



THE REGIONAL MUNICIPALITY OF PEEL

PEEL HOUSING CORPORATION SPECIAL SHAREHOLDERS MEETING

REVISED AGENDA

PHCSSM - 1/2020

DATE: Thursday, January 9, 2020

TIME: 9:00 AM – 9:30 AM

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;
N. Iannicca 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 - Amendment No.2 to Shareholder Direction
(Revised Appendix I attached)
 - 5.2. Peel Housing Corporation - Updated Board Composition
6. BY-LAWS
7. ADJOURNMENT



REPORT
Meeting Date: 2020-01-09
PHC Special Shareholders Meeting

DATE: December 23, 2019

REPORT TITLE: **PEEL HOUSING CORPORATION BOARD - AMENDMENT NO.2 TO SHAREHOLDER DIRECTION**

FROM: Janice Sheehy, Commissioner of Human Services

RECOMMENDATION

That the amendment to the Peel Housing Corporation Shareholder Direction attached as Appendix I to the joint report of the Commissioner of Human Services and the General Manager for Peel Housing Corporation, titled “Peel Housing Corporation Board – Amendment No.2 to Shareholder Direction”, be approved.

REPORT HIGHLIGHTS

- The Regional Municipality of Peel is the sole shareholder of Peel Housing Corporation (“PHC”) which is governed by a board of directors comprised of Regional staff.
- Members of Regional Council constituting the directing mind of the sole shareholder have issued a Shareholder Direction setting out the relationship between the sole shareholder and the PHC Board, including decisions of the board which require shareholder approval.
- This report recommends an amendment to the Shareholder Direction to provide greater clarity respecting the requirement for shareholder approval of certain decisions and to remove the requirement of shareholder approval for certain transactions of modest scope which would not significantly impede use of PHC lands for Peel initiated requirements should they be required for use in support of such initiatives.

DISCUSSION

1. Background

On December 13, 2018, Regional Council as sole Shareholder of Peel Housing Corporation approved a Shareholder Direction which outlined the relationship and expectations of the PHC Board (“the Board”).

On June 27, 2019, at the Annual General Meeting for PHC, Regional Council, in its capacity as the sole Shareholder of PHC, approved revisions to the Shareholder Direction, which were required to align the Shareholder Direction more closely with new PHC By-laws and related governance documents.

On September 12, 2019, at the special meeting of the Shareholder, an amendment to the Shareholder Direction was approved, permitting the Board to approve, without an

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PEEL HOUSING CORPORATION BOARD - AMENDMENT NO.2 TO SHAREHOLDER DIRECTION

additional requirement for Shareholder approval, certain transactions involving the transfer of permanent easements interests where such transfer is being made to The Regional Municipality of Peel. At that meeting, staff committed to return to the Shareholder to bring forward for consideration a further recommendation for amendment to the Shareholder Direction with respect to other transaction types involving interests in or the use of PHC land that do not warrant a requirement of Shareholder approval.

Following a thorough review of their suitability for exemption from Shareholder approval, staff recommends the further amendment of the Shareholder Direction attached to this report in order to permit the Board to streamline and approve certain real property transactions. This will facilitate the carrying through of matters previously approved by Council and of transactions between Peel Housing Corporation and The Regional Municipality of Peel. The amendments would also enable the Board to approve, without an additional requirement for Shareholder approval, certain transactions of modest scope which would not significantly impede use of PHC lands for Peel initiated requirements.

