



THE REGIONAL MUNICIPALITY OF PEEL

PEEL HOUSING CORPORATION

AGENDA

PHC - 6/2018

DATE: Thursday, September 6, 2018

TIME: 8:30 AM – 10:30 AM

LOCATION: 5th Floor Boardroom
Regional Administrative Headquarters
10 Peel Centre Drive, Suite A
Brampton, Ontario

MEMBERS: F. Dale G. Miles
C. Fonseca E. Moore
M. Mahoney B. Shaughnessy

Chaired by President G. Miles or Vice President B. Shaughnessy

1. DECLARATIONS OF CONFLICTS OF INTEREST

ADMINISTRATIVE MATTERS

2.

3. APPROVAL OF MINUTES

3.1. Minutes of the Board of Directors (PHC-4/2018) meeting held on June 7, 2018

4. APPROVAL OF AGENDA

5. DELEGATIONS

6. REPORTS

6.1. Report of the Corporate Secretary of the Board of Directors (PHC-5/2018) meeting held on July 5, 2018

6.2. East Avenue Redevelopment – Project Approach and Tenant Relocation Framework

6.3. 2017 Peel Housing Corporation Investment Report (For information) **(Deferred from the July 5, 2018 Board of Directors meeting due to lack of quorum)**

- 6.4. Semi-Annual Financial Report - June 30, 2018 (Unaudited)
- 6.5. Procurement Activity Semi-Annual Report January 1 to June 30, 2018 (For information)

7. COMMUNICATIONS

- 7.1. **Patrick O'Connor, Corporate Counsel**, Exchange of Correspondence Between Lawyers for the Cedar Groves Residents' Association and Peel Housing Corporation Corporate Counsel Regarding the Twin Pines Redevelopment Project (Receipt recommended)

8. GENERAL MANAGER'S UPDATE

9. IN CAMERA MATTERS

10. OTHER BUSINESS

11. NEXT MEETING

To be determined

12. ADJOURNMENT



PEEL HOUSING CORPORATION

BOARD OF DIRECTORS

MINUTES

PHC-4/2018

The Board of Directors of Peel Housing Corporation met on June 7, 2018 at 8:38 AM, in the Council Chamber, Regional Administrative Headquarters, 5th Floor, 10 Peel Centre Drive, Suite A, Brampton.

Directors Present: C. Fonseca; M. Mahoney; G. Miles; E. Moore; B. Shaughnessy

Directors Absent: F. Dale, due to other municipal business

Also Present: D. Szwarc, Chief Administrative Officer, Region of Peel; J. Sheehy, Commissioner of Human Services; P. O'Connor, Corporate Counsel; D. Labrecque, General Manager; S. Nagel, Treasurer; J. Arcella, Deputy Treasurer; A. Macintyre, Corporate Secretary; C. Thomson, Deputy Corporate Secretary; S. MacGregor, Legislative Assistant

Chaired by President Miles.

1. **DECLARATIONS OF CONFLICTS OF INTEREST - Nil**
2. **ADMINISTRATIVE MATTERS - Nil**
3. **APPROVAL OF MINUTES**
- 3.1. **Minutes of the Board of Directors (PHC-3/2018) meeting held on May 3, 2018**

Moved by Director Mahoney,
Seconded by Director Fonseca;

That the minutes of the Peel Housing Corporation (PHC-3/2018) Board of Directors meeting held on May 3, 2018, be adopted.

Carried 2018-31

* See text for arrivals

◆ See text for departures

4. APPROVAL OF AGENDA

Moved by Director Shaughnessy,
Seconded by Director Moore;

That the agenda for the June 7, 2018, Peel Housing Corporation Board of Directors meeting, be approved.

Carried 2018-32

5. DELEGATIONS - Nil

6. REPORTS

6.1. New Procurement Policy

Moved by Director Fonseca,
Seconded by Director Moore;

That the Region of Peel's new Procurement By-law 30-2018, as amended, be adopted as the new procurement policy for Peel Housing Corporation effective as of July 1, 2018, provided that references to "Council" shall be interpreted to mean the Peel Housing Corporation Board, and references to "Chief Financial Officer" shall be interpreted to mean the Treasurer of Peel Housing Corporation.

Carried 2018-33

6.2. Infrastructure and Planning Services (IPS) Functional Review (Oral)

Presentation by Dan Labrecque, General Manager, Peel Living and Hitesh Topiwala, Manager, Infrastructure Planning and Servicing

Received 2018-34

Dan Labrecque, General Manager, advised that the purpose of the Infrastructure and Planning Services (IPS) Functional Review is to review current functional capacity and capability of IPS; assess its effectiveness to meet emerging business threats and opportunities; and, provide recommendations to support the Corporation's objectives. IPS's major roles include contract/vendor management; capital planning and implementation; and, technical services including fire and life safety and major building systems.

Dan Labrecque outlined challenges identified through the review, as well as the desired future state. He highlighted actions that have been taken to date, including the reallocation of maintenance contract oversight to increase accountability; the redistribution of Building Systems Contract management between team members; and, the assignment by Region of Peel

Purchasing of more senior support staff. Additional actions will be brought forward for consideration in the 2019 Budget.

In response to a question from Director Shaughnessy, the General Manager advised that Peel Housing Corporation does not currently have an Asset Management Plan.

Director Moore inquired whether outsourced contracts could be managed by an external service provider to lessen the procurement process burden on PHC staff by reducing the number of contracts they must manage.

The General Manager stated that such outsourcing could be explored; however, there would be implementation costs.

President Miles suggested that staff consider reporting to the next meeting of the Board of Directors with recommendations related to staffing requirements.

David Szwarc, Chief Administrative Officer (CAO), noted that staffing decisions are usually considered as part of the annual budget but that staff could report to the next meeting of the Board of Directors with recommendations related to certain positions that would not impact the budget.

In response to comments from President Miles, the CAO advised that the Region of Peel has a number of asset management systems, and that work is underway to incorporate a comprehensive system for the entire Region, including Peel Living. The required system would be complex and comprehensive and is estimated to be in place in four years.

The CAO undertook to provide an overview of the asset management project at the next meeting of the Board of Directors.

7. COMMUNICATIONS - Nil

8. GENERAL MANAGER'S UPDATE

Received 2018-35

Dan Labrecque, General Manager, provided an update on the Over-housed Initiative; Pest Management Pilot; and, Community Paramedicine pilot being initiated at two sites. He advised that Phase I of the Operational Review is complete and highlighted the progress of projects related to infrastructure and finance.

The General Manager advised that a report would be considered at the June 28, 2018 Regional Council meeting with recommendations related to the governance of the Peel Housing Corporation and the Peel Housing and Homelessness Plan.

In response to a question from President Miles, Janice Sheehy, Commissioner of Human Services advised that staff would determine a process to ensure the Board of Directors are familiar with the governance recommendations prior to the June 28, 2018 Regional Council meeting.

President Miles requested that staff report to the Board of Directors, prior to the end of the current term, with recommendations related to future staffing requirements.

President Miles further requested that staff report to the September 6, 2018 Board of Directors meeting with recommendations to address the need for more focused capital spending.

9. IN CAMERA MATTERS

The Board of Directors of Peel Housing Corporation opted not to move "In Camera".

9.1. Closed Session Report of the Board of Directors meeting held on May 3, 2018

Received 2018-36

10. OTHER BUSINESS - Nil

11. NEXT MEETING

Thursday, July 5, 2018, 8:30 a.m. – 10:30 a.m.
Regional Council Chambers, 5th Floor
Regional Administrative Headquarters
10 Peel Centre Drive, Suite A
Brampton, Ontario

12. ADJOURNMENT

The meeting adjourned at 9:55 a.m.

President

Secretary



PEEL HOUSING CORPORATION
BOARD OF DIRECTORS
REPORT OF THE SECRETARY

PHC-5/2018

The Board of Directors of Peel Housing Corporation met on July 5, 2018 at 8:40 AM, in the Council Chamber, Regional Administrative Headquarters, 5th Floor, 10 Peel Centre Drive, Suite A, Brampton.

Directors Present: C. Fonseca; M. Mahoney; E. Moore; B. Shaughnessy

Directors Absent: F. Dale, due to personal matters; G. Miles

Also Present: D. Szwarc, Chief Administrative Officer, Region of Peel; J. Sheehy, Commissioner of Human Services; P. O'Connor, Corporate Counsel; D. Labrecque, General Manager; S. Nagel, Treasurer; A. Macintyre, Corporate Secretary; C. Thomson, Deputy Corporate Secretary; S. MacGregor, Legislative Assistant

Chaired by Vice-President Shaughnessy.

In accordance with section 4.5.7. of Region of Peel Procedure By-law 9-2018, no quorum was present. The Deputy Secretary recorded the names of the Directors present as:

C. Fonseca
M. Mahoney
E. Moore
B. Shaughnessy

- 1. DELCARATIONS OF CONFLICTS OF INTEREST - Nil**

- 2. ADMINISTRATIVE MATTERS - Nil**

- 3. APPROVAL OF MINUTES**
 - 3.1. Minutes of the Board of Directors (PHC-4/2018) meeting held on June 7, 2018**

* See text for arrivals

◆ See text for departures

4. **APPROVAL OF AGENDA**
5. **DELEGATIONS - Nil**
6. **REPORTS**
 - 6.1. **2017 Peel Housing Corporation Investment Report**
 - 6.2. **Contract Increases Resulting from Changes to Minimum Wage Under the *Fair Workplaces, Better Jobs Act, 2017***
 - 6.3. **Workforce Stabilization**
7. **COMMUNICATIONS - Nil**
8. **GENERAL MANAGER'S UPDATE - Nil**
9. **IN CAMERA MATTERS - Nil**
10. **OTHER BUSINESS - Nil**

The members present received information and no minutes were kept. The following are summary notes of the information received.

- 6.4. **PHC Board Redevelopment Update (Oral)**
Presentation by Denise Occhipinti, Project Manager, Peel Living

Received

Denise Occhipinti, Project Manager, Peel Living, advised that the Housing Master Plan translates the strategy of the Peel Housing and Homelessness Plan into an action plan, including prioritization of projects and housing targets per project, overlaid with other Region of Peel programming requirements and a financing and funding strategy to support the 10 year plan. The Housing Master Plan is expected to be presented to Regional Council in Spring, 2019.

Denise Occhipinti provided an update on the East Avenue Redevelopment Project, noting that 2018 activities will focus on requirements confirmation, preparation of planning applications, and planning for resident relocation.

With respect to the Twin Pines Redevelopment, Denise Occhipinti advised that procurement planning is continuing, and staff continue to support residents with updates on the project and assist with resident transitions.

Seven additional sites have been identified for potential redevelopment and further studies of the sites will be completed in 2018.

In response to questions from Director Fonseca, Denise Occhipinti confirmed that staff would be reporting to the next Term of Regional Council regarding the tenant relocation plan for East Avenue and that staff would be providing an update in the Fall to the Cedar Groves Board of Directors.

6.5. Health and Wellness Engagement Pilot Project Update (Oral)

Presentation by Mary Jo MacCrae, Manager, Housing Operations and Tenancy Management, Peel Living

Received

Mary Jo MacCrae, Manager, Housing Operations and Tenancy Management, provided an update on the Health and Wellness Engagement Pilot project, comprising three components:

- Support staff to address complex mental health tenancy breaches
- Support Tenants to maintain their tenancy
- Staff knowledge transfer

Mary Jo MacCrae provided examples of the range of supports offered to tenants from referrals, including Hoarding Specialists, Counselling and Case Management services, Nurse and Personal Support Workers, peer support groups, accessibility devices, financial income supports, and relocation to long term care.

Mary Jo MacCrae advised that as a result of the Pilot, staff learned that mental health is a complex issue and that multiple approaches are required to support Tenants. One third of the tenants referred to the program declined support.

Staff recommend that the option to extend the pilot for an additional year be exercised. A Community Initiatives Specialist will be hired to assist in reinforcing the value of the data collected by setting more specific outcomes; producing a more comprehensive report to the Board of Directors; and, sharing successes and challenges with the Region of Peel to support the Peel Housing and Homelessness Master Plan.

6.6. Pest Management Pilot (Oral)

Presentation by Mary Jo MacCrae, Manager, Housing Operations and Tenancy Management, Peel Living

Received

Mary Jo MacCrae, Manager, Housing Operations and Tenancy Management, advised that the 2017 Tenant Survey indicated that 33 per cent of units had experienced a pest management issue, which contributes negatively to tenants' quality of life and to Peel Living's reputation of well-maintained building conditions. A pilot project was initiated to determine why continuous and repeated treatments were not effective in addressing ongoing bedbug issues at one of Peel Living's sites.

The pilot project resulted in an 80 per cent improvement after two, two-stage treatments; a validated, effective operational protocol; an updated and improved pest management contract; draft tenant educational communications; and the need to have a dedicated resource for pest management.

In response to a question from Director Mahoney, Mary Jo MacCrae advised that while some educational material on pest management is available to tenants, staff are working to simplify the language of the material and enhance staff training.

6.7. Corporate Asset Management (Oral)

Presentation by Stephen VanOfwegen, Commissioner of Finance and Leanne Brannigan, Acting Manager, Corporate Asset Management

Received

Stephen VanOfwegen, Commissioner of Finance and Chief Financial Officer and Leanne Brannigan, Acting Manager, Corporate Asset Management, provided an update on the Region of Peel's asset management program and partnership with Peel Housing Corporation (PHC).

They reviewed the history of the Region of Peel's asset management journey, which commenced in 2007, and advised that in 2018, the provincial government introduced new asset management regulations, with full compliance required by 2023. The Region of Peel is well positioned to meet and exceed those requirements.

