable
 -.-.-.- Responsible

APPENDIX II
PEEL HOUSING CORPORATION BOARD - SHAREHOLDER DIRECTION

5.1-7



Please note:

Escalation:

Concerns, complaints and delegations will continue to be heard first by Regional staff such as the General Manager of PHC and/or the Commissioner of Human Services. If members of the public feel that their concerns, complaints and delegations are not being adequately addressed at this level, they may delegate to the Board. Depending on the scope of the issue, the Board may choose to escalate the public's concerns to the Committee that is comprised of Regional Councillors. The Committee may then send the concerns, complaints and delegations they have heard to Regional Council for input. Requests that are sent directly to Councillors will be referred to the Commissioner of Human Services and/or the General Manager of PHC. For all Regional services, the Provincial Ombudsman's Office is the final outlet for resident's complaints and concerns.

Response:

If concerns, complaints and delegations are heard at Regional Council, they will direct the Region's CAO to address the matter. The CAO may delegate this responsibility to the Board, the Commissioner of Human Services and/or the General Manager of PHC.

Legend

- Escalation
- - - - -> Response

SHAREHOLDER DIRECTION

THE REGIONAL MUNICIPALITY OF PEEL
(the “Region”) TO

PEEL HOUSING CORPORATION BOARD
(the “Board”)

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SCHEDULE “A” SERVICES PROVIDED BY REGION TO PHC
 SCHEDULE “B” LIST OF REGION’S POLICIES, PROCEDURES AND BY-LAWS

1. RECITALS

- A. The Regional Municipality of Peel is designated as a service manager (“SM”) under the *Housing Services Act, 2011* (Ontario) (the “HSA”).
- B. Peel Regional Housing Corporation (“PRHC”) was incorporated under the *Business Corporations Act* (Ontario) and was a local housing corporation under the *Social Housing Reform Act* (the “SHRA”). Pursuant to the SHRA, effective January 1, 2001, the Province of Ontario (the “Province”) transferred ownership of certain social housing located in The Regional Municipality of Peel to PRHC.
- C. The Peel Non-Profit Housing Corporation (“PNPHC”) was a non-profit corporation incorporated under the *Corporations Act* (Ontario) and was the owner of certain social housing located in The Regional Municipality of Peel.
- D. Effective January 1, 2003, PRHC and PNPHC were amalgamated and continued under the *Business Corporations Act* (Ontario) as Peel Housing Corporation (“PHC”). PHC was also continued as a Local Housing Corporation under the SHRA and its successor legislation the HSA.
- E. The Region is the sole shareholder of PHC.

2. INTERPRETATION

2.1 Definitions

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

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

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

“**Business**” means the business of PHC;

“**Business Plan**” means an operating and capital Business Plan;

“**CAO**” means the Chief Administrative Officer;

“**Commissioner of Human Services**” means the Commissioner of Human Services of the Region or any person appointed to act in the place of that individual or their delegate;

“**Committee**” means the Strategic Housing and Homelessness Committee;

“**Corporation**” means PHC;

“**Council**” means the Council of the Region;

“**Director**” means a Director on the Board;

“**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 PHC consisting of not less than a Statement of Financial Position, Statement of Operations, Statement of Remeasurement Gains and Losses, Statement of Change in Net Debt, 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;

“**Guarantee**” means a formal pledge to pay another Person's debt or to perform another Person's obligation in the case of default;

“**HSA**” means the *Housing Services Act*, 2011 SO 2011, c. 6, Sched. 1 and regulations thereunder, as amended or replaced from time to time;

“**Initial Staff Board**” has the same meaning as defined in Section 6.5;

“**Local Housing Corporation**” means a local housing corporation as defined under the HSA;

“**Major Initiatives**” means any initiatives requiring large capital investments such as but not limited to the redevelopment or expansion of property;

“**OBCA**” means the *Business Corporations Act* R.S.O. 1990, c. B. 16 (Ontario), and the regulations thereunder, as amended or replaced from time to time;

“**Officer**” means an officer of PHC;

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

“**PHC**” means Peel Housing Corporation;

“**PHHP**” means the Peel Housing and Homelessness Plan;

“**Program Administrator**” means the Region 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;

“**Real Property**” means land and anything fixed, immovable or permanently attached to it such as buildings, fixtures and structures;

