



PEEL HOUSING CORPORATION

2019 ANNUAL GENERAL MEETING OF THE SHAREHOLDER

AGENDA

PLAGM - 1/2019

DATE: Thursday, June 27, 2019

TIME: 9:00 a.m. – 9:30 a.m.

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

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

1. **CALL TO ORDER**
2. **OPENING REMARKS BY REGIONAL CHAIR N. IANNICCA**
3. **REGIONAL COUNCIL CONVENES**
4. **APPROVAL OF AGENDA**
5. **ADOPTION OF MINUTES**
 - 5.1. Minutes of the Peel Housing Corporation (PLAGM-1/2018) 2018 Annual Meeting of the Shareholder held on June 28, 2018
 - 5.2. Minutes of the Peel Housing Corporation Special Shareholders Meeting (PHCSSM-1/2018) held on December 13, 2018
6. **DELEGATIONS**

7. **COMMUNICATIONS**

8. **PEEL HOUSING CORPORATION 2018 ANNUAL REPORT**
Remarks by Catherine Matheson, Chair, Peel Housing Corporation Board of Directors and Commissioner, Corporate Services

9. **2018 FINANCIAL STATEMENTS**
Remarks by Stephanie Nagel, Treasurer, Peel Housing Corporation

10. **PEEL HOUSING CORPORATION BOARD - UPDATED BOARD COMPOSITION, SHAREHOLDER DIRECTION AND BY-LAWS**

11. **2019 APPOINTMENT AND REMUNERATION OF EXTERNAL AUDITORS**

12. **2019 RATIFICATION AND CONFIRMATION OF THE ACTIONS OF THE CORPORATION**

13. **CLOSING REMARKS BY REGIONAL CHAIR N. IANNICCA**

14. **CLOSING OF THE ANNUAL MEETING OF THE SHAREHOLDER**

**PEEL HOUSING CORPORATION
2018 ANNUAL GENERAL MEETING**

MINUTES

PLAGM 1/2018

The Members of Peel Housing Corporation met on Thursday, June 28, 2018 at 9:04 AM, in the Council Chambers, Regional Administrative Headquarters, 5th Floor, 10 Peel Centre Drive, Suite A, Brampton.

Members Present: D. Cook; B. Crombie; F. Dale; J. Downey; C. Fonseca; G. Gibson; N. Iannicca; J. Innis; L. Jeffrey; J. Kovac; M. Mahoney; S. McFadden; E. Moore; M. Palleschi; K. Ras; B. Shaughnessy; J. Sprovieri; R. Starr

Members Absent: G. Carlson; A. Groves, due to other municipal business; M. Medeiros; G. Miles, due to illness; C. Parrish, due to other municipal business; P. Saito; A. Thompson

Also Present: D. Szwarc, Chief Administrative Officer, Region of Peel; M. Killeavy, Acting Commissioner of Corporate Services; S. VanOfwegen, Commissioner of Finance and Chief Financial Officer and Acting Commissioner of Service Innovation, Information and Technology; J. Sheehy, Commissioner of Human Services; J. Smith, Commissioner of Public Works; N. Polsinelli, Commissioner of Health Services; K. Bingham, Acting Medical Officer of Health; P. O'Connor, Regional Solicitor; K. Lockyer, Regional Clerk and Director, Clerk's Division; A. Macintyre, Deputy Clerk and Manager, Legislative Services; C. Thomson, Legislative Specialist; H. Gill, Legislative Technical Coordinator

Regional Chair F. Dale presided.

1. CALL TO ORDER

2. OPENING REMARKS BY VICE-PRESIDENT B. SHAUGHNESSY

Vice-President Shaughnessy welcomed Members to the 2018 Peel Housing Corporation Annual General Meeting.

3. REGIONAL COUNCIL CONVENES

* See text for arrivals

◆ See text for departures

4. APPROVAL OF THE AGENDA

Moved by Councillor Fonseca,
Seconded by Councillor Gibson;

That the agenda for the June 28, 2018 Peel Housing Corporation 2018 Annual General Meeting of the Shareholder, be approved.

Carried 2018-1

5. ADOPTION OF MINUTES

5.1. Minutes of the Peel Housing Corporation (PLAGM-1/2017) 2017 Annual Meeting of the Shareholder held on June 22, 2017

Moved by Councillor McFadden,
Seconded by Councillor Downey;

That the minutes of the Peel Housing Corporation (PLAGM-1/2017) 2017 Annual General Meeting of the Shareholder held on June 22, 2017, be adopted.

Carried 2018-2

6. DELEGATIONS - Nil

7. COMMUNICATIONS - Nil

8. Peel Housing Corporation 2017 Annual Report

Remarks by Dan Labrecque, General Manager, Peel Housing Corporation

Received 2018-3

Dan Labrecque, General Manager, Peel Housing Corporation (PHC) stated that PHC is striving to be an exceptional landlord, and to excel in its operations. Staff are improving the quality of PHC's infrastructure for its residents and the community, at large.

The General Manager highlighted improvements made with respect to tenant receivables and in reducing arrears; the Twin Pines development project that is progressing while being sensitive to tenant needs; and, the development of the Peel Housing and Homelessness Plan which highlights the role of PHC in helping the Region of Peel to develop affordable housing faster and more affordably.

9. 2017 Financial Statements

Remarks by Stephanie Nagel, Treasurer, Peel Housing Corporation

Received 2018-4

Stephanie Nagel, Treasurer, Peel Housing Corporation, stated that the audited financial statements are now final and the management letter from the External Auditor expressed no control weaknesses.

10. 2018 Appointment and Remuneration of External Auditors

Moved by Councillor Crombie,
Seconded by Councillor Starr;

That Deloitte LLP be appointed as the Corporation's Auditors to hold office until the close of the next annual meeting, pursuant to the award from the Request for Proposal for External Audit Services for the Regional Municipality of Peel and Peel Housing Corporation, Fiscal Years 2016 to 2020;

And further, that the audit fee for the 2018 fiscal year be set at \$18,419 (excluding applicable taxes);

And further, that the Treasurer be authorized to approve additional remuneration for the auditors during this period in the event of additional audit requirements.

Carried 2018-5

11. 2018 Ratification and Confirmation of the Actions of the Corporation

Moved by Councillor Palleschi,
Seconded by Councillor McFadden;

That all the by-laws and resolutions of the Corporation and all acts of the Corporation undertaken in good faith from June 22, 2017 to the present, be ratified and confirmed.

Carried 2018-6

12. CLOSING REMARKS BY VICE-PRESIDENT B. SHAUGNESSY

Vice-President Shaughnesy highlighted the relationship between the staff of Peel Housing Corporation (PHC) and the tenants, noting that PHC helps people in their time of need through program support and community building. She stated that PHC is dedicated to improving its properties, as reflected in a budget that directs significant funds towards state of good repair.

Vice-President Shaughnessy, on behalf of the PHC Board of Directors, extended her appreciation to PHC staff and management for their efforts in serving the community.

13. CLOSING OF THE ANNUAL MEETING OF THE SHAREHOLDER

Moved by Councillor Starr,
Seconded by Councillor Jeffrey;

That the Peel Housing Corporation Annual General Meeting now adjourn.

Carried 2018-7

The meeting adjourned at 9:14 a.m.

Regional Chair

Regional Clerk



**PEEL HOUSING CORPORATION
SPECIAL SHAREHOLDERS MEETING**

MINUTES

PHCSSM-1/2018

The Shareholder of the Peel Housing Corporation met on December 13, 2018 at 12:37 p.m., in the 5th Floor Council Chamber, Regional Administrative Headquarters, 10 Peel Centre Drive, Suite A, Brampton.

Members Present:

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

Members Absent: Nil

Also Present: D. Szwarc, Chief Administrative Officer; C. Matheson, Commissioner of Corporate Services; S. VanOfwegen, Commissioner of Finance and Chief Financial Officer; S. Baird, Commissioner of Digital and Information Services; P. O'Connor, Regional Solicitor; S. Jacques, Chief Planner; J. Smith, Commissioner of Public Works; J. Sheehy, Commissioner of Human Services; N. Polsinelli, Commissioner of Health Services; Dr. J. Hopkins, Medical Officer of Health; K. Lockyer, Regional Clerk and Director of Legal Services; D. Labrecque, General Manager, Peel Living; C. Thomson, Legislative Specialist; S. Valteau, Legislative Technical Coordinator; H. Gill, Legislative Technical Coordinator

Regional Chair Iannicca presided.

1. CALL TO ORDER

* See text for arrivals

◆ See text for departures

2. APPROVAL OF AGENDA

Moved by Councillor McFadden,
Seconded by Councillor Santos;

That the agenda for the December 13, 2018, Peel Housing Corporation Special Shareholders meeting, be approved.

Carried 2018-8

3. DELEGATIONS - Nil

4. COMMUNICATIONS - Nil

5. REPORTS

5.1. Peel Housing Corporation Board - Shareholder Direction

Moved by Councillor Thompson,
Seconded by Councillor Palleschi;

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

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

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

Carried 2018-9

As part of the approved composition of the Peel Housing Corporation Board identified in Resolution 2018-9, the number of Directors of Peel Housing Corporation within the minimum and maximum number of directors provided for in the articles of Peel Housing Corporation, is determined to be five (5).

The Directors and Officers, as referred to in Appendix I of the report referred to in Resolution 2018-9 are as follows:

Name	Length of Term	Officer Position
Catherine Matheson	3 year term	Chair
Patricia Caza	2 year term	Vice Chair
Kathryn Lockyer	1 year term	Secretary
Steve Fantin	3 year term	Treasurer
Andrea Warren	2 year term	

Janice Sheehy, Commissioner of Human Services, stated that the new Shareholder Direction outlines the roles and expectations of the Peel Housing Corporation Board of Directors and the Sole Shareholder.

6. BY-LAWS - Nil

7. ADJOURNMENT

The meeting adjourned at 12:41p.m.

Regional Chair

Regional Clerk

ANNUAL REPORT 2018

Peel Living



Tenants. Staff. Finances. Infrastructure.



Table of Contents

Message from the Chair	2
Message from the Commissioner	3
Board of Directors and Bios	4
Peel Living Overview	6
2018 Key Service Areas	7
Looking Forward	15
Revenues, Expenses, Reserves, Assets	16
Executive Officers and Leadership Team	Back Cover
2019 Budget	Appendix 1





Message from the Chair

It is my pleasure, as the new Chair, to share the 2018 Annual Report of the Peel Housing Corporation!

PHC is the largest of 48 social housing providers in Peel and strives to provide exemplary service to tenants and the Peel Living organization through program support, policy development and community building. Peel Living seeks to achieve high satisfaction ratings from its 16,000 tenants on the five key service drivers: building, unit, community/neighbourhood, Peel Living staff and quality of life.

Last June, Regional Council approved the transition of governance to a Board comprised of staff of the Region of Peel for the business operations side of Peel Living. Joining me to serve on the board are:

Patricia Caza (Vice-Chair), Director of Procurement, Finance.

Steve Fantin, Director of TransHelp, Public Works.

Kathryn Lockyer, Regional Clerk and Director of Legal Services, Corporate Services.

Andrea Warren, Director of Development Services, Public Works.

Each board member brings specialized and unique skills as you will see in our biographies on page 4. We look forward to working with Peel Living staff and to providing governance and leadership advice and guidance to PHC strategic positioning, operational matters, tenant relations, and community development opportunities.

I would like to take an opportunity to recognize the dedication and hard work of Peel Housing Corporation's General Manager Dan Labrecque. He has been tremendously helpful to the Board members to understand the business of PHC, while highlighting opportunities to develop. Dan is a champion of Peel Living and continues to support the Board and staff in understanding the complexity of PHC while keeping tenant's needs in clear focus.

On behalf of the Board we look forward to serving within the new Board governance structure and to influencing, leading and supporting Peel Living to continued excellence in service, development and sustainability. The success of the Board and the organization as a whole will be measured by services and properties which are affordable, healthy, sustainable, creative and inclusive.

Catherine Matheson, BSW, MBA, CEC

Chair
Peel Housing Corporation Board



Message from the Commissioner

In 2018, the Peel Housing Corporation (PHC) continued contributing to Peel Region's vision of a Community for Life. Affordable housing provides the stability to support future goals for work, education or other opportunities. That is why PHC strives for continual improvement as an affordable housing provider – because enabling tenants to be at their best makes the community stronger.

Improving means measuring. That is why we stayed rooted in a balanced scorecard approach to service. Recent employee survey results show that staff take pride in the work they do and that they feel cooperation and camaraderie among their colleagues. These are strengths to build on.

Engaging tenants is also essential to improvement. The Tenant Satisfaction Survey pointed to some priorities, particularly around, "state of good repair", so PHC has dedicated resources to improve the condition of its buildings. We have kept up the conversation with tenants and look forward to updated survey results in 2019. This year, staff worked with tenants to reinforce the importance of the timely collection of rents and implemented new processes that helped reduce net arrears without increasing the number of tenancies ended through legal action.

A new 10-year capital plan will provide transparency and certainty around future priorities. To continue meeting community needs and making the most of financial resources, PHC also created a 10-year asset-management plan, including analysis of properties for potential redevelopment. The Corporation initiated its next phase of growth with an intensification review of nine properties that could support greater site density in the Region of Peel.

I look forward to continuing to work with Peel Housing Corporation to ensure its continued progress as a strategic partner providing affordable housing solutions that contribute to a *Community for Life*.