The Region of Peel's Asset Management Strategy includes current PHC assets and assets managed by PHC for the Region of Peel.

Regional Council and the public receive an annual update on the overall performance of the Region of Peel's infrastructure that demonstrates that investment in infrastructure maintenance and renewal are achieving desired outcomes.

Over the coming months, staff will focus on ensuring the Region of Peel and PHC comply with new Asset Management regulations. By 2019, PHC assets will be included in the annual infrastructure Scorecard, including reporting to the PHC Board of Directors.

11. NEXT MEETING

Thursday, September 6, 2018, 8:30 a.m. – 10:30 a.m.
Regional Council Chambers, 5th Floor
Regional Administrative Headquarters
10 Peel Centre Drive, Suite A
Brampton, Ontario

12. ADJOURNMENT

Having regard that a quorum of voting members was not achieved, in accordance with Section 4.09 of Peel Housing Corporation By-law 1, all Directors will be requested to sign resolutions related to Items 6.2 and 6.3 listed on the agenda for the July 5, 2018 Peel Housing Corporation Board of Directors meeting.

The Minutes of the June 7, 2018 Board of Directors Meeting and Reports – Item 6.1 will be placed on the agenda for the next regular meeting of the Peel Housing Corporation Board of Directors.

The meeting adjourned at 9:22 a.m.



Corporate Secretary



REPORT
Meeting Date: 2018-09-06
Peel Housing Corporation

DATE: August 27, 2018

REPORT TITLE: **EAST AVENUE REDEVELOPMENT – PROJECT APPROACH AND TENANT RELOCATION FRAMEWORK**

FROM: Dan Labrecque, General Manager, Peel Living

RECOMMENDATION

That the East Avenue Tenant Relocation Policy Framework and engagement approach outlined in the report of the General Manager titled “East Avenue Redevelopment Tenant Relocation Policy Framework”, be endorsed;

And further, that costs associated with the East Avenue tenant relocations be funded through the East Avenue Redevelopment capital project.

REPORT HIGHLIGHTS

- In 2017, the Peel Housing Corporation (PHC) Board of Directors approved the East Avenue Redevelopment Project at an estimated cost of \$45 million;
- The redevelopment project is anticipated to be completed in 2022;
- As part of the redevelopment project, PHC is committed to facilitating the relocation of all tenants impacted by redevelopment through the creation of individualized relocation plans with each household;
- The tenant relocation process for existing tenants is anticipated to commence in summer 2018 and be completed in 2019;
- The East Avenue Tenant Relocation Policy Framework will be utilized as a pilot to inform a formal tenant relocation policy for PHC redevelopment projects in the future.

DISCUSSION

1. Background

On September 7, 2017, the Peel Housing Corporation (PHC) Board of Directors approved the 958/960 East Avenue site for redevelopment with a preliminary financing plan of \$45 million. Following the submission of a business case to the Service Manager (i.e. the Region of Peel in its capacity as service manager under the *Housing Services Act*) in the fall of 2017, Regional Council approved the allocation of funding in the amount of \$32 million (\$25.94 million from the Regional Housing Reserve and \$6.06 million from the Investment in Affordable Housing (IAH) Extension Year 6 funds) to PHC to advance the process for the redevelopment.

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EAST AVENUE REDEVELOPMENT - PROJECT APPROACH AND TENANT RELOCATION FRAMEWORK

The East Avenue Site

The PHC owned 958/960 East Avenue site is located at Lakeshore Road East in Mississauga and consists of two, two-storey walk-up buildings. The buildings were built in 1967 with a total of 30 units (16 bachelor and 14 one-bedroom units). Currently, there are 28 tenant households and 2 vacancies. While predominately Rent-Geared-to-Income units, there are a few market rent units and units rented to “Services and Housing in the Province” (SHIP, formerly known as “Supportive Housing in Peel”) and Peel Halton Dufferin Acquired Brain Injury Services.

The preliminary feasibility study completed on the site resulted in a redevelopment concept which included 156 units of purpose built rental in a 7-storey building. The preliminary concept will be further explored to ensure that PHC is maximizing the use of the available land through the redevelopment project.

Project Approach

The East Avenue Redevelopment Project will be executed through a design-build model in four phases. The project phasing and preliminary timelines are as follows:

Phase 1 (2018 – 2019): Program Definition & Pre-Design will be completed over a 12-month period and will result in the confirmation of programming and design requirements as well as the required Official Plan Amendment and Re-zoning applications to the City of Mississauga.

Phase 2 (2019 – 2020): Design and Site Preparations Phase will see the completion of the design through the selection of a design builder, tenant relocation completion and site demolition.

Phase 3 (2020 – 2022): Construction Phase will complete construction of the new facility.

Phase 4 (2022): Site Operationalization and Occupancy is anticipated for completion by late 2022.

All project timelines must comply with the funding requirements as identified in the IAH Extension Year 6 funding, which requires construction commencement by April 2020 and completion by December 2023.

Residential Tenancies Act (RTA), Housing Services Act and Tenancy Agreement Obligations

Peel Living’s legal relationship with East Avenue tenants is governed by the *RTA* and administered through an initial twelve-month term tenancy agreement with subsequent month-to-month terms established between Peel Living and East Avenue tenants.

There are specific provisions in the *RTA* related to termination of tenancies for redevelopment purposes requiring a minimum of 120 days notice of termination. As a *Housing Services Act (HSA)* designated site, the project is exempt from many *RTA* requirements including the provision of an acceptable alternative unit or compensation at the time of termination. As a responsible landlord working with the Service Manager, all *HSA*

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EAST AVENUE REDEVELOPMENT - PROJECT APPROACH AND TENANT RELOCATION FRAMEWORK

requirements related to the redevelopment will be incorporated into the Tenant Relocation Policy.

Tenant Engagement

In June and July 2018, staff met with tenants to introduce the project and to gather initial inputs related to tenant relocation needs and concerns. The consultations identified the need for individualized relocation plans, as each household has unique needs and circumstances. In addition, some consistent key themes were identified including: the desire to be provided with choices and to remain in the local area/community, ability to retain current subsidies/financial supports (where applicable), move assistance (financial and services) and for some, the ability to return following the redevelopment. The key themes along with the household inputs provided have informed the Tenant Relocation Policy Framework and will continue to be reviewed through the development of individual household relocation plans.

2. Tenant Relocation Policy Framework

Building on the extensive work completed through the Twin Pines Redevelopment Resident Transition Plan, and recognizing the unique nature of that project in comparison to the remainder of the PHC portfolio and HSA designated sites, a Tenant Relocation Policy (TRP) framework has been prepared to guide the East Avenue Redevelopment. PHC's goal is to facilitate the relocation of tenant households required to move out of their current units as a result of the redevelopment project. The TRP Framework Principles are as follows:

- All East Avenue tenant households (market and subsidized units) will be provided with facilitation assistance to relocate from the East Avenue site and stabilize within their new community. Assistance provided may include a limited moving allowance, set-up/reconnect fees (based on household size) and/or access to programs/services with the objective of reducing the adverse effects of the relocation;
- Tenant households will be engaged and receive timely communications throughout the redevelopment process including the development of individualized household relocation plans;
- As a priority and subject to continued eligibility, PHC will work with the Service Manager and the East Avenue tenants to develop relocation plans with the intent to maintain household subsidies and tenancies; On-site relocation resources will be provided to assist tenants with relocation planning and connections to community programs and services;
- The tenant relocation process and allocation of available relocation units will be applied consistently and equitably;
- Subject to the availability of appropriate units, the option to return following the redevelopment may be provided to current eligible tenants in accordance with an allocation process to be established;

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EAST AVENUE REDEVELOPMENT - PROJECT APPROACH AND TENANT RELOCATION FRAMEWORK

- Current and future vacancies at the site will not be filled. Vacancies at other Peel Living buildings will be prioritized for allocation to the TRP (as required) to support the redevelopment timelines; and,
- Implementation of the TRP, including notification of tenancy termination, will be in accordance with the *RTA* to the extent required under the *HSA*.

Relocation options may include a comparable PHC unit within the portfolio or an alternative housing arrangement within Peel, based on needs and unit availability.

Costs associated with the tenant relocation policy and household plans for the East Avenue Redevelopment are estimated not to exceed \$75 thousand.

Next Steps

Commencing this fall, upon the finalization of the associated TRP policy and procedural components, staff will organize tenant meetings and one-on-one discussions to provide an update on project timelines and the TRP for East Avenue. Individual household relocation plans will then be prepared and early relocations will commence.

The tenant relocation process is anticipated to be completed in 2019. A further update on the tenant relocation plan and timelines will be provided to the PHC Board in early 2019.

FINANCIAL IMPLICATIONS

The PHC Board approved a preliminary capital budget in the amount of \$45 million for the redevelopment. Costs associated with tenant relocation and short-term revenue loss during the transition period will be capitalized through the project.

As tenants relocate from East Avenue, operational adjustments will be made to minimize expenses to the site to help off-set net revenue loss.

CONCLUSION

Peel Housing Corporation is committed to facilitating the relocation of tenant households required to move out of their current units as a result of the redevelopment project. Building on the experiences and expertise built to date through the Twin Pines Redevelopment, the East Avenue Tenant Relocation Policy Framework will be utilized as a pilot and will inform future policies that will guide all PHC redevelopment requiring tenant relocations and may be leveraged by the Service Manager to assist other providers as well.



Dan Labrecque, General Manager, Peel Living

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EAST AVENUE REDEVELOPMENT - PROJECT APPROACH AND TENANT RELOCATION FRAMEWORK

For further information regarding this report, please contact Sue Ritchie, Manager, Housing Development at 905-791-7800 ext.8605 or email at sue.ritchie@peelregion.ca

Authored By: Denise Occhipinti

Reviewed in workflow by:

Financial Support Unit

Legal Services



REPORT
Meeting Date: 2018-09-06
Peel Housing Corporation

For Information

DATE: June 21, 2018

REPORT TITLE: **2017 PEEL HOUSING CORPORATION INVESTMENT REPORT**

FROM: Stephanie Nagel, Treasurer, Peel Living

OBJECTIVE

To provide the annual results of investment activity in accordance with the investment policy adopted by the Board in the report of the Treasurer, Peel Living, titled "Investment Policy" dated March 27, 2007.

REPORT HIGHLIGHTS

- At December 31, 2017, Peel Living had holdings totaling \$29.9 million, of which \$25.6 million was cash held in the bank account and the remaining \$4.3 million invested in Social Housing Investment Funds (SHIF) pooled funds.
- The cash received the Region's earnings rate which averaged 2.5 per cent in 2017.
- The SHIF – Canadian Equity Funds returned 14.4% during 2017.

DISCUSSION

1. Background

The Peel Housing Corporation Board adopted the Investment Policy for Peel Living (the operating entity of Peel Housing Corporation) at the April 19, 2007 meeting. The policy authorizes the Treasurer to utilize all pooled investment funds offered by Social Housing Services Corporation Financial Inc. in accordance with the limitations set out in the policy.

Social Housing Services Corporation Financial Inc. is registered with the Ontario Securities Commission and is subject to regulatory oversight in its role as an investment fund. The firm offers pooled funds to all eligible housing providers in Ontario to assist in investing their capital reserve funds pursuant to section 141(b) of the *Social Housing Reform Act*. With the exception of Peel, Ottawa and Toronto, whose participation is optional, all prescribed housing providers are mandated to participate in this pooled investment program.

Effective November 2014, Social Housing Services Corporation Financial Inc. was reconstituted as Encasa Financial Inc. (Encasa) when its investment base was broadened through an expansion of its ownership through the amalgamation of four key housing organizations (Housing Services Corporation, Co-operative Housing Federation of Canada, Co-operative Housing Federation of BC and BC Non-Profit Housing Association). Encasa has outsourced its investment activities to Phillips, Hager and North (PH&N), part of RBC Global Asset Management. The Encasa board oversees the performance of its investment managers on behalf of Peel Living and other housing providers.

2017 PHC INVESTMENT REPORT

At the end of 2017, PH&N was managing in excess of \$546.0 million for Encasa in three separate product lines:

- SH - Canadian Short-Term Bond Fund (1 to 5 Year Horizon)
- SH - Canadian Bond Fund (5 to 7 Year Horizon)
- SH - Canadian Equity Fund (Beyond 7 Year Horizon)

As at December 31, 2017, Peel Living’s market value included \$119 in SH - Canadian Short Term Bond Fund and \$4.3 million in SH – Canadian Equity Fund. The annualized return since inception is 6.3 per cent.

2. 2017 Overview of Peel Housing Holdings

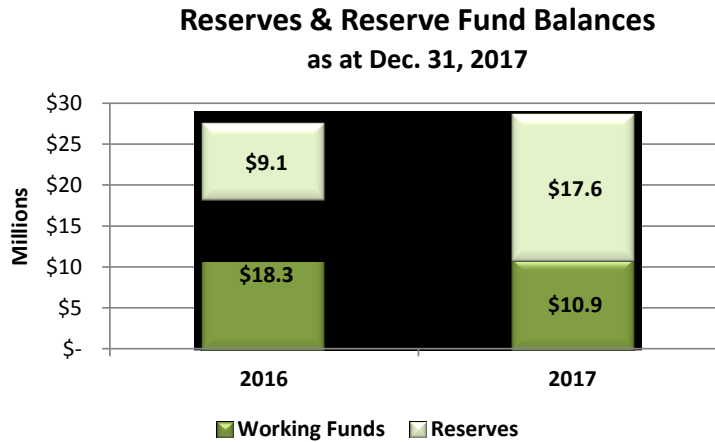
a) Transactions

There was no change to the holdings within the Encasa funds during 2017.

b) Year End Cash Balance

As of December 31, 2017 the Reserve and Reserve Fund balances was \$28.5 million, made up of \$17.6 million in reserves and \$10.9 million in working capital.