“**Region**” means The Regional Municipality of Peel;

“**Region's CFO**” means the Chief Financial Officer of the Region or any person appointed to act in the place of that individual or their delegate;

“**Secretary**” means the Secretary of PHC as appointed by the Board from time to time;

“**Service Manager**” means the Region when carrying out its roles and responsibilities as a Service Manager under the HSA;

“**Services**” means the services described in this Shareholder Direction;

“**Services Agreement**” means the Services Agreement to be entered into between the Region

and PHC as outlined in this Shareholder Direction;

“**Shareholder**” means the Region acting as the sole shareholder and owner of PHC;

“**Shareholder Direction**” means this Shareholder Direction, including Schedule “A”, and Schedule “B” as may be amended, revised or superseded from time to time;

“**Tenants**” mean the tenants of PHC, as defined in the *Residential Tenancies Act, 2006* S.O. 20016, c.17, as amended or replaced from time to time; and

“**Treasurer**” means the Treasurer of PHC as appointed by the Shareholder.

2.2 Region Officials

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

3. INTRODUCTION, PURPOSE

3.1 Region as PHC Shareholder

The Region has two types of responsibilities. Firstly, the Region is the sole Shareholder of PHC pursuant to Part IV of the HSA. The Region is also the Service Manager for housing for the purposes of the HSA and therefore has provincially mandated responsibilities with respect to PHC as outlined in the HSA. In addition, Council has established additional housing-related responsibilities for the Region as Service Manager beyond the provincial mandate. This Shareholder Direction pertains to the Region’s role as the sole Shareholder of PHC.

3.2 Purposes of this Shareholder Direction

The purposes of this Shareholder Direction are as follows:

- (a) to provide the Board with the Shareholder’s fundamental principles, expectations and objectives regarding the Business;
- (b) to recognize the Board’s authority to manage or supervise the management of the Business and affairs of PHC in accordance with this Shareholder Direction;
- (c) to inform the Tenants of PHC and other residents of the Region of the Shareholder’s fundamental principles regarding PHC;
- (d) to set out the accountability, responsibility and relationship between the Board and the Shareholder;
- (e) to set out the Board’s mandate, roles, responsibilities and reporting requirements;
- (f) to establish the Shareholder’s principles, objectives and requirements of governance for PHC;

- (g) to set out certain rules of the Service Manager governing the operation of PHC authorized by subsection 27 (1)(b) of the HSA;
- (h) to constitute in part a declaration by the Shareholder pursuant to subsection 108(3) of the OBCA with respect to certain powers of the Board; and
- (i) to provide information on the structure of the Board.

4. SHAREHOLDER PRINCIPLES

4.1 Relationship Principles

The Shareholder and the Board will adopt a responsive approach to their relationship based on the following principles:

- (a) transparency;
- (b) open communication;
- (c) collaboration; and
- (d) a respect of each other's roles and risk tolerance in the delivery of affordable housing.

4.2 Operating Principles

4.2.1 Subject to the requirements of law, PHC shall conduct its affairs and govern its operations in accordance with such rules, policies, directives or objectives as directed by the Shareholder from time to time. Specifically it shall:

- (a) provide adequate, affordable and suitable housing
- (b) be Tenant focused;
- (c) endeavour to facilitate the continuum of supports to its Tenants through direct service and referral;
- (d) integrate into the community adding social, environmental and economic value;
- (e) ensure it establishes and operates under a business model that balances ongoing sustainability with its objective to provide adequate, affordable and suitable housing to low and moderate income households in the Region;
- (f) ensure it applies sound business practices that effectively manage risk and establishes policies for the management of risk to mitigate risks to PHC and to the Shareholder;
- (g) ensure that the Business is managed and operated in material compliance with all applicable laws;

- (h) subject to the terms of this Shareholder Direction, ensure that it is responsible for the management of its housing portfolio and operational decisions;
- (i) maintain its assets in accordance with the asset level of service designated by the Shareholder and all applicable laws;
- (j) manage its housing portfolio consistent with Council approved policy objectives and priorities, including the Region's long term housing and homelessness plan and all applicable law, including but not limited to the HSA;
- (k) ensure that its policies and business practices are consistent with the Region's standards of public accountability, financial management and transparency for the effective and efficient use of public funds; and
- (l) be accountable to its Shareholder for achieving stated results, meeting the intent of this Shareholder Direction to the Region as Shareholder, and meeting the reporting requirements included in this Shareholder Direction.