Janice Sheehy

Human Services Commissioner
Region of Peel

2018 Board of Directors



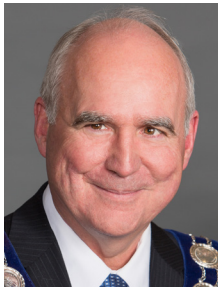
Gael Miles
President

Peel Region Councillor
City of Brampton
Wards 7 and 8



Barb Shaughnessy
Vice-President

Peel Region Councillor
Town of Caledon
Ward 1



Frank Dale
Regional Chair



Chris Fonseca

Peel Region Councillor
City of Mississauga
Ward 3



Matt Mahoney

Peel Region Councillor
City of Mississauga
Ward 8



Elaine Moore

Peel Region Councillor
City of Brampton
Wards 1 and 5

New Board of Directors (as of December 13, 2018)

Chair: Catherine Matheson



Catherine Matheson, Commissioner of Corporate Services for the Region of Peel will be serving as the Chair of the PHC Board for a three-year term. Catherine has a Master in Business Administration, Bachelor of Social Work degree and extensive executive education in corporate strategy, risk management, public private partnerships, and conflict resolution. She has served as President of the Ontario Municipal Social Services Association, was on the executive of the Housing Services Corporation Board of Directors, Board Member for Parks and Recreation Ontario and Coordinator for North and Central America Coordinator for United Nations University and UNESCO Research on sustainable education for Indigenous Youth.

New Board of Directors (as of December 13, 2018) continued...

Vice Chair: Patricia Caza



Patricia Caza, Senior Legal Counsel for the Region of Peel and Acting Director of Procurement, will be serving as the Vice-Chair for a two-year term. Patricia joined the Region in 2001 and has over 25 years of legal experience within the public and private sectors, specializing in advising on complex business arrangements. In her capacity as Acting Director of Procurement, Patricia directs the Division responsible for the procurement of all contracts required to deliver the programs and services of the Region of Peel, Peel Housing Corporation and Peel Regional Police.

Corporation and Peel Regional Police.

Director and Secretary: Kathryn Lockyer



Kathryn Lockyer, Regional Clerk and Director of Legal Services will be serving as the Secretary on a one-year term. Kathryn received her law degree from Queen's University and was called to the Bar in 1990. Kathryn spent many years in private practice prior to joining the Region of Peel in 2005 as a Senior Legal Counsel. In 2012, she became the Regional Clerk and in 2018 took on the combined role of Regional Clerk and Director of Legal Services with areas of responsibility including legislative services, access to information and privacy, corporate policy, corporate social responsibility, strategic public policy and external relations and legal services.

corporate social responsibility, strategic public policy and external relations and legal services.

Director: Andrea Warren



Andrea Warren, Director of Development Services in Public Works will be serving as a Director for a two-year term. In her current role, Andrea is leading a team of professionals providing One-Window service on all land development matters in Peel. She has held progressively responsible positions with Peel over her 20-year career, both in Policy and Development Planning. Andrea is a registered Professional Planner and Project Manager, holding a Masters of Environmental Studies (Planning) from York University and an

Honours Bachelor of Environment and Resource Studies from the University of Waterloo. She is an active volunteer in her community and profession.

Director: Steve Fantin



Steve Fantin, Director of TransHelp, in Public Works will be serving as a director for a three-year term. Steve joined the Region of Peel in 2015 and has over 20 years of experience in various Finance and Operations roles, mostly with technology organizations within the private sector. Steve graduated from Schulich School of Business with both Bachelor and Master degree in Business Administration, specializing in Finance and Strategic Management, respectively. He is a member of the Transit Leaders forum, where GTHA Transit

Leaders and Metrolinx work collaboratively to enhance passenger experience across the entire GTHA transit network.

Peel Living Overview

Established in 1976, Peel Housing Corporation (Peel Living), is a not-for-profit social housing provider in the Region of Peel. Peel Living is the largest of 48 social housing providers in Peel.

The Peel Living portfolio includes 70 buildings consisting of high and low-rise apartments and townhouses. Peel Living also manages four Regionally-owned buildings, two transitional housing properties and three emergency homeless shelters, and two daycare centres. Peel Living also owns the Vera Davis Long Term Care facility, which is managed by the Region of Peel.



* includes 2 transitional shelters (68 beds) and 3 group homes



2018 Key Service Areas

At Peel Living, our tenants, staff, finances and infrastructure are the pillars by which we measure our success and identify our opportunities for improvement. Our success depends on an integrated plan to enhance our objectives as we enter a transformational stage of our journey to serve the community.

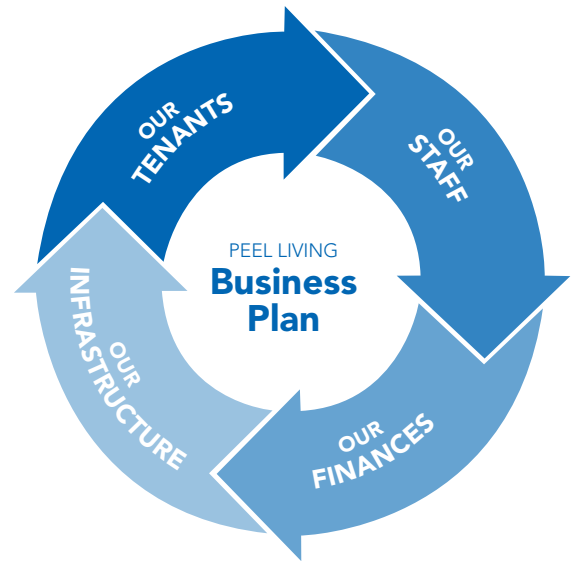
New Board

Regional Council approved the transition to a Board of Directors comprised of Regional Staff in June 2018. The purpose of the new Board is to implement the direction provided by the shareholder (Regional Council), including supporting the implementation of the Peel Housing and Homelessness Plan (PHHP). The Staff Board model will focus primarily on overseeing day-to-day operations, so as not to create a second governing body that has significant mandate overlap with the Strategic Housing and Homelessness Committee. The Board will be responsible for providing board governance, leadership, advice and guidance to Peel Living on operational matters, tenant satisfaction and employee engagement.

To ensure open communication and Council awareness of the progress of Peel Living towards achieving operational excellence, the Board will provide updates through the shareholder meetings.

New Direction

We have an enhanced role in the Region of Peel. We're not just another affordable housing provider. With the shareholder's new direction for Peel Living, we are moving into a more collaborative partnership with the Region in regards to the implementation of the Peel Housing and Homelessness Plan. Over the balance of 2019, the major focus of the Board, will be to support the development of the Housing Master Plan, through the inclusion of 19 Peel Living sites in the preliminary planning assessment. This will culminate in a multi-year redevelopment plan that will enhance Peel Living's service to the community. The budget document appended to this report provides a high-level overview of our 2019 activity. The following provides more insight into the issues and current direction of Peel Living, which connect directly to our balanced scorecard.

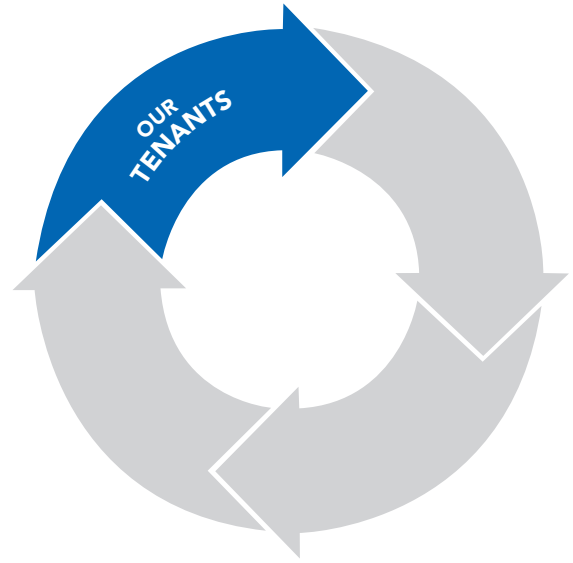


Our tenants

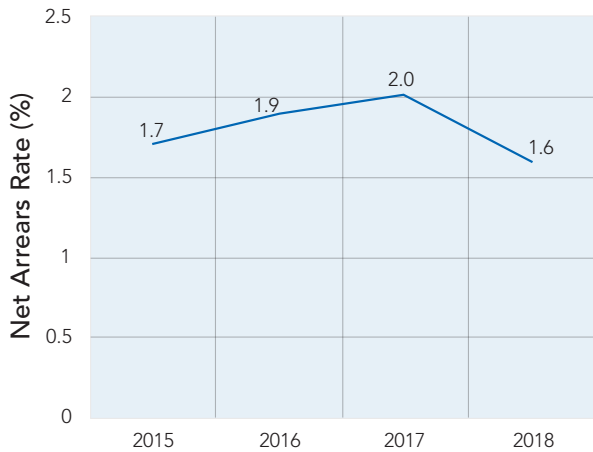
During the past year, Peel Living staff have engaged in a number of initiatives to support improving tenant success and outcomes.

Rental Arrears

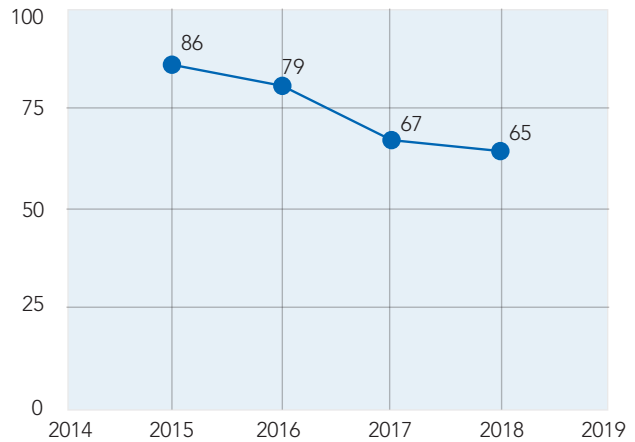
The Board directed staff to focus on reinforcing the tenant’s contractual obligation to pay their rent on time. To that end, a number of process improvements were implemented which, over the course of the year, resulted in promising reductions in net arrears without increasing the number of tenants whose tenancies ended through legal action. This is a positive step in improving our financial stability while still supporting tenancies, as indicated in the following graphs:



Peel Housing Corporation’s Arrears
January 2019 vs. December 2018



Number of Tenants Terminated through legal action
January 2019 vs. December 2018



Smoke Free

After much consultation with residents and extensive support from Peel Public Health, Peel Living has taken its first steps towards improving the health of its tenants by adopting the Smoke-Free Policy, effective with all new leases signed November 1, 2018 onwards. While existing unit holders will be grandfathered, Phase 2 of the program will be introduced in 2019 to allow existing residents to show their support by voluntarily signing a new smoke-free lease. For those tenants who are currently smokers, extensive supports are being provided to them by Peel Public Health and in 2018 staff held nine workshops, resulting in 25 tenants being provided with free Nicotine Replacement Therapy (NRT). Participating tenants were very appreciative of the support and free NRT that was provided to them.

Over-housed Initiative

In support of Regional Council's term of council priority related to Housing, Peel Living began to actively manage the list of over-housed tenants. The objective of this initiative was to free up larger units to support placements of families from the Central Wait List. In 2018, more than 80 units were freed up to support families.

Community Partner Review

Supporting Peel Living's tenants is an essential part of our business. Peel Living works collaboratively with multiple community agencies to provide space and specialized supports and services not only to our tenants but to the surrounding community. It has been identified that supports throughout the Peel Living portfolio have been inconsistent. A comprehensive review is currently in progress to identify:

- What types of supports and services are currently in our buildings
- Which agencies utilize our space and how they support our tenants
- Partnerships agreements and outdated contracts
- If we have the right agencies providing the right supports for each building and the community
- If we are collecting the right data to measure successful partnerships and outcomes

This review will provide a full picture of the supports and partnerships Peel Living currently has. Recommendations on how to better support tenants and the community consistently across our portfolio will be provided, in addition to recommending extending current agency partnerships and/or entering into new ones.

Peel Living is committed to successful tenancies and providing the right supports and services to our tenants is a significant part of that outcome.

Our staff

Peel Living's staff are Regional employees assigned to support the Corporation. In total there are 116 staff that directly serve our tenants. Support services are provided by the Regional Corporation on a chargeback basis.

Two major initiatives are underway to support ensuring that we are optimizing the use of our resources and mitigating risks: workplace modernization and an operational review.

Modernizing the Workplace

As part of the broader enterprise focus on modernizing the workplace, Peel Living has been actively engaged to support upgrading our digital footprint so that we can better serve our clients and improve our stewardship of the physical assets under management.

Peel Living is in the final stages of upgrading the applications used to manage our client relationships, including rental revenue management. The new digital application will be integrated and will provide an enhanced tenant portal. As a further benefit, the process improvements will eliminate many manual elements of the current process, reducing process costs and improving turnaround times for tenant inquiries.

In parallel with the legacy system upgrade, front line staff's digital capability was improved by replacing older phones with more smart technology.

The existing work order system is being migrated to the existing corporate application that will be used as the interim solution, pending the development and implementation of a Region of Peel enterprise solution for corporate asset management. The application has recently been upgraded to a digital platform and will support more efficient and effective management of tenant requests. Besides providing a functional work order platform, the existing corporate tool supports asset planning and preventative maintenance planning and execution.

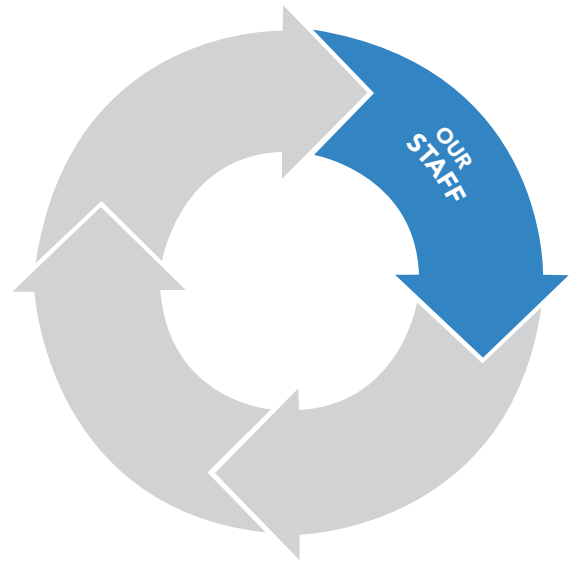
Operational Review

Staff have been engaged in reviewing all aspects of three main business functions of the Corporation, including: Asset Management, Tenancy Management and Building Management. The objectives are to build a continuous improvement culture in the organization and to identify options for longer-term service model planning purposes.