Chart A



c) Portfolio Market Value

As noted in the following table, of the total holdings of \$29.9 million, \$4.3 million was held under the SHIF program with Encasa and the balance as cash.

2017 PHC INVESTMENT REPORT

Table A

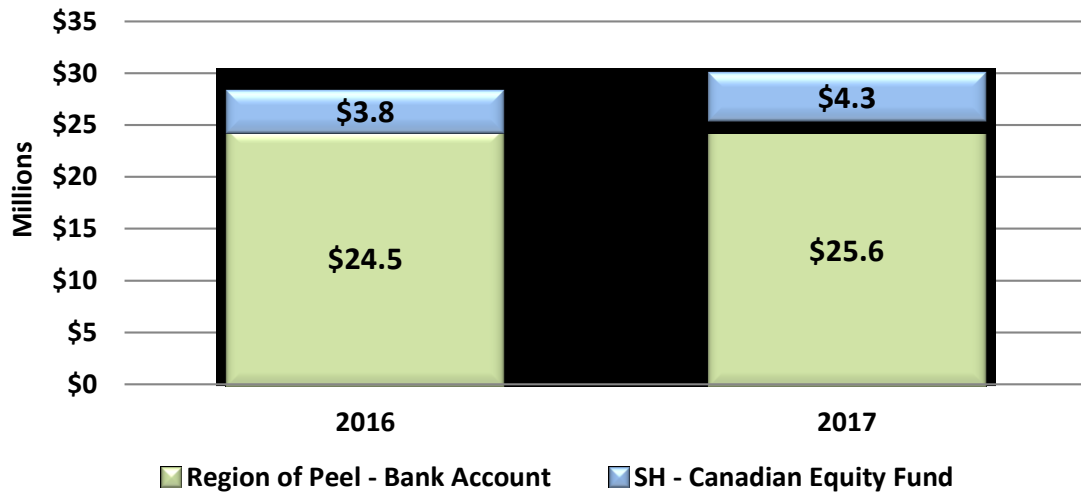
Available Pooled Funds	Market Value as at Dec. 31	
	2016	2017
SH - Canadian Short-Term Bond Fund ⁽¹⁾	\$119	\$119
SH - Canadian Equity Fund	\$3,769,358	\$4,311,739
Total SHIF	\$3,769,477	\$4,311,858
Cash ⁽²⁾	\$24,468,581	\$25,576,042
Total Holdings	\$28,238,058	\$29,887,900

⁽¹⁾ December 19, 2014 Management Fee Rebate.

⁽²⁾ Includes deposit interest earnings of \$652,000.

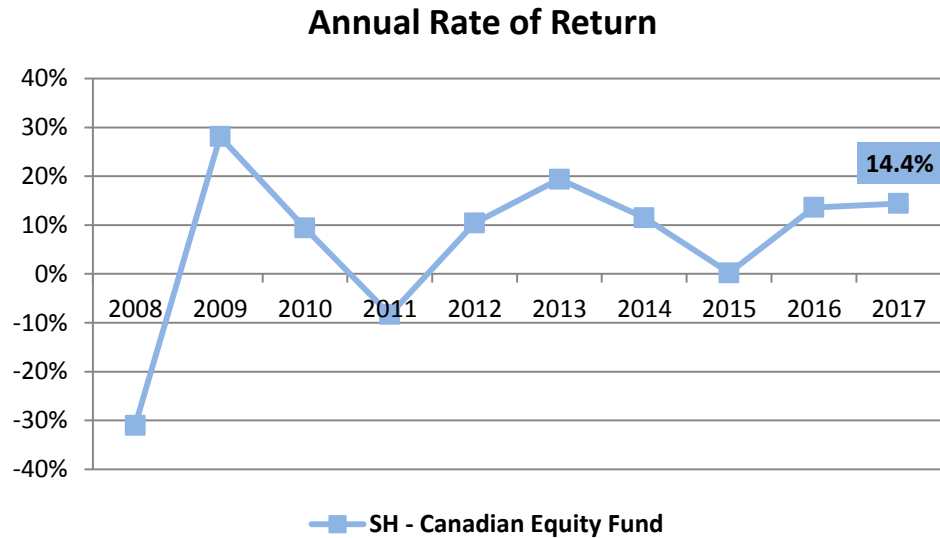
Chart B

Holdings - Market Value
as at Dec. 31, 2017



2017 PHC INVESTMENT REPORT

Chart C



- Since the initial investment in the SHIF funds in 2007, the rates of return for the equity fund have fluctuated as noted in the graph above, due to equity market volatility. The annualized return for the Canadian Equity Fund over the last 10 years is approximately 5.4 per cent.

i) Funds held in SH – Canadian Equity Fund

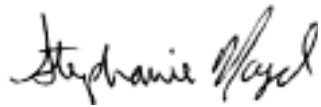
- The investment policy imposes a limit of the lesser of 10 per cent of the reported SH – Canadian Equity Fund balance and \$5 million. At December 31, 2017, the Peel Living portfolio value was \$4.3 million, well within the \$5 million limit (SH – Canadian Equity Fund total value of \$131.9 million).

ii) Funds held with the Region of Peel

- The investment policy also states that a minimum of 25 per cent of total Peel Living funds must be maintained with the Region of Peel.
- In addition to the SHIF investments, Peel Housing held \$25.6 million in cash with the Region representing approximately 86 per cent of the total portfolio. The Region’s earnings rate (average monthly General Fund investment rate less administration fees) was applied to Peel Living average monthly bank balances (ranging from \$23.4 million to \$27.7 million in 2017), averaging 2.5 per cent for the one year period, or interest earnings of \$652,000.
- More information regarding the Region of Peel General Fund can be found in the report entitled “2017 Treasury Report” presented to Region of Peel Council on May 24, 2018.

CONCLUSION

Peel Living Investment Policy allows for an effective and efficient investment management operation that provides the flexibility to adjust investments to the Corporation's changing fiscal condition while providing opportunities to supplement returns earned on behalf of the Corporation by the Region of Peel.

A handwritten signature in cursive script that reads "Stephanie Nagel".

Stephanie Nagel, Treasurer, Peel Living

For further information regarding this report, please contact For further information regarding this report, please contact Stephanie Nagel, Treasurer, Peel Living, ext. 7105.

Authored by: Julie Pittini, Director, Treasury Services, ext. 7120



REPORT
Meeting Date: 2018-09-06
Peel Housing Corporation

DATE: August 24, 2018

REPORT TITLE: **SEMI-ANNUAL FINANCIAL REPORT - JUNE 30, 2018 (UNAUDITED)**

FROM: Dan Labrecque, General Manager, Peel Living
Stephanie Nagel, Treasurer, Peel Living

RECOMMENDATION

That the Treasurer be authorized to replace \$1.4 million in Social Housing Apartment Improvement Program (SHAIP) funding as approved in the 2018 budget, with funding in the same amount from working funds reserves;

And further, that the Treasurer be authorized to replace \$130,000 in Municipal Green House Gas (GHG) Challenge grant funding, with a draw in the same amount from the Energy Reserve;

And further, as a result of not being approved for Municipal Green House Gas (GHG) Challenge Grant funding, that the Board approve a reduction to the 2018 approved capital budget in the amount of \$601,000 to adjust for unfunded energy projects.

REPORT HIGHLIGHTS

Current Operations

- December 31, 2018 projections show an operating surplus for Peel Housing Corporation owned sites of \$3.2 million before discretionary reserve transfers.
- Contributions to working fund reserves are forecasted to be \$2.5 million higher than budget at December 31, 2018.
- Discretionary contributions to the capital replacement reserves are forecasted to be \$694,000 higher than budget at December 31, 2018.
- Surplus transfer to Region of Peel for Regionally owned sites is \$95,000 higher than budget.

Capital Operations

- Capital expenditures for state of good repairs for the six months ended June 30, 2018 was \$3.8 million.
- Forecasted capital expenditures for state of good repairs from July 1 to December 31, 2018 are projected to be \$13.1 million for a total of \$16.9 million for 2018.
- \$1.4 million is required from working funds as a result of lower provincial funding in order to complete the Social Housing Apartment Improvement Program (SHAIP) capital projects approved in the 2018 budget.

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- \$130,000 is required from the energy reserve as a result of the Municipal GHG Challenge Grant funding not being approved in order to complete the energy capital projects approved in the 2018 budget.
- Redevelopment project at Twin Pines is in progress with \$2.6 million spent as of June 30, 2018; forecasted expenditures from July 1 to December 31, 2018 are \$1.3 million
- Redevelopment initiative at East Avenue began this year and spending up to June 30, 2018 has been approximately \$62,000; additional spending of \$250,000 is forecasted for the remainder of 2018.

Reserves

- Working Fund Reserves are forecasted to increase from \$12.8 million as of June 30, 2018 to \$15.5 million by December 31, 2018 before commitments.
- Capital Reserves are forecasted to increase from \$7 million as of June 30, 2018 to million \$7.5 million by December 31, 2018, before commitments.

DISCUSSION

Peel Housing Corporation (PHC) operates/manages 70 wholly-owned sites (Vera Davis Long-term care is owned but not managed by PHC) and 4 Regionally-owned buildings. The following report presents the financial results for the six months ended on June 30, 2018 and the 2018 year-end projections

1. Current Operations

Appendix I summarizes Peel Housing Corporation's Statement of Operations for the six months ended June 30, 2018 and the 2018 year-end projections.

PHC owned sites are projected to have an operating surplus of \$3.2 million before discretionary reserve transfers. The projected surplus is a result of higher revenues of \$1.5 million and lower operating costs of \$1.7 million.

Regionally-owned sites are projected to have a net surplus of \$95,000 higher than budgeted, resulting in an increased transfer to the Region.

Revenues

Net revenues are projected to be \$1.6 million higher for 2018. This is mainly due to:

- Higher rental revenues of \$1.4 million due to a higher number of market and rent supplement units, as well as higher average RGI rents.
- Higher municipal subsidies of \$226,000 due to higher operating costs.

Expenditures

Overall operational expenditures are lower by \$1.8 million. The following expenditures are projected to be under budget:

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- Mortgage, Loans and Depreciation costs are \$1.9 million lower due to reductions in amortization offset by an unbudgeted Regional loan payment for Summerville Pines as a result of accounting changes made during the 2017 year end.
- Utilities costs are \$904,000 lower mainly due to reduced usage estimates.
- Salaries and administration costs are \$731,000 lower due to staff turnover, lower consulting costs and Regional internal cost allocations.
- Property taxes are \$60,000 lower.
- Insurance costs are \$50,000 lower as a result of lower than anticipated 3rd party claims and insurance-related incidents.

The projected savings identified above are offset by a combination of higher expenditures for building systems and services of \$1.7 million due to higher contracted services, security, plumbing and bad debt of \$239,000 for former tenants.

The higher revenues and lower net expenditures result in an increased total contribution of \$3.2 million to reserves; \$2.5 million to working fund reserves and \$694,000 to replacement reserves.

Net Operating Income

Generating a positive Net Operating Income (NOI) is important for the long-term viability of PHC. The NOI measurement is an indicator of financial operating position and is a good indicator of how much debt PHC could carry on a per unit basis. The goal is that over the long-term, NOI will continue to increase. The 2018 budget estimated a NOI per unit of \$4,630. The projected NOI per unit is \$4,759, exceeding budget by \$129 per unit. The positive direction of NOI strengthens PHC's ability to meet debt obligations and increase contributions to reserves, which in turn provides more funds for capital repairs.

2. Capital Operations**State of Good Repair**

PHC continues to commit to the renewal and upkeep of its properties through an annual state of good repair capital plan. The following table is a summary of major capital operations from January 1, 2018 to December 31, 2018. A summary of capital expenditures by year, as well as a forecast from July 1, 2018 to December 31, 2018 is presented in Appendix II – Status of State of Good Repair Capital Projects.

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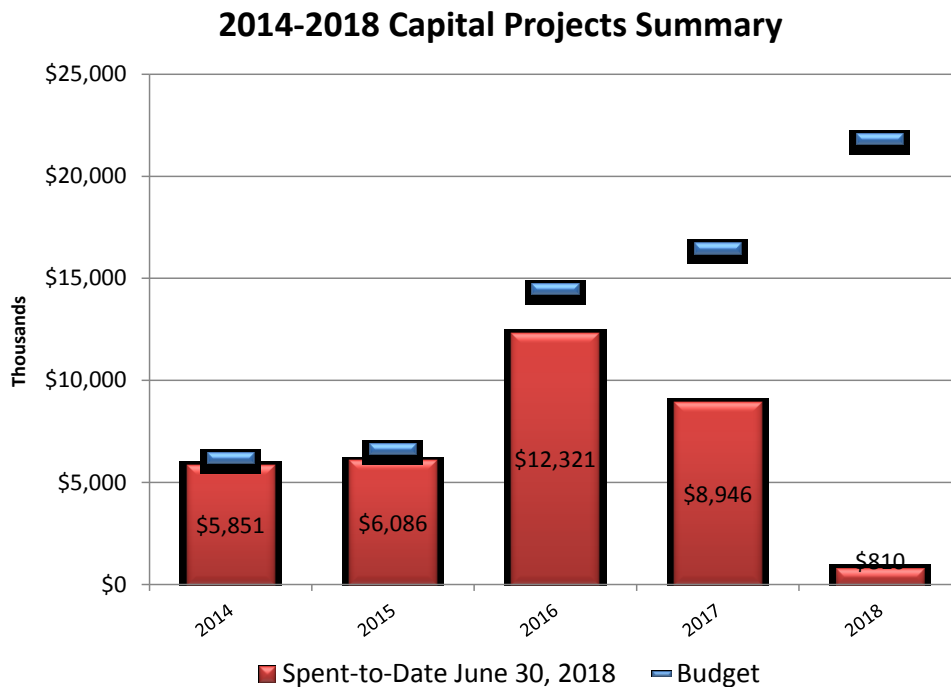
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Budget Summary	(\$ millions)
Capital Carry Forward Balance – 2017 and Prior:	\$13.7
Approved 2018 Capital Budget for State of Good Repair	<u>21.8</u>
Total Approved Capital Available, January 1, 2018	35.5
2018 Year to Date Spending (June 30, 2018)	(3.8)
Forecasted Spending – (July 1 – Dec 31, 2018)	<u>(13.1)</u>
Total Forecasted Capital Spending for 2018	(16.9)
Budget Remaining - 2014 and 2015 projects to be closed	(0.9)
Projected Capital Carry Forward - (January 1, 2019)	\$17.8

Total approved capital for 2018 (including carry forwards) is \$35.5 million. Gross capital expenditures for the 6-month period ending June 30, 2018 were \$3.8 million. The forecasted capital spending for July to December is estimated to be \$13.1 million, for a total capital expenditure of \$16.9 million in 2018.