2. Shareholder Direction

The following changes are being proposed to the June 27, 2019 Shareholder Direction:

- The transactions requiring Shareholder approval have been revised to include a more detailed list of specific types of matters where PHC must seek additional Shareholder approval, including but not limited to the following:
 - (a) creating any new debt or financial obligations beyond the current capital and operating budget allocations, including all applicable reserve fund limits;
 - (b) entering into any documentation or arrangement, with any other party than the Region, which has the effect of selling or encumbering or otherwise affecting PHC's interests in any Real Property. Such documentation or arrangements include those which may affect or involve:
 - (i) granting permanent easement interests;
 - (ii) granting temporary easement interests;
 - (iii) entering into lease agreements with terms exceeding 10 years (PHC may agree to an additional extension not exceeding 5 years);
 - (iv) entering into license agreements with terms exceeding 5 years (PHC may agree to an additional extension not exceeding 5 years);
 - (v) entering into encroachment agreements;
 - (vi) entering into a release and abandonment of easements;
 - (vii) providing documents imposed or required in satisfaction of any condition of approval under the *Planning Act* or the *Building Code Act, 1992* or regulations thereto in connection with the development or redevelopment of PHC lands or buildings;
 - (viii) providing any other documents in relation to or in support of the matters and/or documents above;
 - (c) acquire any Real Property assets having a value in excess of \$100,000 with any party other than the Region.

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PEEL HOUSING CORPORATION BOARD - AMENDMENT NO.2 TO SHAREHOLDER DIRECTION

- New sections have been added to provide that Shareholder approval is not required by the Board:
 - (a) for certain re-financing transactions or documents imposed or required in satisfaction of approval under the *Planning Act* or the *Building Code Act, 1992* in connection with Shareholder approved developments or re-developments of PHC lands or buildings;
 - (b) for certain real property transactions where the value of the interest being dealt with is less than \$50,000 and the term of the dealing is 5 years or less, or the dealing allows for termination by PHC without penalty or costs upon a notice period of 1 year or less.
 - (c) where there is a Council resolution authorizing an activity, budget approval, project, program or service which by necessary implication would permit PHC to undertake a certain transaction in order to achieve the intent of the Council authorization.
- A further new section has been added to clarify that the Shareholder Direction operates prospectively only; no additional Shareholder approval is required for matters previously dealt with by PHC at a time prior to the Shareholder Direction coming into effect.

These amendments will give the Board the authority to approve certain real property and financial transactions, without a requirement for an additional Shareholder approval. This is with a view to facilitating implementation of Council approved initiatives or to enabling transactions, the scope of which would not significantly impede such initiatives should PHC property be required in support of them.

RISK CONSIDERATIONS

Without the approval of the amendment to the Shareholder Direction, there is a risk that projects that require certain real property or financial transactions that are operational or more routine in nature, or those matters that have been previously approved by Council may be unnecessarily delayed until Shareholder approval is received.

The risk of approving the amendment is that the PHC Board will have authority to deal with PHC lands without expressed approval by the sole shareholder. This risk is considered minimal as the decision making authority is modest and PHC Board approval would still be required.

The risk of unnecessary delay in not proceeding with the amendment is considered to significantly outweigh the minimal risk of proceeding.

CONCLUSION

Staff are recommending that that the June 27, 2019 Shareholder Direction be amended to grant the Board authority to approve certain real property and financial transactions, as outlined in Amendment No. 2 to Shareholder Direction attached hereto as Appendix I, without obtaining express and separate Shareholder approval.

PEEL HOUSING CORPORATION BOARD - AMENDMENT NO.2 TO SHAREHOLDER DIRECTION



Janice Sheehy, Commissioner of Human Services

Approved for Submission:



N. Polsinelli, Interim Chief Administrative Officer

APPENDICES

Appendix I: Amendment to Shareholder Direction

For further information regarding this report, please contact Andrea Warren, General Manager, Peel Housing Corporation ext. 4355, andrea.warren@peelregion.ca.