4.2.2 The Board shall conduct its affairs and govern its operations in accordance with such rules, policies, directives or objectives as directed by the Shareholder. The Board shall abide by the Shareholder Direction, the OBCA, the HSA, PHC's Articles of Incorporation, its By-Laws and other relevant legislation.

5. MANDATE OF PHC

5.1 General, Business

As a Local Housing Corporation, the core mandate of PHC is to provide adequate, affordable and suitable housing to low and moderate income households in the Region and to maintain its assets in a state of repair designated by the Shareholder. PHC will support the implementation of PPHP strategies to help achieve the outcomes of making affordable housing available to all Peel residents and preventing homelessness in Peel.

In support of this mandate, and subject to the ongoing ability of PHC to abide by this Shareholder Direction, the funding arrangements established by any Program Administrator and the ability of the Board to demonstrate the same, PHC, directly or through partnerships or other arrangements for the purchase of Services, as provided for in this Shareholder Direction, may engage in any of the following Business activities, consistent with PHC's Articles of Incorporation, its By-laws and the HSA:

- (a) at the discretion of the Shareholder, own, operate or have an ownership interest in rental housing and affordable ownership housing and provide related services;
- (b) facilitate the development of affordable ownership housing, and new affordable and subsidized rental housing, through the revitalization and redevelopment of its lands and buildings in partnership with the Shareholder, other levels of government and other parties where considered appropriate by Shareholder, with the prior approval of the Shareholder in the form of a plan;

- (c) house commercial space and other commercial services in support of meeting its Business objectives, with the prior approval of the Shareholder in the form of a plan;
- (d) provide housing related services to third parties;
- (e) provide services to Tenants through other organizations beyond the basic residential landlord obligations;
- (f) in collaboration with the Region's Finance department manage an investment program for reserves and other funds in accordance with the requirements of the HSA, as applicable; and
- (g) borrow funds to meet long and short term requirements, subject to any conditions outlined in this Shareholder Direction.

6. BOARD OF DIRECTORS

6.1 Board Responsibilities

Subject to any matters requiring approval of the Shareholder pursuant to this Shareholder Direction, the Board will be responsible for the following specific matters:

- (a) filling the following Officers from among its Board members: Chair, Vice Chair, Treasurer, Secretary who are appointed by the Shareholder as prescribed in section 8.4 and who shall be voting members of the Board and shall fulfill such duties as shall be prescribed by the By-laws of the Corporation;
- (b) implementing the direction provided by the Shareholder;
- (c) developing a four-year business plan that is reviewed annually;
- (d) supporting the implementation of strategies related to the PHHP;
- (e) providing leadership, advice and guidance to PHC;
- (f) oversight of operational matters;
- (g) monitoring tenant satisfaction;
- (h) monitoring employee engagement;
- (i) providing annual progress reports to the Shareholder;
- (j) providing updates to the Peel Strategic Housing and Homelessness Committee as requested;
- (k) abiding by the OBCA, the HSA, PHC's Articles of Incorporation, its By-Laws and other relevant legislation; and

- (l) establishing policies, and other directive consistent with its Articles, this Shareholder Direction, the HSA, any Service Manager rules and all applicable law.

6.2 Meetings

Meetings of the Board will not be open to the public. Board meetings shall occur at a minimum on a quarterly basis. The Shareholder or a Director may call the meeting of PHC Board Directors by giving reasonable notice thereof to each Director, stating the time and place of the meeting.

The Chair of the Board may choose to accept delegations from the public at Board meetings.

6.3 Conflict of Interest Policy

The Directors and Officers of the Board will strictly abide by the conflict of interest requirements of the *Municipal Conflict of Interest Act*, R.S.O. 1990, c. M.50, as amended or replaced from time to time, the OBCA, the HSA and the Region. PHC shall adopt and apply a policy, consistent with that of the Region, regarding conflicts of interest, including requirements concerning disclosure and abstention from voting.

Conflicts of interest are expected to arise. Directors are expected to self-identify in an event where a conflict of interest arises. If directors are unclear of whether there is a conflict of interest, directors may seek advice and guidance from the Region's Integrity Commissioner.