Of the projected \$13.1 million forecasted to be spent between July and December 2018, 33 per cent are already tendered and currently in construction, 57 per cent of the projects are in investigation/design/procurement phase, and 10 per cent are in completion phase.

The following chart provides an overview of capital projects that were active in 2018 and the projected budgets versus the current spent-to-date at June 30, 2018.



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All capital expenditures between 2014 and 2016 are for state of good repair purposes. It is anticipated that the 2014 to 2016 capital will be completed during the 2018 calendar year, pending any holdbacks remaining to be released.

2017 Capital Projects

2017 state of good repair approved capital was \$16.5 million, of which \$8.9 million has been spent to date. Social Housing Apartment Retrofit Program (SHARP) grants comprised of \$4.1 million of the total budget and these projects are substantially completed as was required by the Funding Agreement, prior to March 2018. Projects funded by Social Housing Improvement Program (SHIP) Grants are still in progress, and are due to be substantially completed prior to their respective Funding Agreement deadline of March 2019. The remainder of projects pertaining to state of good repair are on track and should reach substantial completion by mid-2019.

2018 Approved Capital Projects

2018 approved capital budget was approved by the Board on February 1st, 2018 for a total of \$21.8 million and was presented in two-parts.

Part one was presented as a base capital budget of \$15 million intended for state of good repair. The majority of the projects in this envelope have begun and \$810,000 has been spent as of June 30, 2018. As is typical of current year projects, invoicing and spending accelerates in the second half of the year.

Part two was presented and approved as a \$6.8 million capital budget contingent on the receipt of \$5.4 million in Social Housing Apartment Improvement Program (SHAIP) grants and \$1.4 million in Municipal GHG grants. In the months following Board approval, PHC was notified that it did not qualify for Municipal GHG Challenge Funding. Additionally, only \$4.0 million in SHAIP funding was approved. Staff are requesting approval to proceed with the projects as follows:

Social Housing Apartment Improvement Program (SHAIP) Projects

The 2018 approved capital budget includes \$5.4 million for Bella Vista, Gardenview and Surveyor's Point, anticipated to be funded by the province's SHAIP program. PHC would later be informed that it was awarded \$4.05 million from the SHAIP to fund the \$5.4 million in capital initiatives. In order to utilize the grant funding and carry out the projects as requested, staff recommends that the Board maintain the current budget of \$5.4 million and approve the reduction of the SHAIP funding from \$5.4 million to \$4.0 million and use Working Fund reserves in the amount of \$1.4 million to complete the projects.

SEMI-ANNUAL FINANCIAL REPORT - JUNE 30, 2018 (UNAUDITED)**Municipal GHG Grant Projects****Voltage Optimization Retrofit Program (Harmonizers)**

The Voltage Optimization and Retrofit Program is a pilot that has been running for over a year and has shown energy savings. The 2018 approved capital budget included \$916,000 to expand the pilot to 10 sites with funding of \$270,000 from the Region's Office of Climate Change and Energy Management (OCCEM), \$270,000 from PHC's energy reserve and \$376,000 from Municipal Green House Gas (GHG) Challenge Fund.

The Municipal GHG Challenge funding was not approved; however, OCCEM is committed to providing the \$270,000 in funding to support this project. Staff recommends reducing the scope of the project from 10 sites to 7 sites and reducing the budget by \$246,000 from \$916,000 to \$670,000. An additional draw of \$130,000 from the Energy reserves is required to cover the funding shortfall, increasing the funding from the reserve from \$270,000 to \$400,000.

In-Suite Heating Controlling Retrofit

The 2018 approved capital budget included \$355,000 for the In-Suite Heating Control Project funded by Municipal GHG Challenge Funding. The 2018 approval capital budget included \$355,000 for the In-Suite Heating Control Project intended to be funded by Municipal GHG Challenge Funding. Upon announcement of successful projects, this project was not awarded with any Municipal GHG Challenge Funding allocation. Six months of data gathered at a pilot site has yielded efficiencies in its early stages however, PHC is recommending postponing the expansion of this initiative to other sites until a full-years' worth results can be reviewed and analyzed; as a result, staff will cancel and remove the \$355,000 from the 2018 capital budget.

Redevelopment Projects

The approved capital budget includes \$45 million for the redevelopment of East Avenue and \$10.1 million for the planning phases of Twin Pines redevelopment. Appendix III provides a financial summary of the status of these two redevelopment initiatives.

For the East Ave. redevelopment, \$62,000 has been spent to date and it is projected that approximately \$250,000 will be spent during the remainder of 2018 primarily on initial design and planning work from internal staff and consultants.

The Twin Pines project has approved capital of \$10.1 million, consisting of \$5.6 million for Phase 1 and 2 and \$4.5 million for the Resident Transition Plan. \$2.6 million has been spent to date and it is projected that \$1.2 million will be spent for the remainder of 2018.

3. Reserves and Reserve Funds

Approved capital budgets are generally funded by working fund and capital reserves. The capital replacement reserves have annual mandatory contributions of \$5.4 million. There have also been discretionary reserve contributions in years where there have been

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operational surpluses. The total contributions have averaged between \$9 and \$11 million annually. For capital needs that exceeded available reserves, applications are made to the Service Manager for a capital infrastructure loans. These loans do not require payments and are interest-free until the Expiry of the Site's Operating Agreement.

A high-level overview of the Corporation's reserves as at June 30, 2018 and a forecast to December 31, 2018 is provided below. These figures do not include any unrealized gains or losses on investments held for trading. Based on forecasted activity, total PHC reserves will increase from \$19.8 million as of June 30, 2018 to \$23.0 million by December 31, 2018.

Appendices IV and V provide the forecasted reserve activity from July 1 to December 31, 2018 and projected closing reserve balances before commitments. The forecast includes a \$3.9 million transfer from the Service Manager to PHC to fund approved capital expenditures but does not include the recommendations in this report.

(\$ Million)	Working Fund Reserves	Energy Reserves	Capital Replacement Reserves	Total
June 30, 2018 Balance	\$11.7	\$1.1	\$7.0	\$19.8
Contributions Mandatory & Discretionary	5.8	-	5.5	11.3
Transfers (to)/from Capital & Operations	(3.3)	(0.2)	(9.5)	(13.0)
Transfer from Region of Peel	-	0.1	-	0.1
2018 Service Manager Capital Loan	-	-	3.9	3.9
SHARP/SHIP/SHAIP Grants	0.3	-	0.6	0.9
Projected Dec 31, 2018 Balance	\$14.5	\$1.0	\$7.5	\$23.0

4. Debt Obligations

a) Mortgages

For the year ending 2018, principal repayments (principal reduction) are estimated to total \$21 million. Projected principal payments remaining, based on current mortgage terms and estimated future renewal rates, are approximately \$151.5 million to be repaid from 2019-2030.

As of June 30, 2018, six PHC-owned properties reached the end of their operating agreements; Riley Court, Riverview Terrace, Meadows, Park Estates, Forster Terrace

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and Glenway Court. Additionally, PHC took the opportunity to accept an early mortgage payout for its Knightsbridge site as reported to the Board on February 1, 2018. The total annualized mortgage payments (P&I) previously paid by these sites in 2017 was \$3.23 million, as shown in Appendix VI. For the remainder of 2018, no other properties will reach their end of operating agreement nor will any further mortgage renewals take place.

One mortgage was renewed with an interest rate that decreased from 4.726 per cent to 2.82 per cent. The renewed terms reduces mortgage payments by \$84,222 annually as shown in Appendix VII. The lower mortgage costs will result in lower subsidy payments from the Service Manager (Region of Peel).

b) Long-Term Debt

The table below summarizes PHC's long-term debt obligations. The debt increase for 2018 is due to the anticipated approval of the \$3.6 million in Service Manager capital loan as part of the 2018 Capital Plan. Service Manager capital loans are payable over 15 years and have commenced with PHC's sites that have entered EOA.

Debt balances also increase because of the capitalization of redevelopment costs and interest related to the Dundas Street land purchase and the Twin Pines redevelopment project. Provincial loans will be forgivable after 20 years (year 2025) once program requirements are met.

Long-term Debt	2017 Year End	2018 Projected Year End
ROP Loan 2005 Summerville Pines	\$ 7,031,611	\$ 6,155,120
ROP Loan Service Manager capital reinvestment (2017 amount represents actual loan amount received to date)	20,445,633	25,188,196
ROP Loan 2013 Land Acquisition (Twin Pines)	2,841,962	2,920,561
ROP Loan Twin Pines Site Redevelopment Phases 1 & 2	2,245,570	3,600,000
Provincial Loans (forgivable)	1,943,000	1,919,250
Total	\$ 34,507,776	\$39,783,127

5. Financial Control By-Law Report Requirements

a) Authorization to Increase Project Commitments beyond Originally Approved Budget

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For the 2018 budget year PHC is requesting authorization to:

- Increase Energy Reserve funding for the Voltage Optimization project from \$270,000 to \$410,000 in lieu of not receiving any Municipal GHG funds and in order to proceed with the project at a reduced scale.
- Increase working fund reserve funding in the amount of \$1.4 million to fully fund the budget for SHAIIP capital projects in lieu of the decrease in approved SHAIIP funding.

b) Closed Capital Projects

For the six months ended June 30, 2018, no capital projects have been closed to date. Capital projects 14-0501 (General Envelope), 15-0501 (56.1), 15-0505 (FP/Uni), and 15-0506 (PRHC) are anticipated to be closed by 2018 year-end pending holdback and warranty releases.

c) Redeployments

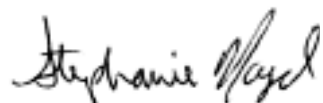
Redeployments are processed to facilitate effective management of various programs and projects. All redeployments are processed in accordance with the Financial Control By-law. As of June 30, 2018, there was no redeployment activity.

CONCLUSION

The operations continue to generate surpluses annually which have resulted in additional contributions to reserves beyond its mandatory requirements. The balance scorecard continues to direct work plans and initiatives are underway that will continue to drive operational improvements and identify infrastructure renewal strategies. Staff are working in partnership with the Service Manager to identify policy changes that will strengthen PHC's operations and enable the successful implementation of redevelopment plans.



Dan Labrecque, General Manager, Peel Living



Stephanie Nagel, Treasurer, Peel Living

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APPENDICES

Appendix I – Management Statement of Operations

Appendix II – Status of State of Good Repair Capital Projects

Appendix III – Status of Redevelopment Projects

Appendix IV – Year-End Capital Reserve Forecast

Appendix V – Year-End Working Fund Reserve Forecast

Appendix VI – Statement of Mortgage Discharges

Appendix VII – Statement of Mortgage Renewals

For further information regarding this report, please contact Dan Labrecque, General Manager, Extension 3549, dan.labrecque@peelregion.ca.

Authored By: John Arcella, Finance Manager and Deputy Treasurer, Peel Living

APPENDIX I
Semi-Annual Financial Report - June 30, 2018 (Unaudited)

Peel Housing Corporation
Management Statement of Operations (in thousands)
As At June 30, 2018

Figures do not include current year unrealized gains or losses on investment held for trading.