The draft findings have identified a number of actions in four main themes:

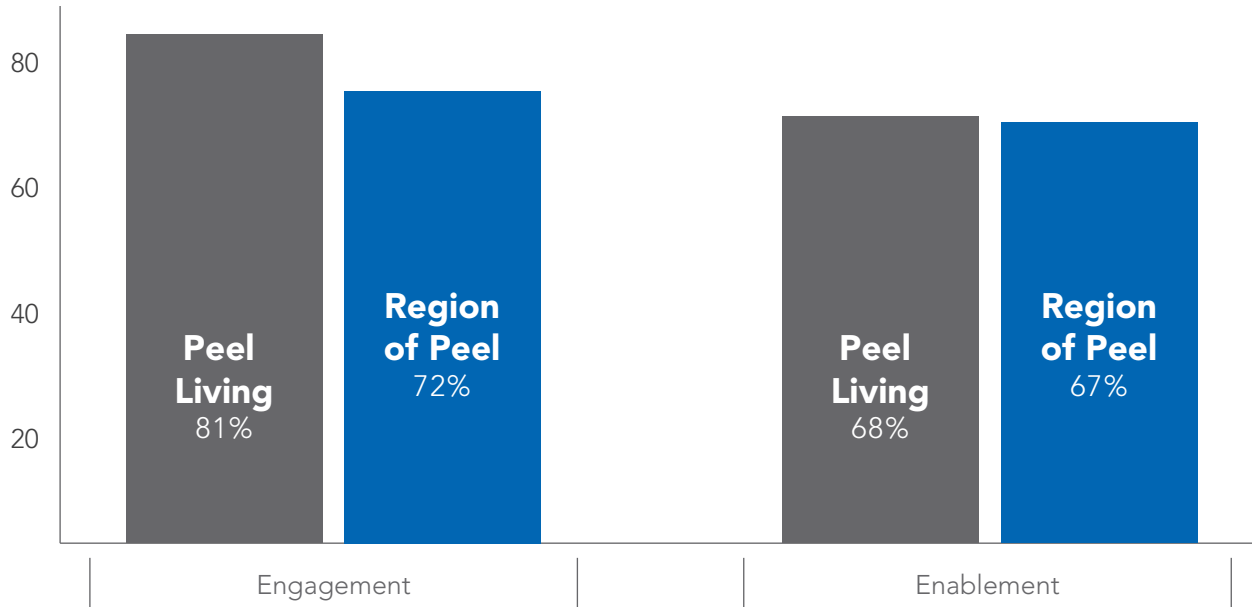
1. Functional Alignment and Workload Distribution
2. Work Order System Enhancements
3. Quality Assurance and Control Program
4. Process Improvement

Implementation of the recommendations that come from this review are expected to take place at the end of 2019.



Staff Survey

A critical component of Peel Living's service delivery is its staff. As Regional employees, Peel Living staff participate in a biennial survey to provide their input to management. In the most recent survey conducted in late 2018, Peel Living staff provided insight into their degree of engagement and enablement, which was overall very positive.



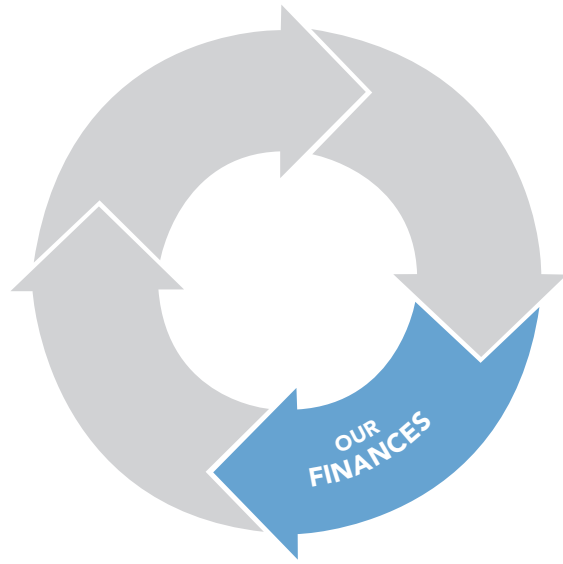
Survey results revealed that 91% of Peel Living staff feel pride in the work they do, as well as cooperation and teamwork in the workplace. Comparative surveys conducted with our tenants have historically confirmed that our staff play an important role in contributing to successful tenancies.

Areas noted as opportunities to support improved service delivery include enhancing technology and upgrading work processes and resources. Existing initiatives currently underway by both Peel Living and Human Services management teams are aligned to improving both staff engagement and enablement, including the aforementioned upgrading of our Client Management system with a new digital platform.

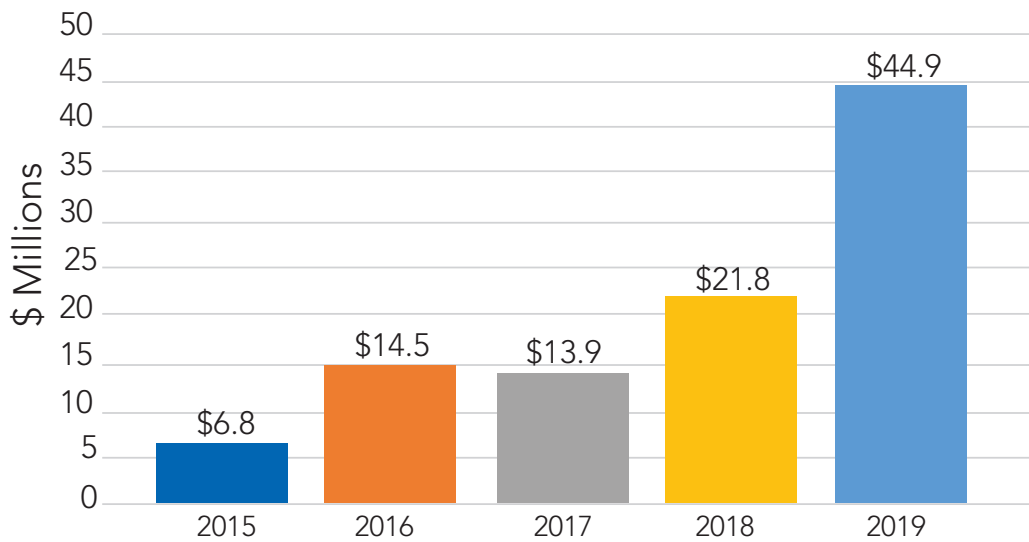
Our finances

One of the greatest risks that Peel Living has been working with is the reality that, without enhanced funding from senior levels of government, including the Region of Peel, the state of good repair for the portfolio will continue to decline. This will impact not only the residents who call Peel Living home, but also the general public as the value of the ownership interest in the Peel Living stock of inventory declines as well.

Over the last few years, joint decisions of the Board of Directors and the Region of Peel have begun to change the trend line on the commitment to support and improve the state of good repair for the Peel Living portfolio.



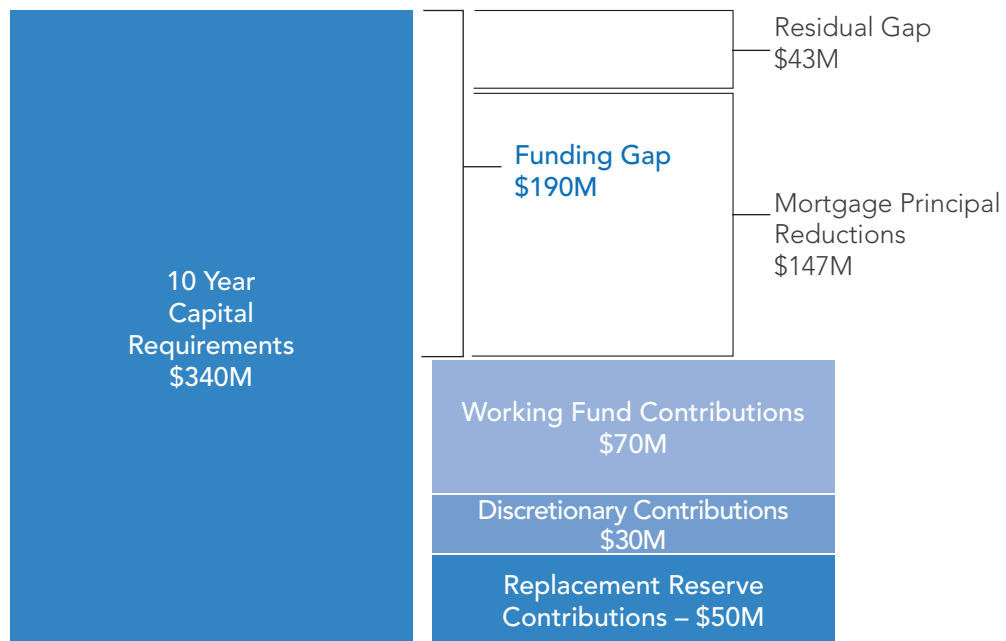
State of Good Repair Budget



While the longer term development of a financial plan is still underway, it has been identified that there are implicit opportunities that will mitigate the financial burden that improving the state of good repair suggests. Over the next 10 years, our outstanding mortgages will decline by \$147 million (see chart below).

The approved 10 year capital plan estimates as currently positioned forecast that the operating budget will only be able to meet 44% of the estimated capital requirements, leaving a funding gap of \$190 million. While many options are being explored to close this gap in as sustainable a manner as possible, the reduction of \$147 million of debt over the same time frame does provide an opportunity for some of the gap to be managed through refinancing, with no direct impact on tax payers.

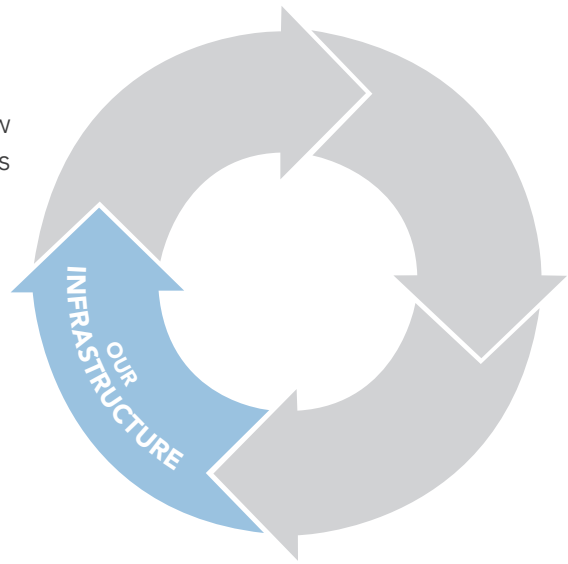
10 Year Capital Needs Funding Gap



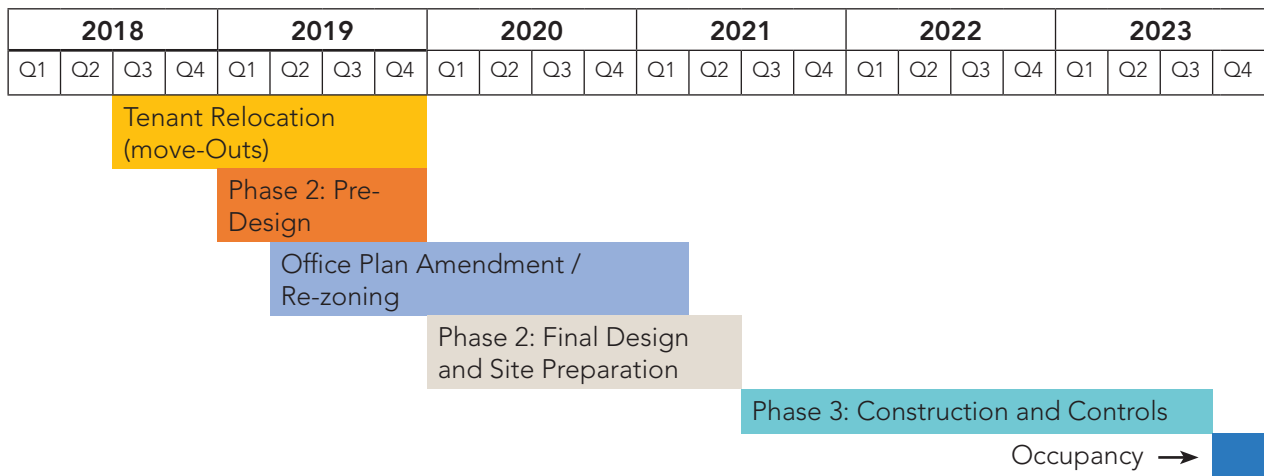
With the inclusion of Peel Living assets into the broader Regional Infrastructure report process conducted by the Region’s Finance Department, the matter of developing appropriate and sustainable financing solutions will be dealt with in this term of council.

Our infrastructure

East Avenue was slated to be the first significant new build for Peel Living since 2003. Project milestones are noted in the following graphic:



While still early in the site planning process, it is anticipated that the new 156 unit site will be operational in 2023. Transitioning the existing 30 households to new accommodation is well underway. Decommissioning will take place late 2019 or early 2020.



As noted earlier in the report, a major focus in the past year for Peel Living was to work collaboratively with the Region to explore the redevelopment potential of our portfolio in support of the Region’s Housing Master Plan. Nineteen Peel Living sites, including the Twin Pines Mobile Home Park are incorporated into that plan.