Authored By: Lindsay Sieben, Program Support Analyst, Peel Housing Corporation

Reviewed in workflow by:

Financial Support Unit

Legal Services

AMENDMENT NO.2 TO SHAREHOLDER DIRECTION

THIS AMENDMENT made effective as of the 9th day of January, 2020 (the “Amendment No.2”) amends the Shareholder Direction dated June 27, 2019 from:

THE REGIONAL MUNICIPALITY OF PEEL
(the “Region”)

TO

PEEL HOUSING CORPORATION
(the “Board”)

1. RECITALS

- A. On December 13, 2018, in a special meeting of the Shareholder, Council for the Region, in its capacity as the sole Shareholder of Peel Housing Corporation, approved a Shareholder Direction to, among other things, set out the accountability, responsibility and relationship between the Shareholder and the Board.
- B. On June 27, 2019, at the annual general meeting for Peel Housing Corporation, Council for the Region, in its capacity as the sole Shareholder of Peel Housing Corporation, approved revisions to the Shareholder Direction, which revisions were required to align the Shareholder Direction more closely with new Peel Housing Corporation by-laws and related governance documents. The Shareholder Direction dated June 27, 2019 (the “2019 Shareholder Direction”) replaced in its entirety, the Shareholder Direction dated December 13, 2018.
- C. On September 12, 2019, in a special meeting of the Shareholder, Council for the Region, in its capacity as the sole Shareholder of Peel Housing Corporation, approved an amendment to the Shareholder Direction to permit the Board to approve, without an additional requirement for Shareholder approval, certain transactions involving the transfer of permanent easement interests where such transfer is being made to the Region.
- D. Additional changes to the 2019 Shareholder Direction are required to permit the Board to approve, without an additional requirement for Shareholder approval, certain transactions of modest scope which would not significantly impede use of PHC lands for Region initiated requirements should they be required for use in support of such initiatives.

2. INTERPRETATION

- 2.1 Unless the subject matter or context requires otherwise, the terms and phrases in this Amendment shall have the same meaning as in the Shareholder Direction.

3. AMENDMENTS

3.1 The Shareholder Direction is hereby amended by deleting subsection 9.4.1 in its entirety and replacing same with the following:

- 9.4.1 Without the approval of the Shareholder, and subject to any consent requirements of the HSA, PHC will not:
- (a) create any new debt or financial obligations beyond the current capital and operating budget allocations, including all applicable reserve fund limits;
 - (b) enter into any new documentation or arrangement having the effect of selling or encumbering or otherwise affecting PHC's interests in any Real Property, where such documentation or arrangement is with any party other than the Region. Such documentation or arrangements include those which may affect or involve:
 - (i) granting permanent easement interests;
 - (ii) granting temporary easement interests;
 - (iii) entering into lease agreements with terms exceeding 10 years (PHC may agree to an additional extension not exceeding 5 years);
 - (iv) entering into license agreements with terms exceeding 10 years (PHC may agree to an additional extension not exceeding 5 years);
 - (v) entering into encroachment agreements;
 - (vi) entering into release and abandonment of easements;
 - (vii) providing documents imposed or required in satisfaction of any condition of approval under the Planning Act or the Building Code Act, 1992 or regulations thereto in connection with the development or redevelopment of PHC lands or buildings;
 - (viii) providing any other documents in relation to or in support of the matters and/or documents above;
 - (c) acquire any Real Property assets having a value in excess of \$100,000 with any party other than the Region;
 - (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, Secretary or Corporate Counsel;
 - (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.

3.2 The Shareholder Direction is hereby amended by adding new subsections 9.4.3, 9.4.4, 9.4.5, and 9.4.6 as follows:

9.4.3 Despite 9.4.1, the approval of the Shareholder is not required for:

- (a) a re-financing which does not have the effect of creating a net new indebtedness; or
- (b) documents imposed or required in satisfaction of any condition of approval under the *Planning Act* or the *Building Code Act, 1992* or regulations thereto in connection with the development or redevelopment of PHC lands or buildings where the development or re-development has been approved by the Shareholder, which includes transfers of road widenings, reserves on municipal roads, and easements.

9.4.4 Any approval of the Shareholder referred to in subsection 9.4.1(b) above, shall not be required where the value of the interest being dealt with is less than \$50,000 and the term of the dealing is 5 years or less, or the dealing allows for termination by PHC without penalty or costs upon a notice period of 1 year or less.