	Peel Housing Corporation Sites				Region-Owned Sites				Total Peel Living Managed Sites			
	2018 Budget	2018 June YTD	Projected 2018 Year End Balance	Projection vs Budget Variance	2018 Budget	2018 June YTD	Projected 2018 Year End Balance	Projection vs Budget Variance	2018 Budget	2018 June YTD	Projected 2018 Year End Balance	Projection vs Budget Variance
Revenue:												
Rental Revenue	\$ 60,950	\$ 31,031	\$ 62,255	\$ 1,306	\$ 5,653	\$ 2,850	\$ 5,700	\$ 47	\$ 66,603	\$ 33,880	\$ 67,955	\$ 1,352
Other Revenue	4,961	2,281	4,965	4	238	63	221	(17)	5,199	2,344	5,186	(13)
Municipal Subsidy	32,414	16,164	32,639	226	196	-	196	1	32,609	16,164	32,836	226
Total Revenue	98,324	49,476	99,860	1,536	6,086	2,913	6,116	30	104,411	52,388	105,976	1,566
Expenditures:												
Salaries & Benefits	5,202	2,355	4,711	492	-	-	-	-	5,202	2,355	4,711	492
Building Systems & Services	15,237	8,176	16,905	(1,668)	1,034	577	1,048	(14)	16,270	8,752	17,953	(1,683)
Utilities	13,068	5,310	12,232	837	738	265	671	68	13,807	5,575	12,902	904
Administration	10,241	4,875	10,026	216	1,106	536	1,083	23	11,347	5,411	11,108	239
Mortgage, Loans & Depreciation	28,341	12,459	26,392	1,949	2,066	748	2,076	(11)	30,406	13,207	28,468	1,939
Municipal Taxes	12,231	5,998	12,183	48	802	375	791	12	13,034	6,373	12,974	60
Insurance	1,501	710	1,452	49	79	39	78	1	1,581	749	1,530	50
Bad Debt	266	(65)	492	(225)	13	(2)	26	(13)	279	(66)	518	(239)
Total Expenditures	86,088	39,819	84,392	1,697	5,838	2,537	5,773	65	91,927	42,356	90,165	1,762
Operating Surplus Before Reserve Transfers	12,236	9,656	15,469	3,233	248	376	343	95	12,484	10,032	15,812	3,328
Legislated Replacement Reserve Contribution	(5,399)	(2,699)	(5,399)	-	-	-	-	-	(5,399)	(2,699)	(5,399)	-
Transfer to Region	-	-	-	-	(248)	(440)	(343)	(95)	(248)	(440)	(343)	(95)
Operating Surplus	6,837	6,957	10,070	3,233	-	(65)	0	0	6,837	6,892	10,070	3,233
Reserve Allocation Based on Program Rules:												
Discretionary Transfer of Surplus to Replacement Reserve*	(2,090)	-	(2,784)	(694)	-	-	-	-	(2,090)	-	(2,784)	(694)
Transfer (to)/from Working Fund Reserves	(4,747)	(1,472)	(7,286)	(2,539)	-	-	-	-	(4,747)	(1,472)	(7,286)	(2,539)
Net Surplus/(Deficit)	\$ -	\$ 5,485	\$ -	\$ -	\$ -	\$ (65)	\$ -	\$ -	\$ -	\$ 5,420	\$ -	\$ -

* Permitted by the Service Manager or Board Directed (includes FP/Uni service manager surplus retention)

APPENDIX II
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Semi-Annual Financial Report - June 30, 2018 (Unaudited)

Peel Housing Corporation
 Status of State of Good Repair Capital Projects (in thousands)
 As At June 30, 2018

Capital Project Description	Number of Projects	Approved Project Budget	Spent prior to 2018	Available Capital Work as of January 1, 2018	Actuals Spent January to June, 2018	Available Budget for Capital Work as of June 30, 2018	% Spent as of June 30, 2018
2014 Major Capital Project*(C)	1	6,206	5,851	355	-	355	94.3%
2015 Major Capital Projects*(C)	3	6,665	6,031	634	55	579	91.3%
2016 Major Capital Projects	5	14,500	10,630	3,870	1,691	2,180	85.0%
2017 Major Capital Projects	6	16,483	7,649	8,834	1,297	7,537	54.3%
2018 Major Capital Projects**	36	21,843	-	21,843	810	21,033	3.7%
TOTAL	51	\$ 65,697	\$ 30,161	\$ 35,536	\$ 3,853	\$ 31,684	51.8%

Peel Housing Corporation
 Forecast for State of Good Repair Capital Projects (in thousands)
 As At December 31, 2018

Capital Project Description	Number of Projects	Available Budget for Capital Work as of June 30, 2018	Forecast Spending July to December 2018	Carry Forward Budget to 2019
2014 Major Capital Project*(C)	1	355	-	-
2015 Major Capital Projects*(C)	3	579	-	-
2016 Major Capital Projects	5	2,179	1,885	294
2017 Major Capital Projects	6	7,537	4,170	3,367
2018 Major Capital Projects**	36	21,033	7,005	14,028
TOTAL	51	\$ 31,683	\$ 13,060	\$ 17,689

(C) Denotes a Capital Project that is marked as closed(to be closed) by year-end, the project remains open for holdbacks/warranties not yet released
 *Projects for Millbrook (ROP), Cooksville and Ridgeway Childcare Centres, were at 2017 year-end
 ** Capital Projects in 2018 setup individually, moving from a Program Envelope to Project Basis

APPENDIX III
Semi-Annual Financial Report - June 30, 2018 (Unaudited)

Peel Housing Corporation
 Status of Redevelopment Projects (in thousands)
 As At June 30, 2018

Capital Project Description	Number of Projects	Approved Project Budget	Spent prior to 2018	Available Capital Work as of January 1, 2018	Actuals Spent YTD as of June 30, 2018	Available Budget for Capital Work as of June 30, 2018	% Spent as of June 30, 2018
Twin Pines*	3	10,069	2,249	7,821	396	7,424	26.3%
East Avenue	1	45,000	-	45,000	62	44,938	0.1%
TOTAL	4	\$ 55,069	\$ 2,249	\$ 52,821	\$ 458	\$ 52,362	4.9%

Peel Housing Corporation
 Forecast for Redevelopment Capital Projects (in thousands)
 As At December 31, 2018

Capital Project Description	Number of Projects	Available Budget for Capital Work as of June 30, 2018	Forecast Spending July to December 2018	Carry Forward Budget to 2019
Twin Pines*	3	7,424	1,295	6,129
East Avenue	1	44,938	250	44,838
TOTAL	4	\$ 52,362	\$ 1,545	\$ 50,967

*Consists of Phase 1 and 2 (\$5.6 million) and Resident Transition Plan (\$4.5 million)

APPENDIX IV

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Semi-Annual Financial Report - June 30, 2018 (Unaudited)

2018 YEAR-END CAPITAL RESERVE FORECAST

Peel Housing Corporation
Cash Flow Forecast Summary - Capital Reserves (in thousands)
 Forecast from July 1, 2018 to December 31, 2018

Figures do not include cumulative unrealized gains or losses on investment held for trading.

Reserve Description	Capital Reserve Balances as of June 30, 2018	Forecasted Activity from July 1, 2018 to December 31, 2018							Forecasted December 31, 2018 Balances		
		Mandatory Contributions	Discretionary Contributions	Major Capital Draws	Service Manager Loan Claims	SHARP/SHIP External Grants	Transfers from Working Fund Reserves	Total Forecasted Activity	December 31, 2018 Reserve Balance	Forecasted Encumbrances December 31, 2018	Projected Net Available as of December 31, 2018
15.1	\$1,873	\$3	\$371	\$0	-	-	-	\$374	\$2,247	(\$10)	\$2,237
56.1	(2,053)	564	1,035	(2,784)	-	-	-	(1,185)	(3,238)	(2,174)	(5,412)
EOA	371	225	0	(17)	-	-	-	208	579	(359)	220
FP/Uni	(5,067)	996	1,378	(6,133)	3,936	620	-	797	(4,270)	(1,544)	(5,814)
PRHC	7,258	725	-	(566)	-	-	-	159	7,417	(1,278)	6,139
Other - PHC*	960	186	-	-	-	-	-	186	1,146	-	1,146
Other - ROP Owned Buildings	3,665	-	-	-	-	-	-	-	3,665	-	3,665
Total Available - Capital Reserves	\$7,007	\$2,699	\$2,784	(\$9,500)	\$3,936	\$620	\$0	\$539	\$7,546	(\$5,365)	\$2,181

** See Below for a Breakout of the Other-PHC Balances by Reserves as of June 30, 2018

Reserve Description	Capital Reserve Balances as of June 30, 2018
Twin Pines	\$ (2,254)
Insurance Stabilization	352
Summerville	872
Peel Youth Village	1,080
Angelas Place	693
Walker Road Expansion	217
Total Other - PHC Capital Reserves	\$ 960

APPENDIX V
Semi-Annual Financial Report - June 30, 2018 (Unaudited) 6.4-15

2018 YEAR-END WORKING FUND RESERVE FORECAST

Peel Housing Corporation
Cash Flow Forecast Summary - Working Fund & Energy Reserves (in thousands)
 Forecast from July 1, 2018 to December 31, 2018
Figures do not include cumulative unrealized gains or losses on investment held for trading.

Reserve Description	Working Fund Reserve Balances as of June 30, 2018	Forecasted Activity from July 1, 2018 to December 31, 2018							Forecasted December 31, 2018 Balances		
		Contributions from Operating	Transfers to fund Operations	Major Capital Draws	SHAIP Grants	Transfer from Region	Transfers to Capital Reserves	Total Forecasted Activity	December 31, 2018 Reserve Balance	Forecasted Encumbrances December 31, 2018	Projected Net Available as of December 31, 2018
56.1	\$3,539	\$2,961	(\$904)	\$0	\$0	\$0	\$0	\$2,057	\$5,596	(\$1,294)	\$4,302
EOA	565	2,002	-	(1,356)	19	-	-	665	1,230	-	1,230
FP/Uni	5,880	1,378	-	(1,954)	271	-	-	(305)	5,575	(1,126)	4,449
Other - PHC**	1,617	378	-	-	-	-	-	378	1,995	-	1,995
Other - ROP Owned Buildings	86	-	-	-	-	-	-	-	86	-	86
Energy	1,125	-	-	(250)	-	100	-	(150)	975	-	975
Total Available - Working Fund Reserves	\$12,812	\$6,719	(\$904)	(\$3,560)	\$290	\$100	\$0	\$2,645	\$15,457	(\$2,420)	\$13,037

** See Below for a Breakout of the Other-PHC Balances by Reserves as of June 30, 2018

Reserve Description	Working Fund Reserve Balances as of June 30, 2018
Twin Pines	\$ 945
Insurance Stabilization	132
Summerville	-
Peel Youth Village	-
Angelas Place	-
Walker Road Expansion	540
Total Other - PHC Working Fund Reserves	\$ 1,617

APPENDIX VI
6.4-16
Semi-Annual Financial Report - June 30, 2018 (Unaudited)

MORTGAGE DISCHARGES

Peel Housing Corporation
Statement of Mortgage Discharges
As At June 30, 2018

	Status	Previous Terms
1) Riley Court: Ward M03		
Financial Institution:		CMHC
Principal Renewed Amount:		\$2,006,283
Term:		59 Months
Maturity Date:	Discharged	February 1, 2018
Mortgage Rate:		1.620%
Monthly Payment (P&I):		\$35,395
Annualized Increase / (Decrease)	(\$424,743)	
2) Riverview Terrace: Ward C05		
Financial Institution:		TD Bank
Principal Renewed Amount:		\$1,342,196
Term:		120 Months
Maturity Date:	Discharged	January 1, 2018
Mortgage Rate:		4.726%
Monthly Payment (P&I):		\$14,027
Annualized Increase / (Decrease)	(\$168,326)	
3) Meadows: Ward M04		
Financial Institution:		ScotiaBank
Principal Renewed Amount:		\$2,007,410
Term:		60 Months
Maturity Date:	Discharged	March 1, 2018
Mortgage Rate:		2.148%
Monthly Payment (P&I):		\$35,307
Annualized Increase / (Decrease)	(\$423,685)	
4) Chamney Court: Ward B03		
Financial Institution:		MCAP
Principal Renewed Amount:		\$1,482,337
Term:		60 Months
Maturity Date:	Discharged	May 1, 2018
Mortgage Rate:		1.836%
Monthly Payment (P&I):		\$25,871
Annualized Increase / (Decrease)	(\$310,456)	
5) Forster Terrace: Ward M08		
Financial Institution:		CMHC
Principal Renewed Amount:		\$749,028
Term:		129 Months
Maturity Date:	Discharged	June 1, 2018
Mortgage Rate:		1.420%
Monthly Payment (P&I):		\$83,717
Annualized Increase / (Decrease)	(\$1,004,605)	
6) Glenway Court: Ward M08		
Financial Institution:		CMHC
Principal Renewed Amount:		\$541,428
Term:		129 Months
Maturity Date:	Discharged	June 1, 2018
Mortgage Rate:		1.420%
Monthly Payment (P&I):		\$60,514
Annualized Increase / (Decrease)	(\$726,169)	
7) Knightsbridge: Ward B08		
Financial Institution:		MCAP
Principal Renewed Amount:		\$2,161,299
Term:		600 Months
Maturity Date:	Early Payout	June 1, 2029
Mortgage Rate:		8.000%
Monthly Payment (P&I):		\$14,461
Annualized Increase / (Decrease)	(\$173,526)	
Total Ongoing Annualized Increase / (Decrease) from Discharges:	(\$3,231,511)	

APPENDIX VII
Semi-Annual Financial Report - June 30, 2018 (Unaudited)

MORTGAGE RENEWALS

Peel Housing Corporation
Statement of Mortgage Renewals
As At June 30, 2018

	Renewed Terms	Previous Terms
1) Surveyors Point: Ward M07		
Financial Institution:	ScotiaBank	TD Bank
Principal Renewed Amount:	\$7,913,376	\$12,875,695
Term:	120 Months	120 Months
Maturity Date:	February 1, 2028	February 1, 2018
Mortgage Rate:	2.820%	4.726%
Monthly Payment (P&I):	\$75,697	\$82,715
Annualized Increase / (Decrease)	(\$84,222)	
Average Interest Rate	2.82%	4.73%
Total Ongoing Annualized Increase / (Decrease) from Renewals:	(\$84,222)	



REPORT
Meeting Date: 2018-09-06
Peel Housing Corporation

For Information

DATE: August 13, 2018

REPORT TITLE: **PROCUREMENT ACTIVITY SEMI-ANNUAL REPORT JANUARY 1 TO JUNE 30, 2018**

FROM: Dan Labrecque, General Manager, Peel Living
 Stephanie Nagel, Treasurer, Peel Living

OBJECTIVE

To provide details of procurement activity as required by the Region of Peel's Procurement By-law for the period January 1 to June 30, 2018.