Climate Change – The 5th Element of the Balanced Scorecard

Peeling Living's residential portfolio reflects 25% of the Region's broader Green House Gas (GHG) Inventory. Peel Living staff continue to be engaged with their Regional colleagues to build an actionable work plan that would continuously modify our design standards and inform our tenancy engagement strategy's support to achieve Regional Council's GHG reduction targets.

The inclusion of climate change in our broader business planning recognizes our corporate social responsibilities ensuring that while our core mandate is in regards to serving our tenants, we also must do so in a manner which ensures that future generations of tenants will enjoy an environment that contributes to their quality of life too.



Looking forward

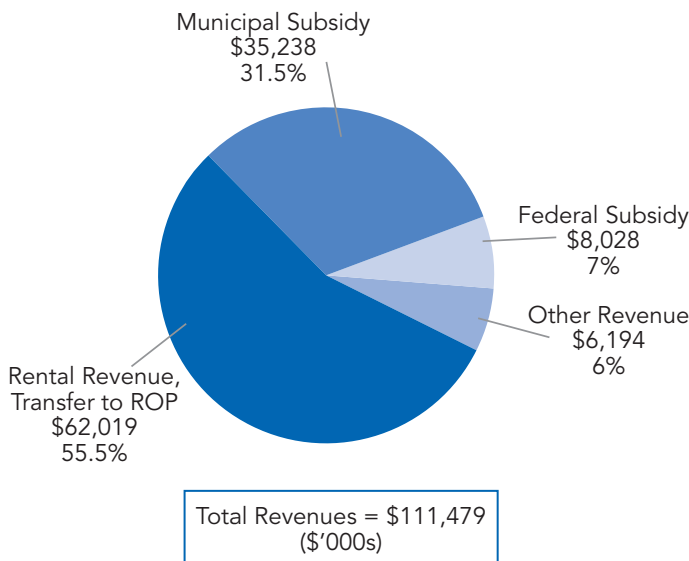
With changes both to the environmental and economic landscape, Peel Living is planning for our future. Currently, we are focussing on proactive, adaptable planning so that we continue to provide excellent service to our tenants. Our business planning focusses on our tenants' needs. We will continue to collaborate with the Region of Peel on the Housing Master Plan to ensure that we are able to respond to the growing need for safe and affordable housing in Peel.

2018 Revenues, Expenses, Reserves, Assets

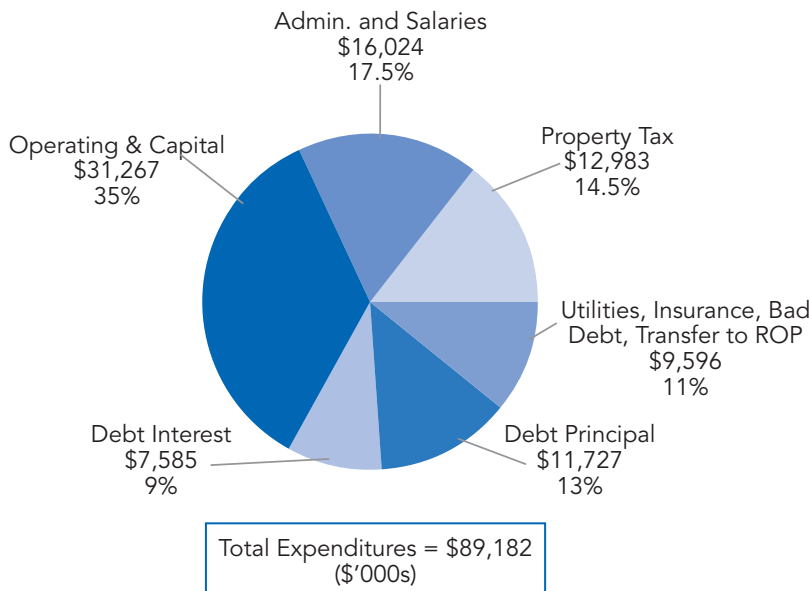
Peel Housing Corporation continues to uphold its commitment to provide quality housing and will continue on a path of continuous improvement. The operations continue to generate surpluses annually which have resulted in additional contributions to reserves beyond its mandatory requirements.

The introduction of the balance scorecard presented to the Board in 2017 has helped direct work plans that are starting to positively improve both our long-term financial viability and the level of satisfaction from our tenants.

Total Revenue by Type (in \$'000)



Total Expenditure by Type (in \$'000)



Asset Portfolio

- Outstanding Mortgages: \$152 million
- Book Value of Asset: \$410 million
- Replacement Value of Asset: \$1.8 billion
- Outstanding Long-term debt: \$38 million

Reserve Contributions

- Transfer to Reserves: \$14 million



Auditors Report is available at: peelregion.ca/housing/peel-living/corporate/annual-reports

2018 Peel Living Executive Officers

David Szwarc
Chief Administrative Officer

Janice Sheehy
Commissioner, Human Services

Dan Labrecque
General Manager, Peel Living

Stephanie Nagel
Treasurer

2019 BUDGET

Peel Living



January, 2019

Table of Contents

An Introduction to Peel Living	2
Section I. Existing Services and Service Levels	3
1. Existing Services and Service Levels	3
2. Reflecting on 2018's Key Initiatives and Outcomes	4
Section II. Issues and Trends	7
Section III. Looking Forward to 2019	9
Section IV. 2019 Operating Budget	13
1. 2019 Operating Budget Overview	13
2. 2019 Operating Budget	14
3. Net Operating Income (NOI)	18
Section V. 2019 Capital Budget and Reserves	19
1. 2019 Capital Budget Overview	19
2. 2019 Capital Budget	20
3. Existing and Carry-forward Capital Projects for 2019	22
4. 2019 – 2028 10-Year Capital Plan (State of Good Repair)	23
5. 2019 Capital and Working Fund Reserves Forecast	24
Section VI. Staffing	25
Section VII. Future Outlook	25
Section VIII. 2019 Budget Risks and Key Program Assumptions	26
Appendix I. 2019 Operating Budget	27
Appendix II. 2019 State of Good Repair Capital Budget	28
Appendix III. 2019 Reserve Forecast	32

An Introduction to Peel Living

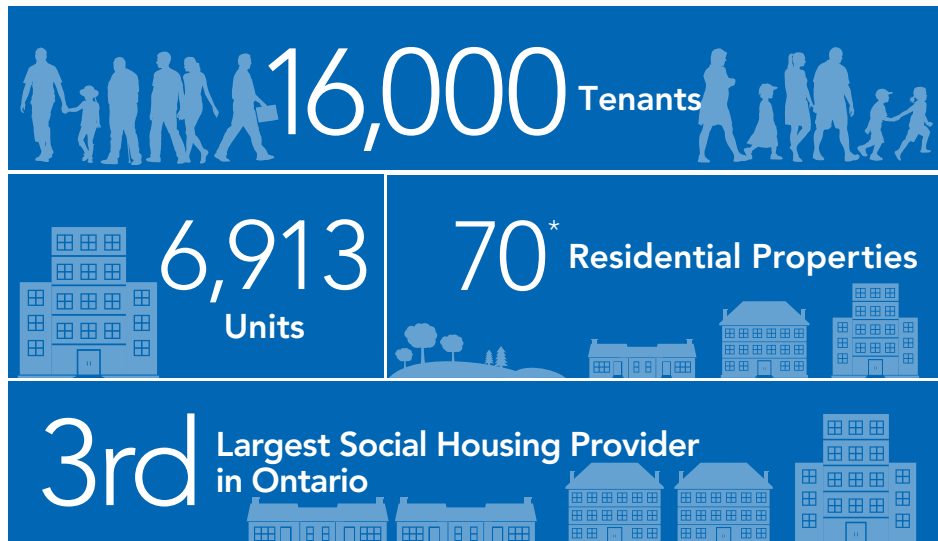
Peel Housing Corporation (PHC), operating as Peel Living, is the 3rd largest social housing provider in Ontario serving low and moderate income families and individuals in Peel. The Region of Peel established Peel Living in 1976 with the mandate to provide safe and well-maintained properties for tenants, with a focus on improving their quality of life.

We are partners with the Region of Peel. We operate as one of 48 housing providers under the Region's oversight in their role as housing service manager. We partner with more than 55 agencies, including the Region, in supporting our residents.

We are a housing portfolio manager. Peel Living's portfolio includes 70 buildings consisting of high- and low-rise apartments, townhouses, two transitional shelters and three group homes. As well, Peel Living manages five Regionally-owned affordable housing properties and four emergency homeless shelters.

As a critical strategic business partner of the Region of Peel, we are proud to work closely with our Regional colleagues on the Peel Housing and Homelessness Plan (PHHP) on several key pillars, including growing the affordable housing portfolio, optimizing our current property holdings and partnering with the Region and agencies to provide services and supports for tenants.

Peel Living Assets



* includes 2 transitional shelters (68 beds) and 3 group homes

Region of Peel Assets Managed by Peel Living



Section I. Existing Services and Service Levels

1. Existing Services and Service Levels

Information on Peel Living's Key Services Areas

General Management Services

The Region of Peel's Commissioner of Human Services is responsible to the PHC Board for carrying out its direction. The Commissioner may delegate responsibilities to the General Manager that have been requested by the Board.

Peel Living is led by the General Manager who has oversight of the management of the Corporation including the overall service delivery model to the tenants.

The service model is defined by program funding requirements, the direction of Peel Living's Board of Directors, and the Region of Peel as the sole shareholder.

Housing Operations and Tenancy Management

Peel Living is accountable for day-to-day housing services and operations, ensuring that relevant legislation and by-laws are upheld, and ensuring a high standard of service to tenants and clients.

Key service areas:

- Tenancy management services including supporting vulnerable and at-risk tenancies directly or indirectly in partnership with community agencies
- Cost management strategies and revenue maximization

Technical Supports

Peel Living provides expertise in:

- Capital planning development, building services oversight and budget management
- Preventative maintenance, vendor negotiations and performance, and monitoring of service standards

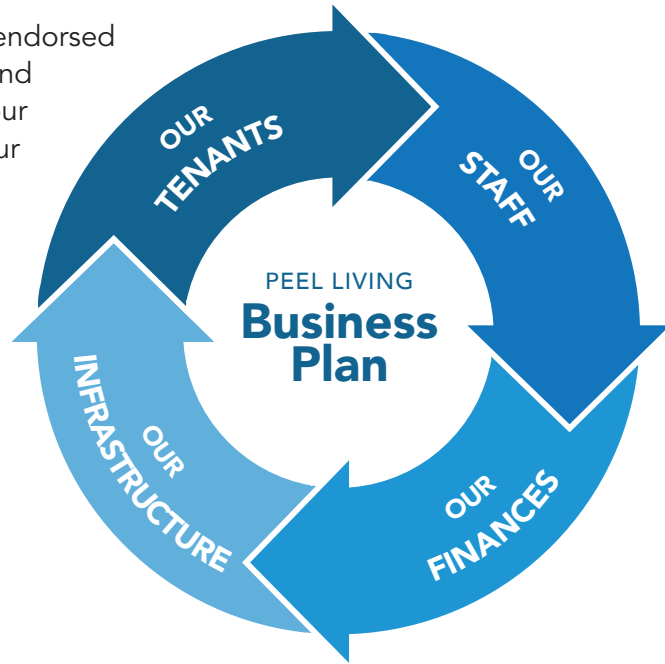
The majority of Technical Support services are performed in partnership with Region of Peel divisions, including Real Property Asset Management (RPAM) and Finance.

Technical Support staff work with a range of service contractors and government compliance agencies, including municipal fire departments, the Technical Standards and Safety Authority (TSSA), and Canadian Standards Association (CSA) to ensure legislative regulatory compliance by Peel Living.

2. Reflecting on 2018's Key Initiatives and Outcomes

Our Balanced Scorecard, which was endorsed by the Board, allows us to measure and focus what we do in four key areas: our tenants, our staff, our finances and our infrastructure.

Focusing on these key areas enables us to move forward and set priorities in the future. Our work to date is on track, and we're optimistic about the opportunities before us to continue serving both our residents and our community.