6.4 Confidentiality

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

- (a) disclosure to the Shareholder's or PHC'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;
- (c) or the confidential information becomes part of the public domain (other than through unauthorized disclosure by any party); and
- (d) it is in accordance with the terms of the *Municipal Freedom of Information Protection of Privacy Act*, R.S.O. 1990, c. M.56 and the *Personal Health Information Protection Act*, 2004, S.O. 2004, c. 3, Sched. A, as amended or replaced from time to time.

6.5 Appointment and Term

6.5.1 The Directors of the initial Board consisting of employees of the Region, as appointed by the Shareholder, shall be appointed for a one (1) to three (3) year term based on their role and subject to Sections 6.8 and 6.9 of this Shareholder Direction, shall remain in office until a successor is appointed at the Annual General Meeting ("the Initial Staff Board").

6.5.2 Ongoing Board

Following the appointment of the Initial Staff Board, Directors will be appointed to the Board for a three (3) year term.

6.6 Re-appointment

A Director may be re-appointed to the Board at the expiration of his or her term of office.

6.7 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. A successor will be recommended by the CAO to the Shareholder for appointment to replace the Director that has resigned.

6.8 Removal

The Shareholder may, by ordinary resolution passed at an annual or special meeting of the Shareholder, remove any Director or Directors from office before the expiration of the applicable term(s) and may, by a majority of the votes cast at the meeting, appoint 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 Section 8.2 to which the person's predecessor belonged. The reasons for such removal may include, but are not restricted to:

- (a) breach of the Director's obligations under the OBCA;
- (b) a conflict of interest that cannot be resolved in any other manner satisfactory to the Board;
- (c) engaging in activities that are deemed by the Shareholder to have an adverse impact on their duties as a Board member; and
- (d) failure to attend three or more consecutive meetings of the Board without the approval of the Board.

A Director shall not be disciplined in their role as an employee of the Region as a result of carrying out their fiduciary duties while serving on the Board.

6.9 Vacating of Office

A Director ceases to hold office when he or she dies, resigns, is removed from office by the Shareholder, or becomes disqualified to serve as a Director.

6.10 Vacancies

Where a vacancy occurs on the Board, the Shareholder may appoint a new Director to fill the vacancy consistent with the requirements of Section 8.

6.11 Remuneration

The Directors of PHC, including those who are also Officers shall serve as Directors and if applicable, Officers without remuneration, and no Director shall directly or indirectly receive any profit or remuneration from his or her position or in any other capacity, except for:

(a) remuneration from the Region or another municipality paid pursuant to Section 283 of the *Municipal Act, 2001*, S.O. 2001, c. 25 as amended or replaced from time to time; and

(b) reimbursement for reasonable expenses incurred in the performance of duties as Directors of PHC.

7. SERVICES AND SERVICES AGREEMENT

7.1 Services Provided by Region

The Region shall provide to PHC the Services described in Schedule "A," to support PHC in managing, operating, and administering its properties and business. PHC should abide by the existing policies and procedures set by the Region.

7.2 Services Agreement

Although a formal service agreement is not required, upon the request of PHC, PHC will enter into a Services Agreement with the Region to specify the type, fees, service levels, and quantity of the Services provided by the Region to PHC.

7.3 Contracting Elsewhere for Services

PHC shall have the option to contract elsewhere for the Services, or any portion thereof, provided however that the Region must provide its prior written approval of the arrangement. The Region shall not unreasonably withhold its consent to any such request.

7.4 Employment of Staff

PHC shall not employ its own staff, or engage others, to carry out Services it has already contracted for.

8. BOARD STRUCTURE

8.1 Composition of the Board

The Board shall consist of no fewer than two (2) and no more than twenty-five (25) Directors. The number of Directors within such range shall be determined from time to time by special resolution passed by the Shareholder.