REPORT HIGHLIGHTS

- The Region of Peel's Procurement By-law delegates staff to manage the procurement process and to report these activities to the Peel Housing Corporation (PHC) Board on a regular basis to maintain trust and transparency.
- PHC awarded nine new contracts greater than \$100,000 with a total value of \$5,441,873.46 for the period January 1 to June 30, 2018 using competitive and non-competitive processes.
- This report provides a summary of PHC's procurement activity for the period January 1 to June 30, 2018.

DISCUSSION

1. Background

In accordance with the Region of Peel's Procurement By-law, the Director of Procurement is providing the semi-annual report to the Peel Housing Corporation (PHC) Board summarizing the Corporation's procurement activity for the following procurements, as follows:

- Contract awards
- Emergency purchases
- Awards during Board recesses
- Non-compliance with the Procurement By-law
- Unforeseen circumstances
- Final contract payments related to the original purchase contract.

Definitions explaining the above noted items are referenced in Appendix I to the subject report.

PROCUREMENT ACTIVITY SEMI-ANNUAL REPORT JANUARY 1 TO JUNE 30, 2018

2. Procurement Activity

This section includes information on all awarded contracts that are greater than \$100,000, emergency purchases and non-compliant purchases. It also includes amendments made to existing contracts that were a result of unforeseen circumstances or were required for final payment purposes.

A detailed listing of all procurement activity mentioned above is referenced in Appendix II to the subject report.

The table below provides a summary of the procurement activity for the period January 1 to June 30, 2018 (contract renewal activity excluded).

Procurement Activity	Total Value of Awarded Contracts
Competitive contracts	\$5,441,873.46
Non-Competitive contracts	No Activity
Contracts awarded during Board recess	No Activity
Emergency purchases	\$67,380.00
Non-compliant purchases	No activity
Unforeseen circumstances	No activity
Final contract payments	\$678,774.81
TOTAL	\$6,188,028.27

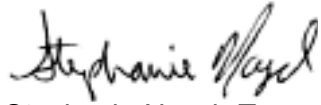
CONCLUSION

To maintain trust, confidence and transparency in the stewardship of public funds used by PHC, this report is being submitted to provide a summary of PHC's procurement activity for the period January 1 to June 30, 2018 in accordance with the reporting requirements set out in the Procurement By-law.



Dan Labrecque, General Manager, Peel Living

PROCUREMENT ACTIVITY SEMI-ANNUAL REPORT JANUARY 1 TO JUNE 30, 2018



Stephanie Nagel, Treasurer, Peel Living

APPENDICES

Appendix I - Definitions

Appendix II - Awarded Contracts

For further information regarding this report, please contact Patricia Caza, Director Procurement, extension 4742, patricia.caza@peelregion.ca.

Procurement Activity Report – Definitions

Competitive contracts greater than \$100,000: These are contracts awarded to vendors as a result of a competitive process.

Direct Negotiation contracts greater than \$100,000: These are contracts awarded to vendors as a result of a non-competitive process. It refers to the negotiation of an agreement for the purchase of goods and services where there is no open competition among or between vendors. The conditions that allow for direct negotiation are outlined in Part V Purchasing Authorities and Purchasing Methods of the Purchasing By-law.

Disposal proceeds: These are proceeds received from the sale, exchange, transfer or gift of goods owned by the Region which are surplus to its needs.

Emergency purchases: These are contracts awarded to vendors in the event of an emergency. “Emergency” means a situation or impending situation that constitutes a danger of major proportions that could result in serious harm to persons or substantial damage to property and that is caused by the forces of nature, a disease or other health risk, an accident, or an act whether intentional or otherwise.

Council recess purchases: The Document Execution By-law delegates authority to the Chief Financial Officer (CFO) to award contracts that are deemed to be reasonably required to carry on the business of the Regional Corporation on behalf of Council when there is no regular meeting of Regional Council scheduled during a period of time that is more than 21 days after the date of the previously scheduled regular Council meeting.

Non-compliant purchases: These are purchases made when a department has engaged a vendor to deliver goods or services without following the procurement processes required by the Purchasing By-law.

Unforeseen circumstances: These are amendments made to contracts to facilitate nominal payments for unforeseen work. For example, a contractor must remedy an unknown pre-existing site condition in order to complete the contract. The Purchasing By-law delegates authority to the Director of Purchasing to approve these amendments on the condition that Council is provided full disclosure on all increases resulting from unforeseen circumstances.

Final contract payments: These are amendments made to contracts to facilitate final payment to a vendor for additional work required in order to complete the contract. The final payment for the work exceeds the approved contract amount including the allowable amendment value in accordance with the Purchasing By-law. The Purchasing By-law delegates authority to the Director of Purchasing to approve these final contract payments which manages payment delays to vendors on the condition that Council is provided full disclosure on all final contract payments.

APPENDIX II
 PROCUREMENT ACTIVITY REPORT - JANUARY 1, 2018 TO JUNE 30, 2018

6.5-5

Awarded Contracts

AWARDED CONTRACTS BID COMPETITIVELY > \$100,000 - APPROVED BY DELEGATED AUTHORITY				
Item	Document	Description	Vendor	Award Amount
1	2017-532T	General Contracting Services at Various Peel Living Locations	Bi Views Building Service Ltd, Lyr Inc	\$1,839,216.38
2	2017-547T	Janitorial Services, Unit Turnover Cleaning and Replacement Cleaning Staff at Various Peel Living Sites	Kleenway Building Maintenance Services Inc	\$1,296,335.00
3	2017-647P	Engineering Services for Structural Building Envelope for Various Peel Living Facilities	Read Jones Christofferson Ltd	\$212,440.00
4	2017-722T	Fuel Oil Generator Remediation At Various Peel Living Sites	G.A.L. Power Systems Toronto Ltd, TPL Installations Inc, Claybar Contracting Inc	\$413,825.00
5	2018-098T	General Building Services And Maintenance At Various Peel Living Locations	SQM Janitorial Services Inc	\$239,500.00
6	2018-124T	Fuel System Compliance at Various Sites, Project 17PL22	G.A.L. Power Systems Toronto Ltd, Claybar Contracting Inc	\$265,824.08
7	2018-156T	Parquet Flooring Repairs And Replacement At Various Peel Living Locations	Floor King Hardwood Flooring Inc	\$849,000.00
8	2018-202T	Exterior Window Washing, Inspection And Exterior Vent Cleaning And Replacement Services	2289679 Ontario Inc OA Aurum Property Care	\$123,975.00
9	2018-347T	Fuel System Compliance at Various Sites, Project 17PL22	Comco Canada Ltd, Bird Mechanical Ltd	\$201,758.00
TOTAL				\$5,441,873.46
OTHER - FINAL CONTRACT PAYMENTS				
Item	Document	Description	Vendor	Award Amount
1	2016-371T	General Contracting Services at Various Peel Living Locations	Bi-View Building Service Ltd	\$678,774.81
TOTAL				\$678,774.81
OTHER - EMERGENCY PURCHASES				
Item	Document	Description	Vendor	Award Amount
1	2018-358N	Emergency Watermain Break at 3330 South Millway	Midsteel Mechanical Ltd	\$33,250.00
2	2018-259N	Emergency Watermain break at 3455 Glen Erin Dr.	Midsteel Mechanical Ltd	\$19,780.00
3	2018-442N	Emergency Water Supply – Alloa Water Supply	Alloawater Supply	\$14,350.00
TOTAL				\$67,380.00



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MICHAEL B. MILLER B.A., J.D., M. ED., LL.M.
MMiller@dickinsonwright.com
(416) 777-4007

August 20, 2018

*Sent by fax: 905-791-6992
and mail*

Peel Housing Corporation
10 Peel Centre Drive
Brampton, ON L6T 4B9

Attention: Patrick O'Connor
Steve Dickson

Dear Sirs:

Re: Twin Pines Redevelopment Project

Thank you for your letter of July 12, 2018 and your letter to Dan Ferguson of the same date.

It is premature to have a meeting with the Board at this time. We will reach out to you when we feel that it is an appropriate time to do so.

Very truly yours,

Michael B. Miller

MBM:SC

- cc: Sahar Cadili
- Dan Ferguson
- Jamie Besner
- John Macintyre
- Kevin Haverty, Jr.
- Marlyn Addai

ARIZONA CALIFORNIA FLORIDA KENTUCKY MICHIGAN
NEVADA OHIO TENNESSEE TEXAS TORONTO WASHINGTON DC

REFERRAL TO _____
 RECOMMENDED _____
 DIRECTION REQUIRED _____
 RECEIPT RECOMMENDED



July 12, 2018

Sent by email to: MMiller@dickinsonwright.com

Dickinson Wright LLP
Barristers and Solicitors
199 Bay Street, Suite 2200
Commerce Court West
Toronto, ON M5L 1G4

Attention: Michael B. Miller

Dear Sir:

RE: TWIN PINES REDEVELOPMENT PROJECT
Our File No.: 21377

Thank you for your letter of July 4, 2018.

The clarification of the roles of those advising Cedar Grove is helpful and the positive tone of your communication is appreciated.

Staff here feel that to pursue further discussion in this context without an opportunity for the Board to hear directly your client's outstanding concerns and to consider whether or how to give staff further direction regarding them, would be to exceed staff's existing mandate and likely to prove unproductive.

In these circumstances I would be pleased upon your request to arrange to place Mr. Ferguson's letter of March 1, 2018 and my response to it of today's date (accompanying this letter) on the Board's agenda for its September 6, 2018 meeting and to facilitate placement on the agenda of a delegation on behalf of Cedar Grove by such representatives of its choosing as you may identify.

Yours very truly,



Patrick O'Connor
Regional Solicitor and Corporate Counsel

☎ (905) 791-7800, Ext. 4319

☎ (905) 791-6992

✉ patrick.o'connor@peelregion.ca

Encl.

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GENERAL: (905) 453-2500 RESIDENT: (905) 453-4900 FAX: (905) 453-2501

cc. Dan Ferguson, WeirFoulds LLP
Dan Labrecque, General Manager, Peel Housing Corporation
Steve Dickson, Senior Legal Counsel, Region of Peel

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July 12, 2018

Via Email: ferguson@weirfoulds.com

Daniel P. Ferguson
WeirFoulds LLP
4100 – 66 Wellington Street West
PO Box 35, TD Bank Tower
Toronto, ON M5K 1B7

Dear Mr. Ferguson:

Re: Twin Pines - Peel Housing Corporation Board of Directors ("PHC Board") and Cedar Grove Residents' Community Corporation ("Cedar Grove")
Your File No.: 05994.00001
Our File No.: 21377

Thank you for your letter dated March 1, 2018, responding to my letter of January 24, 2018, in which you express continuing concerns of Cedar Grove respecting the process of reporting to the PHC Board and information presented to the PHC Board in connection with Twin Pines.

You indicate in that letter that mine of January 24, 2018 did not adequately respond to the concerns previously raised. We respectfully disagree. The exchange of correspondence speaks for itself.

What is new in your March 1, 2018 correspondence is the identification of a number of points which you describe as "buried within the details of the report" (that is to say, appearing on the face of the report). Before addressing these points in detail, I make some contextual observations which will also serve to address the themes, raised throughout your correspondence, that the presentation to the PHC Board either failed to disclose or was at variance with matters contained in the KPMG report on points which you have identified as points of concern.

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Opportunity to Express Concerns

Firstly, the staff report placed before the PHC Board meeting of December 7, 2017 makes clear that what is being sought, at least in respect of the three "options to remain" under the Resident Transition Plan is not approval of detailed implementation considerations, but rather endorsement of the options well in advance of the time when it will become possible to determine implementation details. A bringing forward of the transition plan at this early stage of the redevelopment and at a time when implementation detail remains undetermined (and undeterminable) was a matter of accommodation of what Peel Housing Corporation had learned through its extensive consultations with the tenant community. A desire for early identification of transition planning options had been clearly expressed and staff moved, with the support of the PHC Board, to accommodate that preference. This included the early provision of the option to leave the community with the benefit of a cash payment.

The staff report dated November 26, 2017 makes this abundantly clear under the heading "Terms and Conditions for the Resident Options" where the following statement appears:

"Within the KPMG report, reference is provided to implementation considerations related to the various options. While the details related to the options to remain will be confirmed once the redevelopment plan including built form(s) and timelines are identified, the considerations included within the report will assist staff and residents in preparing for the transition."

Further, the Executive Summary of the KPMG report provided as Appendix I to the staff report, under the heading "Looking Ahead", states:

"Details regarding Options 2-4 will be presented to the Board in 2019 or upon the selection of a development partner(s) and the development of a site plan."

As a practical matter, 2018 remains too early to determine all of the details of implementation which are the subject of the detailed statements of concern in your correspondence. While I will address those detailed concerns here, you may wish to make representations to the Board emphasizing the matters of outstanding concern to you.

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Addressing Your Detailed Points of Concern

I turn now to address in detail the points of concern raised under paragraph 5 of your letter, using the same alphabetic references which you have employed.

- (a)&(d) These reference are related. To the extent that “a tenure limit” or “a maximum period for the tenancy agreement” may be considered to refer to temporal restrictions on the long term lease (Option 4), these will continue to be governed by the applicable provisions of the *Residential Tenancies Act*. This has been the case with the tenancies of the Twin Pines residents to date throughout. As you correctly point out, the references in question refer to matters (a possible temporal limit on below market rate tenures) which Peel Living may wish to consider. Any such consideration will be undertaken with a full regard to Peel Living’s legal obligations. No such determinations have been made to date.
- (b) KPMG has expressed its view as to the approach that should be taken to rent quantification. No doubt such an approach will need to be developed, given that free rent is not and has never been envisioned. Contending principles including affordability and sustainability will need to be considered, all of which is entirely consistent with Peel Living’s legal obligations and commitments. Again, these matters have yet to be determined.
- (c) You have omitted language from the extract of concern which you have quoted. The omitted language is instructive as to a legitimate Peel Living concern.