2018 Focus Area Highlights

► Our Tenants

- Received a Tenant Satisfaction Survey rating of 7.1/10 on the five key drivers, including: building, unit, community/neighbourhood, Peel Living staff and quality of life; the highest relative rating was attributed to staff engagement with tenants
- Continued to modernize our technology to effectively manage service requests, providing tenants with an online portal to submit service requests
- The top three areas that were identified as opportunities for improvement were Pest Control Management, Safety and Security and State of Good Repair
- Formal complaint process reviewed and endorsed by the board, which will improve efficiencies in how we best serve our clients
- Continue to update our broader strategy for communicating with our tenants, with an enhanced focus on raising the bar on their understanding of their rights and obligations under the Residential Tenancies Act
- Smoke-Free Living Policy approved by the Board to protect residents, staff and guests from second hand smoke
- Health and Wellness pilot partnership with SHIP (Services and Housing in the Province) extended for a second year, pilot is aimed at supporting vulnerable tenants via a dedicated resource through direct staff referral

2018 Focus Area Highlights (continued)

▶ Our Staff

- Continued to modernize our technology to effectively manage service requests, allowing staff to analyze trends and patterns in tenancy management issues and then adapt the platform's functionality to respond to these specific, ongoing needs
- An in-depth review of our property management processes to identify areas where we could improve service delivery. The review included:
 - ▷ a detailed inspection of nearly 30,000 work orders that were generated over an eight month period
 - ▷ focus groups with staff from all over the organization
 - ▷ an environmental scan of other large social housing providers

▶ Our Finances

Peel Living continues to examine its operations, processes and financial strategies to strengthen its financial position. In 2018, Peel Living:

- Obtained \$250,000 in approved funding from CMHC for the East Ave. redevelopment project
- Developed preliminary 10-year Capital Plan and baseline service metric
- Set target for Net Operating Income to monitor operational performance.
- Used Service Manager Loans to finance state of good repair, which provide favourable repayment terms and assist with the portfolio's long-term viability
- Prepaid CMHC loan at Knightsbridge, saving \$560,000 in interest cost over the remaining term of the loan
- Improved the arrears management process making it more timely and effective, in an effort to improve collectability
- Board approved policy that all tenants should maintain tenant insurance, tenant education and enforcement of tenant insurance requirements
- Worked with Procurement to improve efficiencies in the procurement process
- Renegotiated phone line contracts resulting in annual savings of \$95,000
- Implemented energy initiatives contributing to lower utility costs
- Reviewed and updated contracts to maximize non-rental revenues and cost recoveries. This included retendering of laundry services contract to increase revenues and renegotiated roof top rentals for cell towers that resulted in cost recoveries of \$288,000 and increasing annual roof top rental revenues by over \$50,000 over the last two years

2018 Focus Area Highlights (continued)

Our Infrastructure

In 2018, Peel Living:

- Implemented the Facility Condition Index (FCI) rating process in support of an evidence-based asset management planning program
- Continued to work with the Region of Peel to establish long-term service standard targets
- Developed a 10-year Asset Management plan, including analysis of Peel Living's properties for potential redevelopment
- Initiated phase two of a growth, redevelopment and intensification review of nine properties to undergo detailed planning assessments of their ability to support greater site density
- Continued advancing the Twin Pines and East Ave. redevelopment projects

Section II. Issues and Trends

Key pressures influencing the Peel Living business plan include:

Aging housing stock and associated increased costs

Escalating operational and building infrastructure costs are proving difficult to manage within the existing business and financial model; Peel Living needs to continue investigating towards an alternative business model that is sustainable in the long-term.

The increased cost pressures stem from:

- Aging housing stock
- Increasing required maintenance
- Higher capital costs
- Refinement of energy efficient systems
- Limited ability to generate sufficient revenues
- Customer service

Peel Housing and Homelessness Plan

In June of 2018, Regional Council adopted a revised Peel Housing and Homelessness Plan. Within that plan, the role of Peel Housing Corporation is expected to shift from that of social housing provider to one that also evolves as a strategic business partner.

Initially, this will involve undertaking strategic reviews of existing Peel Housing Corporation properties for redevelopment and intensification opportunities. The review will inform the Region's Housing Master Plan, identifying and prioritizing potential sites for redevelopment.

Government Funds for Asset Renewal and Redevelopment

Peel Living and the Region of Peel continue to be challenged to provide or upgrade current housing stock and create new affordable housing in an environment with little funding from Federal and Provincial governments. In 2018, the cancellation of the cap-and-trade program by the Ontario government, resulted in the cancellation of various funding programs, the Social Housing Apartment Improvement Program (SHAIP) and Municipal GHG Challenge Fund. Peel Living received \$4.05 million in SHAIP funding in the initial provincial allocation. End of Operating Agreements mean that Peel Living will see government funding reduced.

Ongoing Operating Funds and Inflationary Pressures

The Region's model for new developments is a self-sustainable one, which provides capital contributions but not operating funds.

While facing these increased pressures, Peel Living is committed to sustaining its social mission:

- Retaining affordability
- Increasing value to tenants and community
- Meeting the challenge for new affordable housing

Tenant Complexity

Staff report the sensitive issue of supporting an increased number of tenants who are challenged with mental health issues, which may manifest as hoarding, addiction, violence, etc.

Section III. Looking Forward to 2019

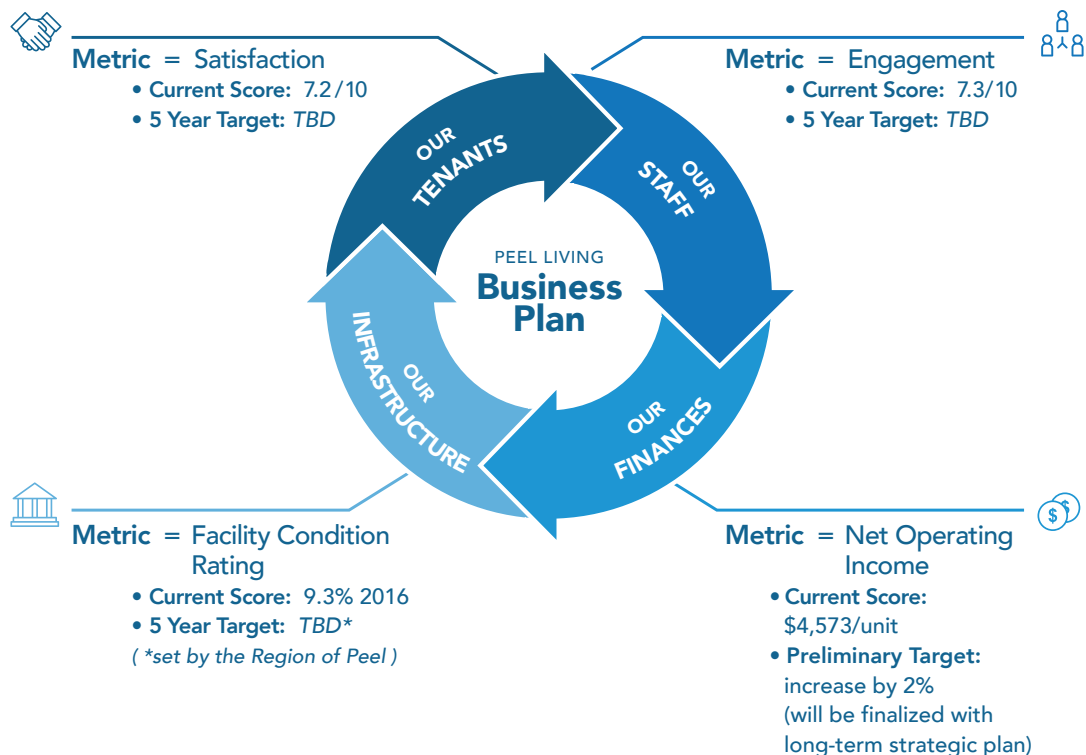
Balanced Score Card Approach – Key Initiatives and Goals for 2019

Peel Living continues to find opportunities to save through efficiencies and implement standards to positively impact all strategic areas of focus, as outlined in our balanced scorecard. The 2019 budget includes resources and investments to address priority areas identified through the Tenant Satisfaction Survey, while at the same time improving on its financial position.

In mid- 2018 Regional Council adopted a number of changes to the governance function for the new term of council. At a strategic level, a new committee of council is to be formed with a mandate to provide strategic oversight on the Region’s efforts to achieve the outcomes of the Peel Housing and Homelessness plan, including providing direction to Peel Housing Corporation.

To provide oversight on operational matters, Regional Council supported the resolution to establish a smaller five person Board of Directors, to be constituted from amongst the Region’s senior management team (Commissioners and Directors). Up until 2018, the Board was made up of six Regional Council members; the new Board of Directors will be made up of five members of Regional senior staff for the 2018-2022 term.

Having access to a small group of executive professionals as Board members will help Peel Living evolve its services and improve outcomes as a service team. Development of mid- and long-term targets for the balanced scorecard will be integrated into the Board’s Strategic Planning process in cooperation with the newly-elected Regional council.



2019 Focus Areas

Our Tenants

Peel Living staff is dedicated, hands-on and motivated to improve the lives of our tenants. Working with the new Board, we will establish standards, identify performance gaps and develop strategies and tactics to close those gaps, including:

- A full-time Pest management specialist to actively manage the various vendors providing pest control services. The scope of work will be substantive, including providing training and education to staff and residents alike, and building an active preventative inspection process so as to mitigate pest issues, including the implications related to hoarding
- Developing a safety and security plan to address feedback received through the Tenant Satisfaction Survey
- Implementing the Smoke Free Living Policy including working with Public Health on proposed amendments to smoking in outdoor areas and rollout of a voluntary lease renewal program for existing grandfathered residents
- Improving vendor performance management processes to improve the quality assurance and quality control of vendor work
- Improving the quality and aesthetics of our properties through increased investments and improved execution of our state of good repair program.
- Improving building conditions by developing a clean building rating system to help identify process changes, resource allocations and client education opportunities to systematically enhance building performance and aesthetics
- Development and full implementation of the tenant portal across all buildings

2019 Focus Areas (continued)

Our Staff

Peel Living staff is committed to the Region's broader community mandate of "A Community for Life" as it relates to the services we provide to our 16,000 residents. Our focus is to develop our staff and provide the necessary resources and support to deliver services to our tenants. The focus for 2019 includes:

- Development and full implementation of an updated tenancy management system, completion of work order management system; and thorough training of staff
- Review and improve our capacity and capability of our property management service delivery model
- Confirm property management standards to assess performance, validation of the residential superintendent model and workload balancing.
- Resource capacity and succession planning

The 2019 budget includes reconfiguration of seven vacant staff complements to enable our ability to meet client and infrastructure needs. Funding for contract positions is also included to support transitional work plan challenges.

Regular staff changes include:

- a Program Manager, two Project Managers and two Technical Support staff to support growing state of good repair program
- a Pest Control Specialist
- a Maintenance Specialist

Temporary staff changes include:

- a Manager to oversee major work plan initiatives in tenancy management, development and implementation of new client management system, arrears management and the tenant annual review process
- two Assistant Property Managers to support implementation of new initiatives
- two student positions to support Technical Services workplan

2019 Focus Areas (continued)

Our Finances

We will continue to review all areas of spending and revenue generation to effectively manage financial resources and improve organizational long-term viability. Key work involves building a long-term financial strategy that includes the following components:

- Long-term Asset Management Plan, complying with Asset Management regulations, including redevelopment of properties in a sustainable manner
- Development and implementation of a financing plan for both redevelopment and state of good repair programs
- Development of key performance indicators
- Reserve Management Policy
- Replacement of our Information Technology legacy systems to improve financial controls
- Procurement process, vendor performance and monitoring of service standards

Our Infrastructure

Peel Living is investigating opportunities to increase affordable housing stock. A formal review of nine Peel Living sites for redevelopment or regeneration was completed in 2018. The results of the review will be incorporated into the Region's 10 year affordable housing development plan and will support the Housing Master Plan.

Our state of Good Repair plan for 2019 includes a significant investment of \$44.4 million, as compared to \$21.8 million in 2018. This investment supports the priorities identified in the Tenant Satisfaction survey.

The proposed 2019 investments incorporate a focus on advancing the design and pre-engineering work on a number of projects. This will provide us with the opportunity to mobilize construction related procurement processes to take advantage of market competition dynamics and to respond more effectively to government funding announcements. As such, the 2019 proposed work plan will be cash flowed over the 2019-2021 period.

Peel Living's first 10-year plan sets the stage for actions that will support longer-term strategic asset management.

The direction of our work for a long-term strategic asset plan will integrate the following elements:

- Sustainable capital asset management, including consideration of strategies to reduce the level of deferred maintenance, currently estimated at \$200 million
- Opportunity for regeneration, with the first phase of regeneration work focusing on Twin Pines and East Ave sites
- Development and integration of a companion Energy Master Plan into our broader Asset Management Plan

Section IV. 2019 Operating Budget

1. 2019 Operating Budget Overview

Peel Living's 2019 budget includes operating revenues of \$99 million and expenditures of \$85.7 million, for a net surplus before reserve transfers of \$13.3 million, \$1.1 million higher than the 2018 budget. The budget will enable Peel Living to increase supports and services, while at the same time increase contributions to reserves.

The 2019 budget is benefiting from lower debt charges and utility costs. With revenues increasing marginally, the cost savings are helping to offset inflationary pressures, increased building and systems maintenance costs and higher administration costs.

The difference between revenues and expenditures reflects the net transfer to reserves which totals \$13.3 million. The net reserve contributions have increased by \$1.1 million over 2018.

2019 Operating Budget Summary (\$ in millions)

	2019 Budget	2018 Budget	2019 Budget Variance	
Resident Rental Revenue	\$ 57.7	\$ 56.0	\$ 1.7	3.0%
Non-rental Revenue	5.0	5.0	-	0.0%
Government Subsidies	36.3	37.3	(1.0)	(2.7%)
Total Revenue	99.0	98.3	0.7	0.7%
Operating Expenditures	85.7	86.1	0.4	0.5%
Net Reserve Contribution	\$ 13.3	\$ 12.2	\$ 1.1	9.0%

2. 2019 Operating Budget

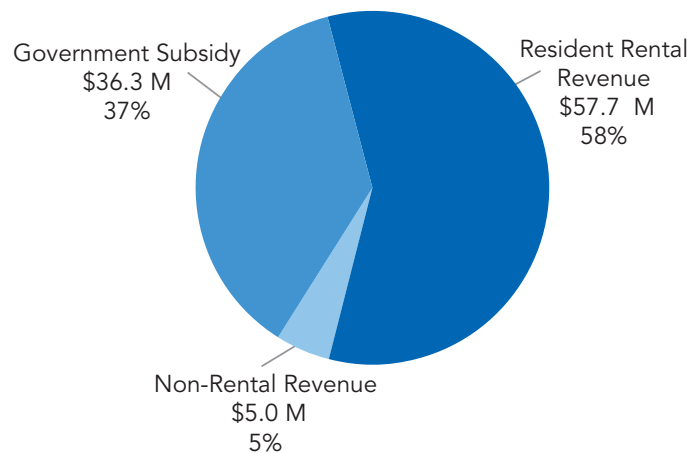
Highlighted are the major financial drivers and financial requirements to maintain existing service levels and support increasing service demands in 2019. Details can be found in **Appendix I**.