8.2 Categories of Directors

The Board shall consist of the following categories:

- (a) Chair: The Chair is to provide leadership to the Board. The chair co-ordinates Board activities and ensures the Board discusses all matters relating to the PHC mandate. The Chair co-ordinates Board activities in fulfilling its governance responsibilities and facilitates co-operative relationships between Board Members. The chair is responsible for escalating issues that are out of the Board's jurisdiction to the Shareholder.
- (b) Vice Chair: The Vice-Chair may exercise the Chair's duties and powers during his or her absence.
- (c) Treasurer: The Treasurer is to work collaboratively with the Human Services Commissioner, the CFO and the Service Manager to support the Board in achieving its fiduciary responsibilities and must be a subject matter expert in reviewing financial statements and financial reporting.
- (d) Secretary: The Secretary will be responsible for ensuring that accurate minutes of meetings are taken and approved. Requirements of minutes may include at a minimum: the date, time, and location of the meeting, a list of those present and absent, a list of the items discussed, and the text of the motions presented and a description of their disposition.
- (e) Director: Voting member who will provide advice, leadership and guidance in achieving the mandate of PHC and should abide by the Shareholder Direction, the OBCA, the HSA, PHC's Articles of Incorporation, its By-Laws and other relevant legislation.

8.3 Qualification of Directors

No person shall be qualified for appointment/election as a Director if he or she:

- (a) is less than eighteen (18) years of age;
- (b) has been found under the *Substitute Decisions Act, 1992*, S.O. 1992, c. 30 or under the *Mental Health Act R.S.O. 1990*, c. M.7, as amended or replaced from time to time, to be incapable of managing property or who has been found to be incapable by a court in Canada or elsewhere;
- (c) is not an individual;
- (d) has the status of a bankrupt;
- (e) is neither a resident Canadian nor a lawful landed immigrant in Canada; or
- (f) is not an active employee of the Region

8.4 Board Selection Process

The Shareholder, as the governing body of PHC, will appoint Regional staff to Director and Officer positions based on recommendations made by the CAO.

9. SHAREHOLDER MATTERS

9.1 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 in writing signed by an authorized signatory of the Shareholder; and
- (b) where Shareholder approvals are required, the Board 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.

9.2 Liaison

- 9.2.1 For matters requiring Shareholder approval or other action regarding governance matters set out in this Shareholder Direction, the designated liaison is the Commissioner of Human Services.
- 9.2.2 For financial matters set out in this Shareholder Direction, the designated Region liaison is the Region's CFO.
- 9.2.3 For matters concerning the Services Agreement, PHC's administration of programs within the scope of the HSA or pursuant to agreements between PHC and the Service Manager, the designated Region liaison is the Commissioner of Human Services or its designate, the Director of Housing Services.

9.3 Matters Requiring Shareholder Approval under the OBCA

In accordance with the provisions of the OBCA, PHC will not, without the approval of the Shareholder:

- (a) apply to make changes to the Articles;
- (b) create any subsidiary corporations;
- (c) 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;
- (d) take or institute proceedings for any winding up, arrangement, corporate governance or legal reorganization or dissolution;

- (e) create new classes of shares or reorganize, amend, consolidate, subdivide or otherwise change its outstanding securities;
- (f) 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 PHC;
- (g) change the Auditor;
- (h) make any change to the number of directors comprising the Board; and
- (i) enter into any transaction or take any action that requires Shareholder approval pursuant to the OBCA or the HSA.

9.4 Other Matters Requiring Shareholder Approval

9.4.1 Without the approval of the Shareholder, and subject to any consent requirements of the HSA, PHC will not:

- (a) create any indebtedness as defined by the Region's Debt Policy;
- (b) sell or encumber any Real Property assets;
- (c) acquire any Real Property assets having a value greater than \$100,000.00;
- (d) give a Guarantee;
- (e) proceed with redevelopment projects, or material changes in the number or distribution of rent-geared-to-income units, including changes to targeting plans,
- (f) establish any offices or appoint any Officers to such offices other than that of the Chair, Vice-Chair, Treasurer or Secretary;
- (g) pass By-laws that are inconsistent with this Shareholder Direction, or repeal or amend any By-law in a manner inconsistent with this Shareholder Direction;
- (h) establish any policies, procedures and By-laws of the Corporation that differ from the Region's with respect to all matters set out in Schedule "B;" and
- (i) change the head office of the Corporation.

9.4.2 Subject to subsection 9.4.1 (g) and the OBCA, the Board may by resolution make, amend, or repeal any of its By-laws. Such By-laws shall be submitted for confirmation to the Region, as Shareholder, immediately following approval by the Board. The Shareholder may confirm, reject, or amend the By-law in accordance with Section 116 of the OBCA, as amended.