The full extract reads:

“Resident should be responsible for paying out any current obligations on the mobile home, services to the mobile home, and the arrears owing (sic) Peel Living prior to entering into a new tenancy agreement with Peel Living.”

Peel Living has a legitimate interest in ensuring that any obligations of the residents pertaining to services supplied to them which could conceivably be pursued as against Peel Living (as landowner) by service providers, and amounts actually owing to Peel Living are settled before Peel Living enters into a highly subsidized tenancy arrangement with the residents exceeding its legal obligations.

To the extent that the language of concern is taken as referring to obligations of the residents which cannot be visited upon Peel Living,

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such as indebtedness secured by chattel mortgages on the existing units, Peel Living may very well choose not to tie the discharge of those tenant obligations to the entering into of a new tenancy agreement. Again, no such determination has been made.

- (e) "Availability of units" is a realistic and common sense constraint upon the ability of Peel Living to prioritize and effect placement. We fail to recognize your allusion to KPMG and staff having reported otherwise and we interpret the commitments to be subject to this implicit constraint. All of that said, the questions of availability of units and tenant demand for uptake of same remain to be determined.
- (f) Your first implication here that the determination of the \$31,000 figure was "limited to simply a '*value for chattel*' approach" is answered in considerable detail in the body of the KPMG report, particularly at 4.2.2, but more succinctly by a full quotation of the very sentence to which you have yourself referred:

"Based on feedback received from residents, three aspects ("building blocks") were noted as important to residents: *value for chattel, a resident consideration and a relocation allowance*. These building blocks were used to calculate a payment amount of \$31,000 per house hold."

Peel Living takes issue with your statement that an undertaking was given to provide the "second set of appraisals" (the CDC appraisals) to residents. Summarized information from the CDC appraisals has been provided to the residents and Peel Living is of the view that its approach to the quantifications have been both reasonable and reasonably disclosed.

- (g) The quotation you have employed at this item is misleading. The KPMG report does not set out the case studies in order to "better understand the legislative rights and obligations for the tenant and landlord and the requirement for prescribed compensation". That language is employed at page 4 to refer to KPMG having "reviewed residential tenancy legislation enacted in Ontario, British Columbia and Alberta". As you know, the legislative requirement for prescribed compensation is greatly exceeded by the \$31,000 amount which KPMG has quantified and which the PHC Board has accepted.

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The purpose of undertaking and reporting on the case studies is appropriately described and qualified at page 20 of the KPMG report (4.1.2 Case Studies). There the following appears:

“To inform the approach and development of the RTP, KPMG conducted secondary research on current and past mobile home park redevelopments, as well as other community redevelopments, to identify key lessons and leading practices from local, national and international case studies... Each redevelopment has its unique circumstances with respect to the community demographic, residents’ needs and personal situations, legislative and policy requirements, redevelopment objectives and the current socio-economic environment at the time of the proposed redevelopment. Therefore, details of each case study noted below should be viewed as informative and not comparative.”

The case studies speak for themselves and in the view of Peel Living are usefully supportive of the recommendation adopted by the PHC Board on December 7, 2017 to endorse the RTP options.

- (h) We acknowledge that Cedar Grove might consider payment to residents choosing Option 4 over and above the long term subsidy which Option 4 already embodies, to be more “helpful” and more “responsive”. However, Option 4 already represents a significant risk to Peel Housing Corporation of subsidizing residents under that option to an extent in excess of the \$31,000 being made available to those who might choose other options. The approach identified at Option 4 is consistent with the total public value framework which Peel Living is employing with a view to balancing the public interest in prudent management of a stressed affordable housing system with the private interest of the Twin Pines residents. We note that the inclusion in Option 4 of a payment element was advocated by one of the directors at the December 7, 2017 PHC Board meeting and was rejected by the PHC Board.
- (i) You correctly point out that the KPMG report is forthright in acknowledging market realities. We doubt that the Cedar Grove Board is advocating the removal of options, even if they may be feasible for only a minority of Twin Pines residents, if any. We consider your point here rhetorical.
- (j) Item (j) likewise constitutes rhetoric.

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- (k) Your speculation here that the inadequacy of reserves at Twin Pines may be indicative of a subsidization by residents of other Peel Living operations strains credulity. The more accurate characterization is that the residents have over many years been charged an insufficient rent.
- (l) Peel Living considers that with inflation and the intervening effect of time on infrastructure needs, its current estimate of capital cost requirements at Twin Pines is valid and in no way exaggerated.

The cost of planning for redevelopment are necessarily incurred in the public interest by a prudent owner recognizing the unsustainability of maintaining a *status quo* of increasing capital cost requirements and uneconomic rents.

- (m) Assessment of the state of good repair of the capital and infrastructure on the site was beyond the scope of KPMG's mandate.
- (n) The provision of a Resident Transition Plan at the earliest possible time, albeit without complete details, has been responsive to requests made by many of the residents for the articulation of an early leave option. The provision of other options to the greatest extent now possible represents best efforts to complement Option 1 (leave with payment) without in anyway obligating residents to make a decision as between the options without benefit of the unavailable detail. Residents will not be required to select an option until all options have been adequately defined.
- (o) The September 28, 2012 staff report speaks for itself. In bringing forward the KPMG report to the December 17, 2017 Board meeting, staff provided the full text of the 2012 commitments. The Resident Transition Plan does indeed go considerably beyond a right of first refusal.
- (p) The quote referenced by you here from page 43 of the KPMG report represents a shared assumption that there will be continued Peel Living ownership and is consistent with and underlies the commitments and the Resident Transition Plan. The implications of a change of ownership contrary to the assumption represents a hypothetical which we do not purport to deal with here.
- (q) The 2012 commitments and the total public value framework require interpretation if they are to be practically implemented. KPMG has done so reasonably and rationally for the purposes of its report. The absolutist alternative which Cedar Grove Board may prefer is a recipe for paralysis and not in accordance with the PHC Board's view of the public interest.

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We must agree to disagree with your premise that Peel Living was under an obligation to extend the commitment for tenants to remain, beyond those tenants to whom the commitment was made, to all comers for all time.

- (r) Peel Living respectfully disagrees with your assessment of the report. It views the legal rights and the practical and equitable reality of the claims of the residents as having been met and exceeded.

In summary, we continue to maintain that both Cedar Grove and Twin Pines residents generally have had a timely and fulsome opportunity to express their views and to express them to both staff and to the PHC Board. They will have a continuing opportunity to do so, including with respect to those matters of concern or potential concern still to be determined.

Finally, we note with interest communication which we have recently received on behalf of Cedar Grove Board from the Dickinson Wright firm of solicitors. They have advised that they are working collaboratively with you and on that basis unless advised otherwise we will presume that we are at liberty to deal with them as your co-counsel.

Yours very truly,



Patrick O'Connor

Corporate Counsel

☎ (905) 791-7800, Ext. 4319

☎ (905) 791-6992

✉ patrick.o'connor@peelregion.ca

POC:ch

c.c. Dan Labrecque, General Manager, Peel Housing Corporation
Chris Fonseca, Board Member, Peel Housing Corporation

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MICHAEL B. MILLER B.A. J.D. M. ED. LL.M.
 MMiller@dickinsonwright.com
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July 4, 2018

*Sent by fax: 905-791-6992
 and mail*

Peel Housing Corporation
 10 Peel Centre Drive
 Brampton, ON L6T 4B9

Attention: Patrick O'Connor
 Steve Dickson

Dear Sirs:

Re: Twin Pines Redevelopment Project

Thank you for your letter of June 11, 2018.

We confirm that we have been retained as litigation counsel for Cedar Grove Residents' Community Corporation ("Cedar Grove"). We have not assumed exclusive representation of Cedar Grove as Daniel Ferguson will continue to act as a resource person and corporate counsel for Cedar Grove. We have taken an integrated approach to arriving at a "win-win" resolution of this issue and our team includes Mr. Ferguson of Weir Foulds LLP, Cresa Toronto Inc., Strategic Real Estate Advisors and the Sussex Strategy Group, Communications and Public Affairs Advisors.

We confirm that Dickinson Wright LLP only represents Cedar Grove.

We would like to thank you for the invitation to make a delegation in connection with this matter. While we may make a delegation in the future, we think that it is premature to do so at this point, and instead, we are requesting that we meet with senior Peel Housing Corporation staff and yourselves to discuss this matter.

We have identified a number of areas of concern which we believe can be addressed if we worked collaboratively by:

1. Taking into account the perspective of Cedar Grove and specifically the perspective of the members of Cedar Grove, who are residents of Twin Pines Mobile Home Park ("Twin

DICKINSON WRIGHT LLP

Page 2

Pines"), in the redevelopment process in order to achieve alignment in the objectives of both Peel Living and Cedar Grove;

2. Having transparency in the redevelopment process which will add value to the lands and ultimately work for the benefit of all parties involved. This will permit the parties to work together towards achieving their objectives rather than being in the dark or worse yet, at opposition; and
3. Involving the redevelopment partner(s) and more specifically, using the creativity of the potential redevelopment partner(s) to develop and achieve a plan for Cedar Grove/residents of Twin Pines, such that they are recognized as a key stakeholder in the process.

We look forward to meeting with you and to working together in finding a favourable solution which we hope would avoid further hardship for Cedar Grove/the residents of Twin Pines.

We look forward to receiving your available dates for a meeting to be held in the next three weeks.

Very truly yours,



Michael B. Miller

MBM:SC

cc: Sahar Cadili
Dan Ferguson
Jamie Besner
John Macintyre
Kevin Haverly, Jr.
Marlyn Addai



June 11, 2018

Sent by email to: MMiller@dickinsonwright.com

Dickinson Wright LLP
Barristers and Solicitors
199 Bay Street, Suite 2200
Commerce Court West
Toronto, ON M5L 1G4

Attention: Michael B. Miller

Dear Sir:

RE: TWIN PINES REDEVELOPMENT PROJECT
Our File Nos.: 21377

I acknowledge receipt of your June 1, 2018 correspondence sent jointly to The Regional Municipality of Peel ("Region of Peel") and the Peel Housing Corporation ("PHC"). I advise both organizations on this matter, as Board Counsel for PHC and as Regional Solicitor for the Region of Peel, in collaboration with my colleague Senior Legal Counsel Steve Dickson of our office.

The redevelopment now progressing is being undertaken pursuant to decisions of the PHC Board on October 25, 2012 and thereafter. You have directed your request to the attention of the Board members as well as to its General Manager, Mr. Labrecque and to the Region's Chief Administrative Officer Mr. Szwarc. Those officers, Mr. Dickson and myself all act at the direction of the Board and I would accordingly suggest that your request can most appropriately be pursued by addressing the Board through a delegation to a Board meeting, the next of which is scheduled for 8:30 a.m. on July 5, 2018 at 10 Peel Centre Drive, Brampton. A request to delegate may be addressed to the Board's Corporate Secretary Ms. Ava MacIntyre (ava.macintyre@peelregion.ca). Messrs. Labrecque, Szwarc and I are customarily in attendance at the Board's meetings.

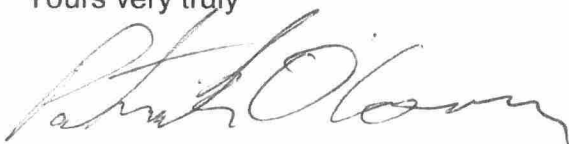
PEEL HOUSING CORPORATION, O/A PEEL LIVING,
10 PEEL CENTRE DRIVE, SUITE "B", P.O. BOX 2800, STN "B"
BRAMPTON, ONTARIO L6T 0E7

GENERAL: (905) 453-2500 RESIDENT: (905) 453-4900 FAX: (905) 453-2501

Please be so good as to clarify the identity of your clients, if any, beyond Cedar Grove Residents' Community Corporation (the "Board") and whether you have assumed exclusive representation of the Board from Mr. Daniel Ferguson of WeirFoulds LLP.

I would ask that apart from dealings with Ms. MacIntyre in connection with a delegation request, and the delegation itself, your communications concerning the Twin Pines Redevelopment Project be directed to me or to Mr. Dickson.

Yours very truly



Patrick O'Connor
Regional Solicitor and Corporate Counsel

☎ (905) 791-7800, Ext. 4319

📠 (905) 791-6992

✉ patrick.o'connor@peelregion.ca

cc. Frank Dale, Regional Chair and Board Member
Chris Fonseca, Board Member
Matt Mahoney, Board Member
Gael Miles, President and Board Member
Elaine Moore, Board Member
Barb Shaughnessy, Board Member
Bonnie Crombie, Mayor, City of Mississauga
David Szwarc, Chief Administrative Officer, Region of Peel
Dan Labrecque, General Manager, Peel Housing Corporation
Steve Dickson, Senior Legal Counsel

PEEL HOUSING CORPORATION, O/A PEEL LIVING,
10 PEEL CENTRE DRIVE, SUITE "B", P.O. BOX 2800, STN "B"
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MICHAEL B. MILLER B.A., J.D. M. ED. LL.M.
MMiller@dickinsonwright.com
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June 1, 2018

*Sent by fax: 905-453-1308
and mail*

Peel Housing Corporation
10 Peel Centre Drive
P.O. Box 2800, STN. "B"
Suite # B
Brampton, ON L6T 0E7

Region of Peel
Office of the CAO
10 Peel Centre Drive
Brampton, ON L6T 4B9

Attention: Dan Labrecque
Frank Dale
Chris Fonseca
Matt Mahoney
Gael Miles
Elaine Moore
Barb Shaughnessy

Attention: David Szwarc

Dear Sirs/Madams:

Re: Twin Pines Redevelopment Project

We have been retained by Cedar Grove Residents' Community Corporation ("Cedar Grove") in connection with the potential redevelopment of Twin Pines Mobile Home Park (the "Potential Redevelopment").