Revenue

Total revenues are \$99.0 million, increasing by \$0.7 million over the 2018 budget. Resident Rental Revenue is the portion of rent that is collected directly from tenants. This includes market rent and the portion of rent a subsidized resident (RGI or rent supplement) is required to pay.

Resident rental revenues increase by \$1.7 million. This is driven by a 2% rental increase for most sites and 1.8% for buildings governed under the Residential Tenancies Act. Rental revenues are also impacted by a shift in unit mix between rent supplements and market.

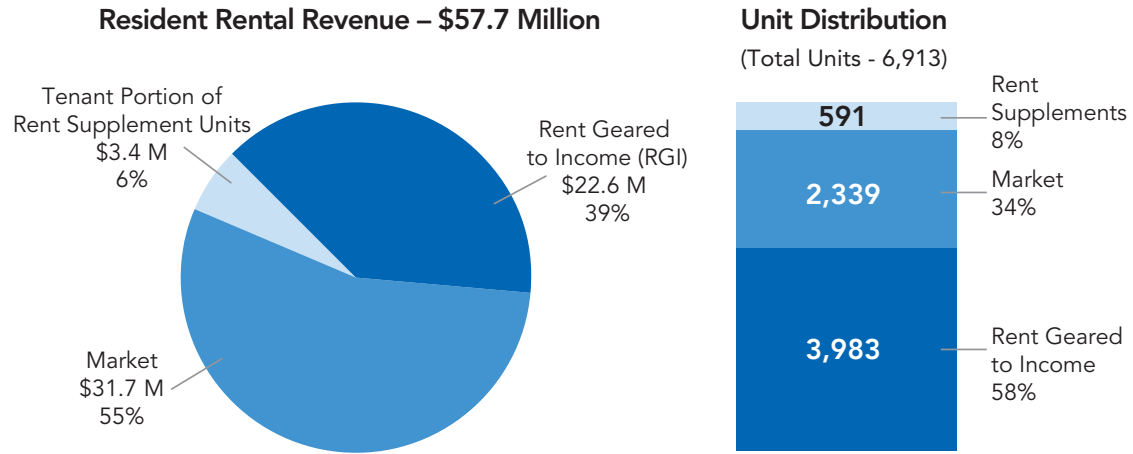
Revenue Budget – \$99.0 million



Although rental revenues are budgeted to be higher in 2019, they are offset by \$1.0 million decrease in Service Manager subsidy. Subsidy is impacted by higher revenues, lower mortgage costs, higher operating costs, and expiring operating agreements (which eliminates the Service Manager subsidy).

Looking at the sources of revenue, 58% of the revenues come directly from tenants through rents. Government subsidies, which include rent, mortgage, operating and property tax subsidies make up 37% of revenues. Non-rental revenues, which include parking, laundry, roof-top antennas, make up 5% of revenues.

Unit mix is an important driver of financial viability and will be closely monitored to ensure revenues are properly maximized. The diagrams below provide details of how the \$57.7 million Resident Rental Revenue is derived. 55% of tenant revenues, or \$32 million, comes from market units, which represent 34% of our total units.



Peel Living is required under the Housing Services Act, 2011, to provide 4,158 RGI units. The above Unit Mix charts (as of August 2018) demonstrate that we are currently supporting the Service Manager’s Centralized Waiting List through 3,983 RGI units and 591 rent supplement units. Efforts are being made to adjust the current unit mix to achieve the RGI targets by converting market and rent supplement units to RGI units upon turnover.

Expenditures

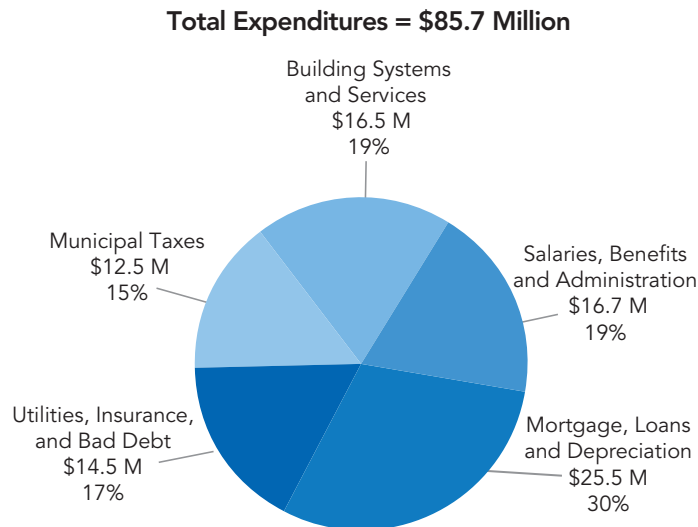
Operating expenditures total \$85.7 million and decrease by \$0.4 million or 0.5% over 2018. The 2019 budget includes reductions of \$3.4 million in the following areas:

- Mortgages and loans decrease by \$2.8 million due to expiring mortgages and lower interest rates.
- Utility costs decrease by \$608,000 as a result of energy efficiency retrofits and Provincial cost reduction strategies.

The budget reductions help offset budget pressures of \$3.0 million in the following areas:

- Salary, Benefits and Administration increase by \$1.2 million and includes additional staffing (as previously highlighted in Section III) to effectively manage and execute the increased capital budget and tenant quality of life initiatives, such as: pest control, safety and security.
- Building Repairs and Maintenance costs increase by \$1.3 million due to aging building systems, increasing building curb appeal and cleanliness initiatives. Where possible, repairs are grouped strategically with major capital work in order to better manage spending.
- \$0.5 million increase for Property Taxes, Bad Debt and Insurance

The following diagram provides a breakdown of expenditures. The largest expenditure component is related to debt which accounts for \$25.5 million (principal and interest) or 30% of total expenditures. Debt expenditures will gradually reduce over the next 10 years as mortgages expire. Details can be found in Appendix I.



Net Reserve Transfer

The 2019 operating budget surplus before reserve contributions is \$13.3 million, which is \$1.1 million higher than 2018. Of the \$13.3 million, \$5.5 million is required as our mandatory replacement reserve contribution under program guidelines. The balance of the surplus allows for a discretionary replacement reserve contribution of \$1.1 million and a working fund reserve contribution of \$6.7 million.

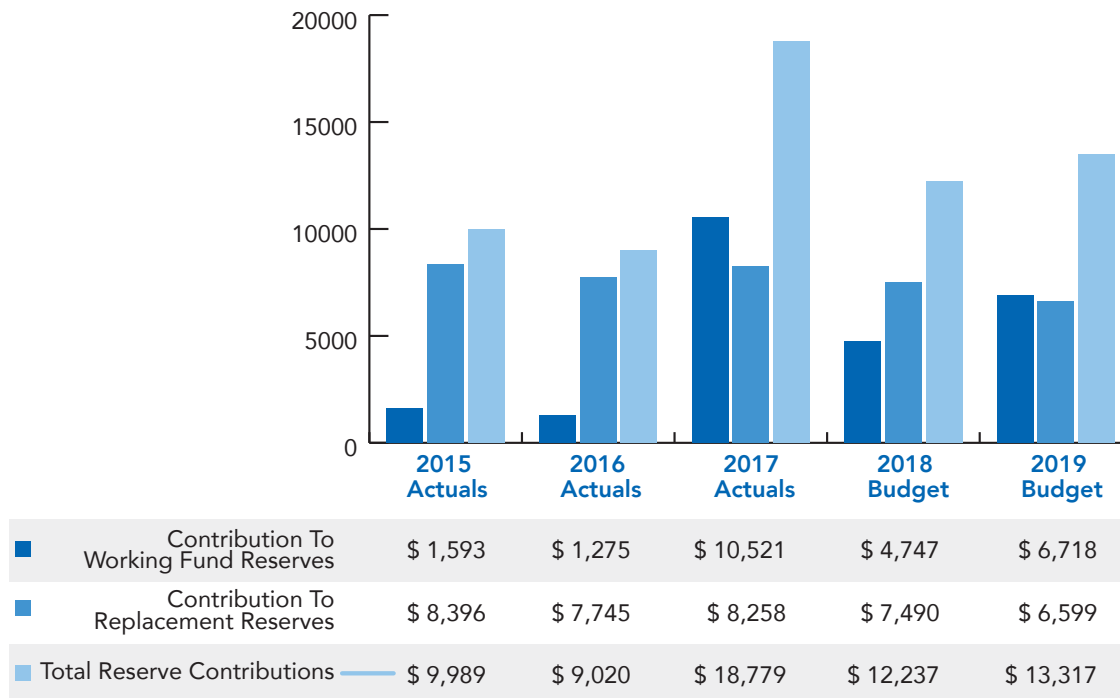
Reserve Contribution Summary 2019 vs. 2018 (\$ in millions)

	2019 Budget	2018 Budget	Year over Year Change
Mandatory Replacement Reserve Contribution	\$ 5.5	\$ 5.4	\$ 0.1
Discretionary Replacement Reserve Contribution	1.1	2.1	(1.0)
Net Replacement Reserve Contribution	\$ 6.6	\$ 7.5	\$ (0.9)
Net Working Fund Reserve Contribution	6.7	4.7	2.0
Net Reserve Transfer	\$ 13.3	\$ 12.2	\$ 1.1

It is critical that the corporation continues to generate surpluses and maximize discretionary reserve contributions. Any surpluses generated are transferred to capital and working fund reserves to support long-term sustainability.

The following chart demonstrates the trend in reserve activity. For the five year period shown, overall contributions to reserves have been increasing as a result of improved net operating income. While reserve contributions continue in a positive trend, they continue to be insufficient to meet growing capital replacement needs.

Reserve Contributions 2015-2019 (\$ in thousands)



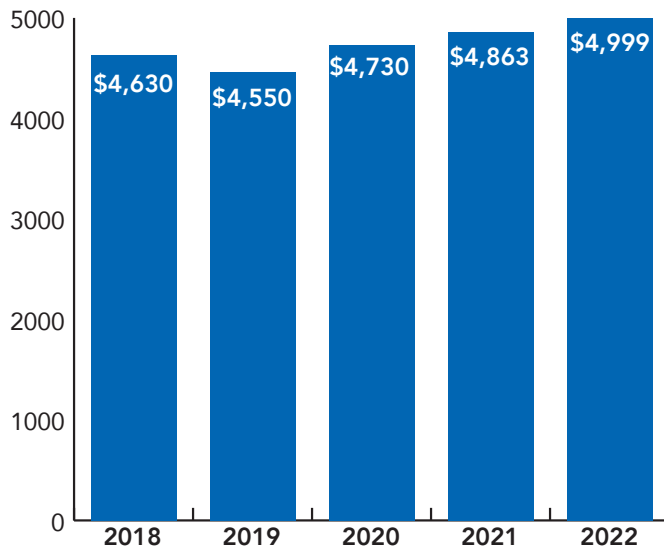
3. Net Operating Income (NOI)

The Net Operating Income (NOI) measurement is a high-level strategic indicator of financial operating position. It is calculated by taking revenues less expenses, before accounting for annual subsidy and debt payments.

The NOI is also a good indicator of how much debt Peel Living could carry on a per unit basis, as it looks at financing strategies as part of its long-term strategic plan. It is anticipated that, in collaboration with peer service providers, future refinement to this measure, including more relevant tactical metrics, will be developed.

A portfolio NOI of \$4,550 per unit has been calculated based on the 2019 budget, which is slightly lower than 2018 due to higher operating expenditures. A forecast of the NOI shows modest increases between 2019 and 2022.

Budgeted Net Operating Income per Unit (2018 – 2022)



*NOI updated for 2018 using updated unit count

Programs originally designed under Federal and Provincial programs make it difficult to significantly improve Net Operating Income. The mix between market and subsidized units, along with restrictions under the Residential Tenancies Act, limit revenue growth. The key driver for improving NOI will be through operational efficiencies.

What is not reflected in the NOI metric is the net benefit once mortgages expire. For many buildings, mortgage subsidies are less than the actual mortgage costs, therefore, once the mortgages expire, there should be a net reduction in operating costs. The long-term strategic plan will provide the basis for determining the targets for NOI.

Section V. 2019 Capital Budget and Reserves

1. 2019 Capital Budget Overview

The 2019 Capital Budget totals \$44.4 million and is strictly for state of good repair. Building Condition Assessments (BCA) finalized in 2016 indicate that Peel Living requires approximately \$421 million in capital work over the next 10-year cycle.

BCA studies are based on life-cycle methodologies and do not take into consideration extension of life opportunities and other long-term strategic decisions, such as divestment or redevelopment of sites. Working with the Region's Enterprise Asset Management team, estimates show that a 10-year capital plan of \$340 million is required to achieve a Facility Condition Index (FCI) of fair and \$465 million to achieve a FCI of good.

The capital replacement requirements continue to outpace reserve contributions, resulting in the depletion of Peel Living's capital replacement reserves. Peel Living will continue to identify alternative funding sources – Federally, Provincially and with the Region of Peel – to meet its capital requirement needs. The 2019 budget reflects the commitment made to address capital needs, and focuses on improving the building systems and services of many buildings. These improvements are comprised of hot water boilers, air units, furnaces and in-suite repairs; items that affect the tenant's experience and comfort.

Projects are prioritized and existing reserves and budget contributions are used to their fullest extent to fund the capital work. Shortfalls in capital funding are addressed through loans from the Service Manager (Accessing Capital/Infrastructure Subsidy program). There is no anticipated Federal/Provincial funding for housing renewal and energy retrofit initiatives for 2019.

Over the next year, the BCAs will continue to see refinement as work begins on a long-term Strategic Plan with the new Board of Directors. The Strategic Plan will include future redevelopment plans and establishing an acceptable service level (FCI metric) for the portfolio that will align to the Region's Asset Management Policy.