9.4.5 The Shareholder Direction shall not be deemed to require Shareholder approval for any matter under subsection 9.4.1(a-e), where there is a Council resolution authorizing an activity, budget approval, project, program or service which by necessary implication would require that PHC undertake the matter under subsection 9.4.1(a-e) in order to achieve the intent of the Council authorization. However no such authorization or deemed approval shall, without express separate Shareholder direction, bind PHC to proceed upon or implement the matter authorized or approved.

9.4.6 For the purpose of clarity, the Shareholder Direction operates prospectively only and is not to be interpreted as requiring Shareholder approval for matters previously dealt with by PHC at a time when no such approval was required.

4. GENERAL

4.1 Except as otherwise provided in this Amendment, all other terms and conditions of the Shareholder Direction and its Schedules remain unchanged, unmodified and in full force and effect.

[signing page to follow]

DATED at Brampton as of this 9th day of January, 2020.

THE REGIONAL MUNICIPALITY OF PEEL

Per: _____
Name:
Title:

Document Execution No. _____

I/We have authority to bind the Regional Corporation

File No. M26246



REPORT
Meeting Date: 2020-01-09
PHC Special Shareholders Meeting

DATE: December 10, 2019

REPORT TITLE: **PEEL HOUSING CORPORATION - UPDATED BOARD COMPOSITION**

FROM: Janice Sheehy, Commissioner of Human Services

RECOMMENDATION

That Kathryn Lockyer be re-appointed as a Director of Peel Housing Corporation Board and Secretary, for an additional one year term, ending December 12, 2020, or until a successor is appointed.

REPORT HIGHLIGHTS

- On December 13, 2018, a new composition for the Peel Housing Corporation Board (“the Board”) consisting of Regional staff was approved by Regional Council in their capacity as the sole Shareholder of Peel Housing Corporation, at which time Kathryn Lockyer was appointed as a Director of the Board and Secretary for a one year term.
- Section 6.6 of the Shareholder Direction provides that a Director may be re-appointed to the Board at the expiration of his or her term of office.
- The re-appointment of Kathryn Lockyer, Regional Clerk and Director of Legal Services, as a Director of the Board and Secretary for an additional one year term is being recommended for approval.

DISCUSSION

1. Background

On December 13, 2018, a staff Board was approved by Regional Council in their capacity as the sole Shareholder of Peel Housing Corporation (PHC) with the mandate of focusing primarily on overseeing the day-to-day operations of PHC. At that time, Regional Council approved, through the Shareholder Direction, the process for appointing and maintaining Board membership, including the re-appointment of a Director. In accordance with section 8.4 of the Shareholder Direction, both Director and Officer positions are appointed by the Shareholder based on recommendations made by the Region’s Chief Administrative Officer (“CAO”). Once appointed, section 6.6 of the Shareholder Direction provides that a Director may be re-appointed to the Board at the expiration of his or her term of office.

PEEL HOUSING CORPORATION - UPDATED BOARD COMPOSITION

On December 13, 2018 Kathryn Lockyer, Regional Clerk and Director of Legal Services, was appointed as a Director and Secretary for PHC for a one-year term which expires on December 12, 2019. The re-appointment of Kathryn Lockyer as a Director and Secretary of PHC for a further one year term is therefore being recommended by the CAO. Through the additional term, Kathryn Lockyer will continue to aid in the Board's development of processes and procedures which support the new governance model.



Janice Sheehy, Commissioner of Human Services

Approved for Submission:



N. Polsinelli, Interim Chief Administrative Officer

For further information regarding this report, please contact Andrea Warren, General Manager, Peel Housing Corporation ext. 4355, andrea.warren@peelregion.ca.

Authored By: Lindsay Sieben, Program Support Analyst, Peel Housing Corporation

Reviewed in workflow by:

Legal Services