Cedar Grove has also retained Sussex Strategy Group Inc. ("Sussex") and Cresa Toronto Inc. ("Cresa") as part our team.

Our firm, along with Sussex and Cresa (collectively the "Cedar Group") will work together to represent the interests of Cedar Grove, and specifically, the interests of the residents of Twin Pines Mobile Home Park, in arriving at a fair and equitable agreement with Peel Living with respect to the Potential Redevelopment.

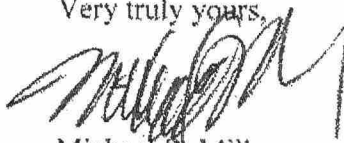
The Cedar Group would like to meet with you to discuss the Potential Redevelopment. Please advise the writer of your availability in the second half of the month of June, 2018.

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Page 2

I look to forward to hearing from you at your earliest convenience.

Very truly yours,



Michael B. Miller

MBM:SC

cc: Bonnie Crombie
Jamie Besner
John Macintyre
Kevin Haverty, Jr.

Daniel P. Ferguson
T: 416-947-5029
ferguson@weirfoulds.com

File 05994.00001

March 1, 2018

VIA E-MAIL PATRICK.O'CONNOR@PEELREGION.CA

Peel Housing Corporation
o/a Peel Living
10 Peel Centre Drive, Suite "B"
P.O. Box 2800, Stn "B"
Brampton, ON L6T 0E7

Attention: Patrick O'Connor, Corporate Counsel

Dear Mr. O'Connor:

**Re: Twin Pines – Peel Housing Corporation Board of Directors ("PHC Board") and
Cedar Grove Residents' Community Corporation ("Cedar Grove")
Your File No. 21377**

We are responding on behalf of Cedar Grove to your letter of January 24, 2018. As we do each time, we confirm that this letter is not intended to impact the ability of any Resident of Twin Pines to pursue his or her own legal rights and remedies against Peel Living or others in respect of this matter.

We feel that it is necessary to respond to some of the points in your January 24, 2018 letter. These responses should be seen as supplements to the other positions previously taken or which may hereafter be taken by Cedar Grove in respect of these matters, and they do not limit any other positions that Cedar Grove has taken or may hereafter take.

As we think is apparent from our letter of December 7, 2017, Cedar Grove remains concerned about the process of reporting to the PHC Board and the materials and presentations put before the PHC Board when it is making its decisions in connection with Twin Pines. Your letter does not, in our view, adequately respond to those concerns.

The simple facts of the matter are as follows:

1. While a draft overview of the Resident Transition Plan was provided to the Board of Cedar Grove prior to the presentation to the PHC Board, the detailed report was not provided to Cedar Grove until three days before the December 7, 2017 PHC Board meeting;
2. The Residents had less than three days to provide a response to this detailed report at the PHC Board meeting considering this detailed report.
3. You rightly acknowledge that we had the opportunity to read a letter to the PHC Board. We were forced to prepare that letter in a very short period after receiving the detailed report and so that there would be a record of our position to the extent that we were able to develop our position with the limited time available to us and under extremely difficult circumstances. We prepared our letter recognizing that the PHC Board would have not received or been able to seriously consider the letter prior to the meeting where they were making their decision, and that it would be merely read into the record immediately prior to the decision.
4. Based on the process adopted by Peel staff and KPMG and their disregard of the objections of Cedar Grove to this flawed process, it would have been impossible for the PHC Board to have seriously considered or taken into account any of the contents of the letter read to them immediately prior to the decision being made by them at the December 7, 2017 PHC Board meeting.
5. While you refer to the fact that previous iterations of the brief overviews of the Resident Transition Plan had been disclosed to the Cedar Grove Board and various residents, the point of our objection is that on December 7th a 69 page report was presented by KPMG to the PHC Board without an appropriate review or response by Cedar Grove or the Residents. In a subsequent review of that report we note the following extremely important points buried within the 69 page report, none of which were referred to in the presentations to the PHC Board by KPMG or Peel Living staff. We can confirm that the Residents were not aware of these conditions, nor do we believe that the PHC Board was aware of these conditions. Many statements were made in the presentations by KPMG and Peel Living staff directly at variance with these conditions. This is a non-exclusive list of our concerns with respect to the details of the detailed report. Again, since there was no opportunity to have referenced these points in the meeting and the decision has been made without Cedar Grove's input on these points, we are raising them for the record and future reference, and to provide Peel Living with an opportunity to address Cedar Grove's concerns about the flawed process and the substance of the points raised in this correspondence:

- (a) Buried within the details of the report is a clause which provides that "a tenure limit may be required in order to ensure sustainability for Peel Living".

This important qualification is at direct variance with the commitments made by Peel Living and its legal obligations to the Residents, and was not pointed out to the PHC Board or to the Residents. Statements in the KPMG and Peel Living staff presentations in direct opposition to this qualification were made. This qualification is in direct opposition to the commitments and obligations of Peel Living.

- (b) Buried within the details of the report is a statement that "the rent amount should be the greater of the average maintenance and operating costs for the building equally divided among the units or the amount proportionate to the tenant's annual household income".

Again, this qualification is at variance with the commitments made by Peel Living and its legal obligations to the Residents, and was not noted in the reports by KPMG or Peel Living staff to the PHC Board or to the Residents. Statements in the KPMG and Peel Living staff presentations in direct variance to this qualification were made.

- (c) Buried in the details of the report was a statement "a Resident should be responsible for paying out any current obligation on the mobile home...prior to entering into a new tenancy agreement with Peel Living".

This qualification is at variance with the commitment made by Peel Living and its legal obligations to the Residents, and was not pointed out to the PHC Board or to the Residents in the KPMG or Peel Living staff presentations. Statements to the contrary of this commitment were made during these presentations. Among other things, Cedar Grove does not see how requiring Residents to address their financial obligations on a mobile home is a valid condition to Peel Living's commitments and legal obligations especially when Peel Living's actions are the reason why so many Residents will be unable to meet their financial obligations concerning their mobile homes.

- (d) Buried within the details of the report was a statement that Peel Living may "explore a maximum period for the tenancy agreement".

This statement was not pointed out to the PHC Board or to the Residents in the KPMG or Peel Living staff presentations and is in direct opposition to the commitments made by Peel Living to the Residents and Peel Living's obligations to the Residents. Statements to the contrary were made in the KPMG and Peel Living staff presentations to the PHC Board.

- (e) Buried in the details of the report were statements that resident prioritization would be "based on availability of units". This statement is contrary to what was presented to the PHC Board and the Residents in the KPMG and Peel Living staff reports and is contrary to the commitments made to the Residents by Peel Living and the legal obligations of Peel Living to the Residents.
- (f) The report provides that it is "based on feedback received from the Residents" and that a "value for chattel" approach was "noted as important to Residents".

Cedar Grove has been consistent from the beginning in its position that it does not see the claim for appropriate compensation as limited to simply a "value for chattel" approach (especially on the forced and artificial basis of valuation that Peel Living is seeking to impose) and that it does not accede to a compensation and payment based solely on a "value for chattel" approach. The compensation claims made by Cedar Grove are based on, among other things, the full package of all Residents' rights and interests and the Residents' legal and equitable rights to fair compensation under all circumstances including, without limitation, the value of their mobile home in the context of all of the circumstances.

We do know that a second set of appraisals of the Residents' interests was conducted and remains, notwithstanding the undertakings of Peel Living, undistributed to the Residents even at a time when Peel Living is reaching out to Residents to accept the \$31,000 transition option. While Cedar Grove does not represent or seek to represent or limit any Resident's individual rights, Cedar Grove is of the view that Peel Living needs to ensure that it is dealing with individuals on a fully informed basis.

- (g) The report from KPMG sets out a variety of case studies in order to "better understand the legislative rights and obligations for the tenant and landlord and the requirement for prescribed compensation".

We note that Cedar Grove believes that the circumstances of Twin Pines are clearly differentiated from the case studies presented and is of the view that only a full legal analysis of the circumstances and applicable law and equitable principles in connection with this matter should have been before the PHC Board, especially if the presentation being put forward is being described as a tool to better understand legislative rights and obligations of a landlord and tenant and requirements of compensation.

- (h) On page 5 of the report there is a statement in respect of option 4 that reads as follows: "Due to this unique long term commitment, an opportunity to elect a payment option is not available in Option 4".

We find this statement unhelpful and nonresponsive to any issue or any challenge faced by the Residents of Twin Pines. It is indicative of many places in the reports where unverifiable statements are simply drawn out of the air in order to justify a predetermined conclusion. There is absolutely no reason why a payment accompanying Option 4 could not be considered.

- (i) We note that in numerous places in the detailed report, it is acknowledged that rental and market units and purchase of market units were likely not realistic options for the vast majority of Residents. It was not pointed out to the PHC Board by KPMG or Peel Living staff that 2 of the 4 options presented were acknowledged in the details of the report to be non-responsive to the interests of the vast majority of Residents.
- (j) There is a statement on page 6 of the report that the following engagement principles underpin the development of the Resident Transition Plan:

- Access and inclusivity;
- Transparent and open;
- Timely communications;
- Mutual trust and respect;
- Listen and learn.

Cedar Grove vehemently objects to the portrayal of the process as being underpinned by these "engagement principles".

- (k) Page 9 of the report confirms Cedar Grove's position that rents over the history of the Park were to be "based upon a pass-through of all costs and expenses incurred by Peel Living to operate Twin Pines".

Among other things, this confirms the position of Cedar Grove that it has carried the Park since the acquisition of the Park by Peel Living and that Peel Living could have and should have addressed appropriate reserves for capital repairs and replacements, if, as it alleges, the costs of capital repairs and replacements are now prohibitive. To the extent that adequate reserves have not been kept for Twin Pines, Cedar Grove questions whether or not the Residents were unknowingly subsidizing other Peel Living operations.

- (l) The capital costs of required improvements presently being reported to the media at \$14 million and alleged in the reports and other materials provided to the PHC Board to be prohibitive are well in excess of the actual reported costs verified in 2011 engineering studies. To the extent that these costs are exaggerated, they are forming an erroneous basis for PHC Board's decisions. Cedar Grove has also pointed out that the actual costs spent on consultants in connection with merely planning for the redevelopment now exceed the original costs estimated for capital improvements of the Park.
- (m) We note that KPMG does state in its report that it is not able to provide information or analysis or definitively to support the "assessment of the state of good repair of the capital and infrastructure on the site".
- (n) We note the statement on page 14 of the report that "details of the built form and associated ownership opportunities and rent rates will be shared once a development partner(s) is selected".

This has not stopped Peel Living from setting out the transition plan options. Since there are no details on any of the transition plan options except the \$31,000 payout, it is, in Cedar Grove's view, impossible under the circumstances created by Peel Living for a Resident to make a considered decision concerning options at this time.

- (o) Buried in the details of the report is a statement that "a staff report to the Board dated September 28, 2012 suggested that the intent of the commitment was to ensure that residents who were eligible for the option to "remain" would be provided a "first right of refusal" in the developed Twin Pines community".

We do not agree that this was the intent of the commitment, nor was it relied upon on that basis. An isolated suggestion in a staff report would be non-dispositive of this issue in any event. It is Cedar Grove's position that the accompanying staff reports confirm much wider commitments and legal obligations of Peel Living. The commitments and legal obligations of Peel Living are well in excess of a mere "right of first refusal". Cedar Grove objects to any interpretations or qualifications which may be interpreted as limiting Peel Living's commitments or its legal obligations.

- (p) Buried within the details of the report is an assumption "that Peel Living will continue to own at least a rental building in the redeveloped Twin Pines community. As a result, the tenancy agreements described in Option 3 and 4 are calculated based on Peel Living market rents and Peel Living's ability to prioritize Twin Pines residents for access to the housing option".

To the extent that this, or any other statement in the detailed report, attempts to create a conditionality on availability of the option to remain in the Park, it is contrary to the commitments made and legal obligations of Peel Living. This conditionality was not pointed out to the PHC Board or to the Residents and is not accepted by the Residents. Statements to the contrary of this qualification were made during the KPMG and Peel Living staff presentations to the PHC Board.

- (q) On page 45 under the title "Alignment with 2012 Commitments and TPV Framework", there are various qualifications and purported descriptions of the commitments made up by KPMG and described by them unilaterally as "factors identified within the commitments [that] can be understood through the following operative terms". To the extent that any of these made up descriptions or terms seek to or have the impact of qualifying the commitments or legal obligations of Peel Living, they are entirely rejected by our client. We have already commented on the inability of Peel Living to have imposed subsequently and unilaterally a further condition on the definition of a resident qualifying for the commitment through attempting to arbitrarily and unilaterally set out a January 6, 2018

deadline date for occupancy in Twin Pines to the description of a resident qualifying for this commitment.

- (r) Our client sees a fundamental flaw in the report in that it fails to assess in the valuations of the project or the costs of redevelopment the legal rights of the Residents and practical reality of the claims being made by the Residents.

We point these issues out to put them on the record and to confirm on the record that Cedar Grove does not accept or acknowledge any conditionality to or variance of any commitments or legal obligations of Peel Living in respect of these matters.

Yours truly,

WeirFoulds LLP



Daniel P. Ferguson

DPF/dmr

c: Marlyn Addai, Board of Directors of Cedar Grove

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