Work has already begun to identify potential sites for redevelopment or intensification. Currently, East Avenue and Twin Pines are in the planning process for redevelopment. A further review of nine other Peel Living sites was undertaken and the results will be included in the Region's Housing Master Plan and Peel Living's Strategic Plan. It is anticipated that the redevelopment of older sites could reduce the current and future state of good repair needs and improve the overall FCI for the portfolio.

2. 2019 Capital Budget

The proposed 2019 capital budget for state of good repair is \$44.4 million and is based on a joint review of the elements identified by the site specific Building Condition Assessments (BCA), plus on-going preventative maintenance data and visual verification of each building by property management staff.

The capital budget includes funding for capital repairs that will be prioritized using BCA information, and design and investigation work so that planning and engineering is advanced enough that, with sufficient funding, projects can begin within a very short time.

In many instances, the actual year in which an item needs to be replaced can be extended through appropriate preventative maintenance, and any extension of the lifespan of the asset reduces the current draw on the replacement reserves. The state of good repair budget of \$44.4 million is \$22.6 million higher than the 2018 budget.

While the 2019 Capital Budget will require an additional Service Manager loan, it is recognized that there are limits to how much debt can be sustained. Peel Living will be working with the Region of Peel on a long term funding strategy to address the state of good repair needs identified in the 10 year capital plan.

The 2019 capital budget will be funded by \$5.1 million from replacement reserves, \$15 million from working fund reserves and the balance of \$24.3 million will be requested from the Region, in the form of Service Manager loans (Accessing Capital/Infrastructure Subsidy program).

The 2019 capital plan is expected to be cash flowed over 2019 to 2021 and, as such, so will the service manager loan request. Given that the budget includes funding to advance design and engineering planning, there is also the opportunity to access federal/provincial funding if it becomes available.

Service Manager capital loans are payable over 15 years commencing one month after the property's mortgage end date. Service Manager loans are only requested and assigned to buildings that are able to repay the loan under the agreed terms.

The following chart summarizes the 2019 capital budget by category and funding source, while Appendix II provides details of the 2019 state of good repair capital budget:

2019 Capital Budget by Category and Funding Source

Capital Work Category	Types of Work	2019 Budget
Shell	UPG Slab, Roof, Exterior Walls, Balconies, Windows and Exterior Doors	\$13,409,223
Services	Elevators, Plumbing, HVAC, Electric Baseboards, Chillers, Make Up Air Units, Electric Panels, Fire Systems, Lighting, Generators	\$12,720,694
Sub-structure	Foundation, UPG Foundations	\$7,404,568
Interiors	Flooring, Carpets, Kitchens, Bathrooms, Doors	\$4,798,606
Siteworks	Fencing, Paving, Playgrounds, Landscaping	\$2,492,162
Investigation	Preliminary Preparation for Capital Projects	\$2,400,000
Software	Software Upgrade	\$1,100,000
Equipment	Appliances, Garbage Compactors	\$51,327
Total 2019 State of Good Repair Capital Budget		\$44,376,580

Funding Source	2019 Budget
Replacement Reserves	\$5,060,652
Working Fund Reserves	\$15,008,683
Service Manager Loans	\$24,307,245
Total 2019 Budgeted Funding Sources for State of Good Repair	\$44,376,580

The effective execution of capital plans and reducing the amount of capital work carried forward annually has been a challenge. A new approach to capital work execution is being implemented for 2019. Historically, capital work was all managed through the Region's Real Property Asset Management department.

Peel Living's 2019 operating budget includes funding for additional staff resources to effectively manage and execute the increased capital budget. Additional staff is being requested for Peel Living's Technical Services team who will take responsibility for completing capital work related to in-suite repairs and common area work. This will allow the Real Property Asset Management (RPAM) department to focus resources on the larger capital projects (building structures, envelopes and systems) within the plan.

3. Existing and Carry-forward Capital Projects for 2019

In addition to the 2019 capital budget of \$44.4 million, an estimated \$17.7 million of work-in-progress and unused capital budget will be carried forward from prior years. This provides a total of \$62.1 million in 2019 for state of good repair capital work.

There are two redevelopment projects currently underway:

East Avenue Redevelopment Project

The East Avenue site (958 and 960 East Avenue at Lakeshore Rd East, Mississauga) is comprised of two, two-story buildings, built in 1967, with a total of 30 units (16 bachelors and 14 one-bedrooms). Redevelopment of this site has been contemplated since 2014, when a community charrette was undertaken following the Region's procurement of the Byngmount school lands.

On September 7, 2017, the Board approved the redevelopment of the site. It is estimated that it will increase the number of affordable units from 30 to over 150 units, helping to make more affordable housing available for applicants on the Region's centralized waitlist.

The 2018 capital budget included \$45 million for the redevelopment of East Avenue. Seed funding in the amount of \$250,000 was obtained from Canada Housing and Mortgage Corporation (CMHC) which will fund a portion of the professional and planning consulting fees. There was no significant spending on the project for 2018.

Twin Pines Redevelopment Project

In 2012, the Peel Housing Corporation (PHC) board of Directors made a decision not to extend the 20 year security of tenure provision contained in PHC's 1996 agreement with the Cedar Grove Residents' Community Corporation, beyond the provision's expiration date of October 1, 2016. On December 7, 2017, the Board approved a Resident Transition Plan (RTP) which provided Twin Pines residents with options to remain in the redeveloped Twin Pines community and a payment option for those that prefer to leave.

A budget of \$10.1 million has been approved to date for phase one and two of the planning stages and for the Resident Transition Plan. It is estimated that \$6.1 million of the budget will be carried forward to 2019.

The longer term financing strategy for the entire redevelopment of Twin Pines will depend on the final built form and will require financial modelling to determine the optimal level of equity and debt financing.

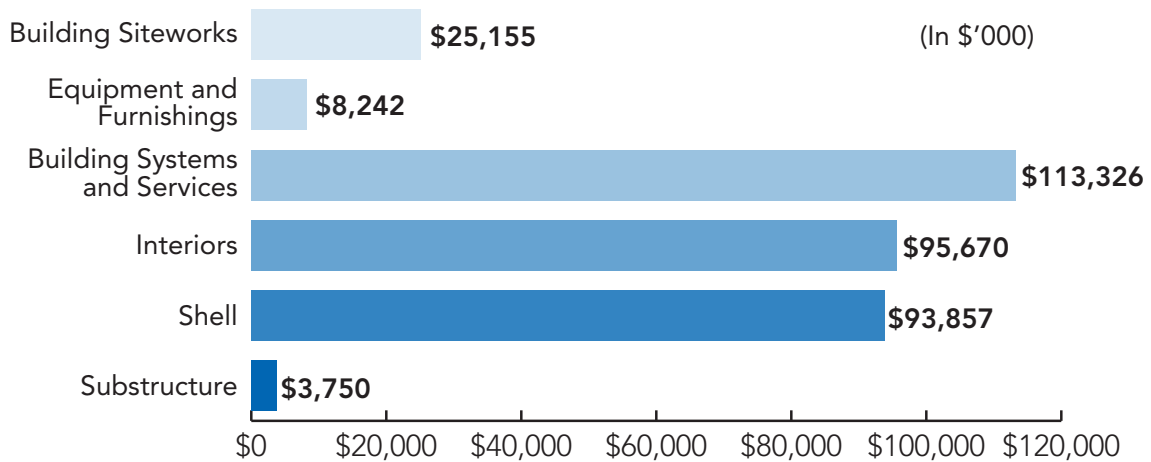
The full KPMG Resident Transition Plan Report is available on the Twin Pines Redevelopment Project webpage at peelregion.ca

4. 2019 – 2028 10-Year Capital Plan (State of Good Repair)

The 10-year capital plan from 2019 through to 2028, specific to the state of good repair, is estimated at \$340 million, which is the estimated amount required to maintain a FCI of fair. The 10-year capital plan will continue to evolve as the Region finalizes the Housing Master Plan, which will inform Peel Living's long-term strategy.

Throughout the next 10 years, Peel Living aims to reduce the overall state of good repair capital needs through redevelopment and regeneration of its properties. The chart that follows provides a summary of the 10-year capital needs by category. Efforts will be made to co-ordinate similar capital work into larger projects or comprehensive building renewal projects to minimize disruptions to tenants and achieve cost savings.

Peel Living 10-Year Capital Needs by Category (\$340 Million)



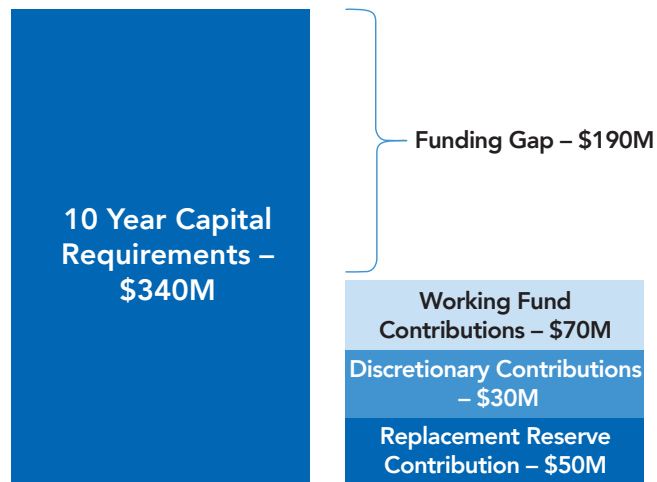
5. 2019 Capital and Working Fund Reserves Forecast

Peel Living has taken measures to increase reserve contributions through operational surpluses. However, capital requirements for certain programs have continued to outpace the level of reserve contributions and the capital replacement reserves have been depleting. Modelling suggests that long-term sustainability requires annual capital contributions in the range of \$30 to \$35 million.

For the 2019 fiscal year, Peel Living will seek another Service Manager Loan of approximately \$24.3 million to fund multiple projects at various properties. With the 2019 loan request, the Service Manager has approved approximately \$50 million in capital loans for state of good repair. Appendix III provides a detailed forecast of the capital and working fund reserves, including commitments against the reserves and forecasted contributions.

The chart below shows the funding gap between the estimated 10 year capital requirements and the funding Peel Living is estimating can generate through its operations over that period.

10 Year Capital Needs – Funding Gap



The 10 year capital plan requires an estimated \$340 million for state of good repair. The current operating model does not provide sufficient revenues to fund the 10 year capital plan. Based on current reserve contributions, Peel Living could fund approximately \$150 million over the next 10 years. This would require \$190 million in alternative sources of funding.

Historically, Peel Living and RPAM have been able to complete an average of \$12 million in state of good repair work each year. The interim 10 year capital plan aims to increase Peel Living and RPAM's resource and funding capacity.

Planning has begun with the Region of Peel's RPAM team to determine resource requirements and a strategy to enable Peel Living to the renew of its assets. The long-term strategy will identify the ideal level of spending and the resources required to execute the plan.

Appendix III provides a forecast of working fund and capital reserve activity for 2019.

Section VI. Staffing

Through the Region of Peel, Peel Living has the dedicated support of 116 full-time equivalent (FTE) positions, 19.3 contract and student positions. Additional supports are provided by departments throughout the Region of Peel and allocated to Peel Living as part of the administration costs.

In 2018, the Board approved the conversion of six long-term contract positions to permanent status using existing vacant positions. This addressed operational and capital work that supports the sustainability of operations and stabilizes our staffing model.

The 2019 budget includes an additional conversion of seven vacant positions to new full-time equivalent positions, three contracts and two student positions, to effectively manage and execute the increased capital plan and tenant quality of life initiatives, such as pest control, safety and security. The additional staff costs total \$1.4 million and are funded through Peel Living's operations. Details can be found in Section III.

Section VII. Future Outlook

The following table provides a budget projection for 2019 to 2022 and the forecast assumptions. The 2019 contribution to reserves is \$1.1 million higher than the 2018 budget. The forecast continues to see slight improvements year over year as costs are maintained fairly flat mainly due to expiring mortgages. Net reserve contributions increase year over year, but at a declining pace as cost pressures out-pace revenue increases.

2019 – 2022 Budget Forecast (\$ in thousands)

	2018 Budget	2019 Budget	2020 Forecast	2021 Forecast	2022 Forecast
Net Revenues	\$98,325	\$99,009	\$100,662	\$102,672	\$104,239
Net Expenditures	\$86,087	\$85,692	\$85,217	\$86,221	\$87,075
Net Contribution to Reserves	\$12,238	\$13,317	\$15,445	\$16,451	\$17,164
\$ Change		\$1,079	\$2,128	\$1,006	\$713
% Change		8.8%	16.0%	6.5%	4.3%

The budget forecast assumptions include modest annual increases to rental revenues in line with inflation estimates, reduction in mortgage costs and loss of subsidies as operating agreements expire. Redevelopment projects are also taken into account, removing and adding units based on estimated project timelines. Other operating costs including salaries, property taxes and utilities have been adjusted for inflation.

Section VIII. 2019 Budget Risks and Key Program Assumptions

- Increasing operational costs in areas such as routine maintenance could put more pressure on capital and working fund reserves as increases in operating costs affects the amount contributed to these reserves.
- The aging nature of Peel Living housing stock is causing our capital repair requirements to outpace available funding.
- Commitment of resources and support from Regional departments will be essential to successfully execute the strategic business plan and help achieve the Region's goals.
- Continued assistance from Senior Level governments, the Service Manager and/or Region of Peel will be required to support long term financial sustainability.