10. REGULATORY MATTERS

10.1 Social Housing

PHC shall, at all times, act in compliance with all applicable law in its administration of social and affordable housing programs. Where conflicts arise between statutory obligations and this Shareholder Direction, PHC shall notify the Shareholder and seek the cooperation of the Service Manager in ensuring that issues that require Provincial intervention are resolved quickly.

10.2 Other Legislation

PHC is subject to a variety of legislation that governs its operations and sets out the responsibilities of the Board including but not limited to the HSA, the *Residential Tenancies Act*, 2006, S.O. 2006, c.17, the Human Rights Code and municipal property standards and by-laws, as amended or replaced from time to time. 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.

11. ACCOUNTABILITY

11.1 Direction to Initial Staff Board

The Initial Staff Board will be responsible for developing a four-year business plan by June 30, 2019. The business plan will be submitted to the Shareholder and will be reviewed annually. The business plan will include the components outlined in 11.2.

11.2 Business Plan

11.2.1 The Business Plan will include details on:

- (a) long term business goals, outcomes and strategies;
- (b) the key issues and challenges facing PHC;
- (c) the strategies to be implemented to address key issues facing PHC;
- (d) a four year operating budget and a 10 year capital plan with a long range outlook, with explanatory notes and assumptions;
- (e) financial and service targets and performance measures based on benchmarks set out in regulations pursuant to the HSA or as established in any operating agreement entered into with the Services Manager or Region or its Operating and Capital Budget;
- (f) a risk management plan;
- (g) performance indicators;

- (h) an Asset Renewal and Optimization plan to be included in the Corporate Asset Management Plan;
- (i) an annual Asset Condition update to be included in the Infrastructure Stewardship and Outlook Report; and
- (j) major Initiatives to be undertaken by PHC in the medium and long term and, other matters as may be required by the Shareholder.

11.2.2 In the context of the Operating and Capital Budget, the Board will identify the issues and directions of PHC in the management of its housing portfolio, and any operating matters that differ from the Region's.

11.2.3 The Board will submit its Operating and Capital Budget to the Shareholder annually at a date specified by the Region to permit due consideration and inclusion in the Region's financial planning process.

11.2.4 The Board will provide the draft Business Plan to the Commissioner of Human Services so that a report may be prepared for consideration by the Shareholder in order that the Region may provide comment to the Board on the draft Business Plan, including its financial targets and major operational initiatives, to ensure strategic alignment with the Shareholder's goals and objectives. Such comments will be reflected in the preparation of detailed action plans approved by the Board. The spending estimates, including separate capital and operating budget requirements, included in the Business Plan, will form the basis of the PHC component of the budget requirement to be included in the Human Services departmental budget for housing and homelessness programs.

11.3 Annual Reporting

11.3.1 Within one hundred and fifty (150) days after the end of the fiscal year, or as requested by the Shareholder, the Board will prepare an annual report for approval by the Board and submit this report to the Shareholder This report will include:

- (a) objectives, accomplishments since the prior year and performance trends;
- (b) such explanations, notes and information as is required to explain and account for any variances between the actual results from operations and the budgeted amounts set forth in the current Business 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;
- (c) the achievement of the financial and service targets set out in the Business Plan or any operating agreement entered into with the Region and such explanations, notes and information as is required to explain and account for any variances between the actual results from operations and the targets established in the Business Plan or any operating agreements;
- (d) initiatives to provide responsive customer service;

- (e) Tenant engagement activities;
- (f) information that is likely to materially affect the Shareholder's financial objectives;
- (g) information that is likely to materially affect Tenants' views or opinions regarding PHC;
- (h) information regarding any matter, occurrence or other event which is a material breach or violation of any law, including major findings of internal and other audits;
- (i) information regarding the performance of PHC such that the Shareholder can determine that this Shareholder Direction has been respected;
- (j) information regarding the number of evictions each year and the rationale for these evictions;
- (k) information on the disposition and uses of funds provided to PHC by the Region;
- (l) subject to the requirements of section 9.4, the status of the sale of any properties and on any tenant or community impacts resulting from such sales; and
- (m) any such additional information as the Shareholder may specify from time to time.

11.3.2 PHC's Annual Report will be consistent with, but not in lieu of, other reporting that the Service Manager may require that is consistent with social housing program funding requirements

11.3.3 At a minimum, on an annual basis, the Board will report to the Shareholder on PHC's progress towards achieving the components outlined in the Business Plan.

11.4 Access to Records

10.4.1 Representatives of the Shareholder, including its internal auditor, shall have unrestricted access to the books and records of PHC. Such representatives shall treat all information of PHC with the same level of care and confidentiality as any confidential information of the Shareholder.

11.5 Audit

10.5.1 The Auditor is the Region's auditor and shall be appointed by the Board in accordance with the OBCA. The annual consolidated and unconsolidated Financial Statements of PHC will be audited by the Auditor.

11.6 Accounting

10.6.1 PHC will continue to prepare its financial statements in accordance with Canadian public sector accounting standards, as recommended by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada. PHC will in consultation with the Region's CFO and the external Auditor 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 Canadian generally accepted accounting principles and/or applicable regulatory or program requirements.

11.7 Financial Operations Reports

10.7.1 The Board will deliver to the Commissioner of Human Services and the Region's CFO, as soon as practicable and in any event within one hundred and fifty (150) days after the end of each fiscal year, the audited consolidated and unconsolidated annual Financial Statements of PHC for consideration by the Shareholder.

10.7.2 PHC shall provide semi-annual unaudited Financial Statements to the Region's CFO within ninety (90) days after the end of each fiscal quarter.

12. FINANCIAL YEAR END

PHC's financial year end shall be December 31.

13. NOTICE

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

To the Region at:

The Regional Municipality of Peel
10 Peel Centre Drive, Suite A, 5th Floor
Brampton, ON L6T 4B9

Attention: Commissioner of Human Services

To PHC at:

Peel Housing Corporation
10 Peel Centre Drive, Suite A, 5th Floor
Brampton, ON L6T 4B9

Attention: Chair

14. AMENDMENTS, TERMINATION

This Shareholder Direction may only be amended or terminated by a resolution adopted by Council as Shareholder of PHC. Promptly following the amendment or termination of this Shareholder Direction, the Region shall give written notice of the amendment or termination to the Board.

15. REVIEW OF SHAREHOLDER DIRECTION

This Shareholder Direction shall be reviewed by the Region from

16. HEADINGS

The section headings contained in this Shareholder Direction are included solely for the convenience of reference and are not intended to be full or accurate descriptions of the contents thereof.

DATED at Brampton as of this _____ day of _____ 2018.

THE REGIONAL MUNICIPALITY OF PEEL

Document Execution No. _____
I/We Have Authority to Bind The Regional Corporation
File# M26246

By: _____
Name:
Title:

SCHEDULE "A"

SERVICES PROVIDED BY REGION TO PHC

As provided for in the Shareholder Direction, the Region shall provide PHC with the following Services:

- (a) General Management Services;
- (b) Strategic Support;
- (c) Property Management Services;
- (d) Real Property Services;
- (e) Asset Management and Construction Services;
- (f) Secretarial/Administrative Services;
- (g) Document Execution Processing and Support;
- (h) Finance Services;
- (i) Legal Services;
- (j) Real Estate Services;
- (k) Information Technology Services;
- (l) Communications Services;
- (m) Procurement Services;
- (n) Internal Audit Services;
- (o) Loss Management and Insurance Services;
- (p) Human Resource Services; and
- (q) Such other Services as may be agreed to between the Region and PHC

APPENDIX III
PEEL HOUSING CORPORATION BOARD - SHAREHOLDER DIRECTION

SCHEDULE "B"

LIST OF REGION'S POLICIES, PROCEDURES AND BY-LAWS

The Region's prior written approval is required if PHC wishes to establish any policies, procedures and By-laws of the Corporation that are not consistent with the Region's following policies, procedures and By-Laws, as amended or replaced from time to time:

1. Financial Management By-law 49-2013
2. Debt Policy
3. Cash Management Policy
4. Reserve Management Policy
5. Investment Policy, with the following limitations:
 - minimum of 25 per cent portion of cash position to be maintained with the Region;
 - maximum of \$5 million to be invested in the Long Term Bond Fund; and
 - maximum of the lesser of 10 per cent of the reported Equity Fund balance or \$5 million to be invested in the Equity Fund.
6. Budget Policy – Operating And Capital Budget
7. Asset Management Investment Policy
8. Risk Management Policy
9. Hedging Policy
10. Procurement By-Law 30-2018
11. Employees Participating As A Board Member Policy, Corporate Policy HR06-06