Appendix I

Peel Living Owned Sites 2019 Operating Budget

	2018 Budget	2019 Budget	2019 Budget Variance	
REVENUE:				
Resident Rental Revenue	\$56,020	\$57,729	\$1,709	3.1%
Non-rental Revenue	4,961	4,947	(14)	-0.3%
Government Subsidies				
Rent Supplement – Region Portion	4,930	5,145	215	4.4%
Federal Assistance	8,038	7,882	(156)	-1.9%
Municipal Assistance	24,376	23,306	(1,070)	-4.4%
Total Government Subsidies	37,344	36,333	(1,011)	-2.7%
Total Revenue	98,325	99,009	684	0.7%
EXPENDITURES:				
Salaries, Benefits and Administration	15,443	16,656	1,213	7.9%
Building Services & Systems	15,237	16,539	1,302	8.5%
Utilities	13,068	12,460	(608)	-4.7%
Mortgage, Loans & Depreciation	28,341	25,523	(2,818)	-9.9%
Municipal Taxes	12,231	12,487	256	2.1%
Bad Debt	266	493	227	85.3%
Insurance	1,501	1,534	33	2.2%
Total Expenditures	86,087	85,692	(395)	-0.5%
Operating Surplus Before Reserve Transfer	\$12,238	\$13,317	\$1,079	8.8%
Mandatory Replacement Reserve Contribution	(5,399)	(5,466)	67	1.2%
Operating Surplus/(Deficit)	6,839	7,851	1,012	14.8%
Discretionary Transfer of Surplus to Replacement Reserve*	(2,091)	(1,133)	(958)	-45.8%
Transfer (to)/from Working Fund Reserves	(4,748)	(6,718)	1,970	41.5%
Net Surplus/(Deficit)	\$ -	\$ -	\$ -	

* Permitted by the Service Manager or Board Directed

Appendix II

Peel Housing Corporation 2019 State of Good Repair Capital Budget

2019 Base Capital Budget (for SOGR) Detail				
Site	Project Description	Funding Program	Work Category	2019 Budget
Arcadia Glen	DHW Boilers Replacement and Associated Works	EOA	HVAC	\$146,071
Arcadia Glen	Major UPG Repair and Paving Replacement	EOA	UPG / Structure	\$1,792,687
Chamney Court	Asphalt Shingles Replacement and Associated Works	EOA	Roofing	\$539,229
Forster Terrace	Asphalt Shingles, Exterior Wall, Exterior Windows and Doors Repair	EOA	Building Envelope	\$1,352,779
Forster Terrace	Landscaping Review and Improvement	EOA	Site Works	\$170,578
Glenway Court	Exterior Wall Retrofit	EOA	Building Envelope	\$3,000,000
Knightsbridge	Foundation Brick Wall Investigation	EOA	Building Envelope	\$27,050
Manorbridge	DHW Boiler Replacement and Associated Work	EOA	HVAC	\$71,412
Manorbridge	Common Area and Corridor Painting, Flooring Replacement	EOA	Interiors	\$608,629
Mason's Landing	Fire Detection and Alarm System Upgrade	EOA	Fire / Life Safety	\$321,356
Meadows	Exterior Wall Repair	EOA	Building Envelope	\$178,742
Meadows	Common Area and Stairwell Painting and Carpet Replacement	EOA	Interiors	\$360,000
Meadows	UPG Repair and Paving Reconfiguration and Replacement	EOA	UPG / Structure	\$1,948,424
Middleton Way	Fencing Installation at Remaining Units	EOA	Site Works	\$74,200
Riley Court	Balcony Guards Retrofit	EOA	Balconies	\$243,800
Riley Court	Exterior Wall Localized Repair	EOA	Building Envelope	\$93,323
Riley Court	Elevator Modernization and Cab Finishes	EOA	Elevators	\$963,094
Riverview Terrace	DHW Boilers Replacement and Associated Works	EOA	HVAC	\$90,402
Riverview Terrace	Corridor Carpet Replacement and Painting	EOA	Interiors	\$183,887
Riverview Terrace	Fencing Replacement	EOA	Site Works	\$300,000
South Common Court	Fire Detection and Alarm System Upgrade	EOA	Fire / Life Safety	\$405,753
South Common Court	Exterior Lighting Replacement	EOA	Lighting	\$12,587
South Common Court	Metal Roofing Replacement and Associated Work	EOA	Roofing	\$371,345
South Common Court	Fencing Replacement	EOA	Site Works	\$100,000
South Common Court	Foundation Leak Repair, Watermain and Sewer Assessment and Repair	EOA	UPG / Structure	\$43,578
Springmill Terrace	Exterior Wall Repair	EOA	Building Envelope	\$397,638
Springmill Terrace	Watermain Assessment and Repair	EOA	Plumbing	\$-
Springmill Terrace	Playground Replacement	EOA	Site Works	\$107,119
Springfield Gardens	Make-Up Air Units Replacement	FP/UNI	Services	218,113
Springmill Terrace	Furnace Replacement	EOA	Services	585,900
Stationview Place	DHW Heaters Replacement	FP/UNI	Services	271,400
Stationview Place	Furnace Replacement	FP/UNI	Services	112,700
Stavebank	DHW Boilers Replacement	PRHC	Services	231,814
Stavebank	Make-Up Air Units Replacement	PRHC	Services	131,087
Various Sites	Watermain Repairs & Backflow Preventers	Various	Building Siteworks	1,000,000
			EOA SUBTOTAL	13,908,683
Bella Vista Place	Metal Fencing Replacement	56.1	Site Works	\$57,130
Erindale Terrace	Corridor Carpet Replacement	56.1	Interiors	\$150,334
Erindale Terrace	UPG Localized Repair	56.1	UPG / Structure	\$742,203
Fairview Place	P1 and G/F Lobby Wall and Floor Ceramic Replacement	56.1	Interiors	\$163,924
Graham Court	Asphalt Shingles Replacement and Associated Works	56.1	Roofing	\$438,213
Hillside Place	Fire Detection and Alarm System Upgrade	56.1	Fire / Life Safety	\$345,539
Hillside Place	Metal Roofing Replacement	56.1	Roofing	\$178,500
Newhaven Manors	Fire Detection and Alarm System Upgrade	56.1	Fire / Life Safety	\$514,170
Park Estates	Unit Driveways Replacement	56.1	Site Works	\$46,905
Parkholme Place	Roadway and Parking Replacement	56.1	Site Works	\$478,139
Sydenham Place	Corridor Carpet Replacement	56.1	Interiors	\$124,972
Sydenham Place	Major UPG Repair and Paving Replacement	56.1	UPG / Structure	\$157,337
			56.1 SUBTOTAL	3,397,366

Appendix II

Peel Housing Corporation 2019 State of Good Repair Capital Budget

2019 Base Capital Budget (for SOGR) Detail

Site	Project Description	Funding Program	Work Category	2019 Budget
Britannia Place	Solarium Investigation	FP/UNI	Building Envelope	\$20,000
Britannia Place	Corridor Carpet Replacement	FP/UNI	Interiors	\$92,466
Britannia Place	Roadway Localized Replacement	FP/UNI	Site Works	\$249,944
Castlebrooke	Exterior Windows and Doors Replacement	FP/UNI	Building Envelope	\$214,603
Chelsea Gardens	Stairwell Repainting and Common Area Wall Ceramic Replacement	FP/UNI	Interiors	\$279,497
Chelsea Gardens	Stairwell Repainting and Common Area Wall Ceramic Replacement	FP/UNI	Interiors	\$279,497
Colonial Terrace	UPG Drop Ceiling Mould Remediation	FP/UNI	UPG / Structure	\$71,721
Conover	Exterior Wall, Windows, and Doors Repair and Retrofit Options	FP/UNI	Building Envelope	\$364,252
Conover	Major UPG Repairs and Paving Replacement	FP/UNI	UPG / Structure	\$402,047
Creditbend Terrace	Exterior Stairs Repair and Landscaping Options	FP/UNI	Site Works	\$20,000
Derrybrae Place	UPG Access Stairs and Ramp Structure Brick Repairs	FP/UNI	Building Envelope	\$250,000
Derrybrae Place	Chiller Replacement and Associated Works	FP/UNI	HVAC	\$248,321
Derrybrae Place	Common Area Painting and Carpet Replacement	FP/UNI	Interiors	\$461,413
Derrybrae Place	Playground Repair	FP/UNI	Site Works	\$16,230
Fair Oaks Place	Balcony Suspect Mould Assessment	FP/UNI	Balconies	\$30,000
Fair Oaks Place	Sprinkler System Replacement	FP/UNI	Fire / Life Safety	\$453,648
Fair Oaks Place	Corridor Carpet Replacement	FP/UNI	Interiors	\$118,339
Fletcher's View	Exterior Wall, Windows, and Doors Repair and Retrofit Options	FP/UNI	Building Envelope	\$236,148
Fletcher's View	UPG Repairs	FP/UNI	UPG / Structure	\$10,000
Garden Gate	Furnace Replacement	FP/UNI	HVAC	\$160,678
Garden Gate	Fencing Replacement	FP/UNI	Site Works	\$40,738
Garden Gate	HVAC System Conversion Feasibility Study	FP/UNI	HVAC	\$40,000
Garden Gate	Major UPG Repairs and Paving Replacement	FP/UNI	UPG / Structure	\$208,382
Gardenview Court	Garbage Compactor Alignment Review and Repair	FP/UNI	Equipment	\$6,695
Gardenview Court	Fan Coil Assessment and Replacement	FP/UNI	HVAC	\$133,898
Gardenview Court	Common Area Painting and Carpet Replacement	FP/UNI	Interiors	\$420,335
Gran Columbia	Exterior Wall Remediation and Repair	FP/UNI	Building Envelope	\$500,000
Gran Columbia	Exterior Stairs and Patio Replacement	FP/UNI	Site Works	\$369,560
Lakeside Court	UPG Access Stairs Brick Repair	FP/UNI	Building Envelope	\$150,000
Lakeside Court	Corridor and Common Areas Carpet Replacement	FP/UNI	Interiors	\$68,004
Lakeview Promenade	Garbage Compactor Replacement	FP/UNI	Equipment	\$44,633
Lakeview Promenade	Corridor and Common Areas Painting	FP/UNI	Interiors	\$250,000
Lakeview Promenade	Ramp and Snow Melting System Replacement	FP/UNI	Site Works	\$107,119
Pinnacle View	Brick Wall Repair	FP/UNI	Building Envelope	\$100,000
Pinnacle View	Fire Detection and Alarm System Upgrade	FP/UNI	Fire / Life Safety	\$77,742
Pinnacle View	Canopy Post Repair	FP/UNI	Roofing	\$50,000
Redmond	Fan Coil Assessment and Replacement	FP/UNI	HVAC	\$83,699
Redmond	Corridor Carpet Replacement	FP/UNI	Interiors	\$110,990
Ridgewood Court	Exterior Wall Abatement and Repair	FP/UNI	Building Envelope	\$1,500,000
Ridgewood Court	Elevator Modernization and Cab Finishes	FP/UNI	Elevators	\$1,271,142
Ridgewood Court	DHW Boilers Replacement and Associated Works	FP/UNI	HVAC	\$171,390
Ridgewood Court	Make-Up Air Units Replacement	FP/UNI	HVAC	\$285,650
Ridgewood Court	Carpet, Ceramic Tiles Replacement and Painting in Lobby and by Elevator	FP/UNI	Interiors	\$504,367
Springfield Gardens	Corridor Carpet Replacement	FP/UNI	Interiors	\$107,930
Springfield Gardens	Domestic Water Distribution, Sanitary Waste, and Watermain Repair and Upgrade	FP/UNI	Plumbing	\$1,058,041
Springfield Gardens	Corridor Carpet Replacement	FP/UNI	Interiors	\$107,930
Springfield Gardens	Domestic Water Distribution, Sanitary Waste, and Watermain Repair and Upgrade	FP/UNI	Plumbing	\$1,058,041
Springfield Gardens	Roofing Replacement	FP/UNI	Roofing	\$72,926
Stationview Place	Entrance Vestibule Leak Repair	FP/UNI	Building Envelope	\$107,119
Stationview Place	Fire Detection and Alarm System Upgrade	FP/UNI	Fire / Life Safety	\$80,339
Stationview Place	Garage Doors Replacement	FP/UNI	Building Envelope	\$160,857

Appendix II

Peel Housing Corporation 2019 State of Good Repair Capital Budget

2019 Base Capital Budget (for SOGR) Detail

Site	Project Description	Funding Program	Work Category	2019 Budget
Weaver's Hill	UPG CO Detection System	FP/UNI	Electrical	\$26,780
Weaver's Hill	UPG Door Remote Control Installation	FP/UNI	Electrical	\$4,820
Weaver's Hill	Exterior Lighting Replacement	FP/UNI	Lighting	\$57,130
Weaver's Hill	Major UPG Repair, Paving Replacement, Piping Condensation Remediation	FP/UNI	UPG / Structure	\$1,266,727
Weaver's Hill	Exterior Windows and Wall Local Repairs	FP/UNI	Building Envelope	\$178,531
Weaver's Hill	Corridor Carpet Replacement	FP/UNI	Interiors	\$58,327
Weaver's Hill	Exterior Windows and Wall Local Repairs	FP/UNI	Building Envelope	\$178,531
Weaver's Hill	Corridor Carpet Replacement	FP/UNI	Interiors	\$58,327
Wedgewood Court	UPG and Sanitary Sewer Repair	FP/UNI	UPG / Structure	\$761,462
Westwood Place	DHW Boilers Replacement and Associated Works	FP/UNI	HVAC	\$92,836
Westwood Place	Common Area Wall and Flooring Ceramic Tiles Replacement	FP/UNI	Interiors	\$54,118
Westwood Place	Domestic Water Distribution Repair and Upgrade	FP/UNI	Plumbing	\$373,125
Whillan's Gate	Common Areas Painting and Ceramic Replacement	FP/UNI	Interiors	\$172,834
		FP/UNI SUBTOTAL		16,509,879
Caroline Street	Domestic Water Distribution and Sanitary Waste Repair and Upgrade	PRHC	Plumbing	\$456,066
Central Park Drive	Fire Detection and Alarm System Upgrade	PRHC	Fire / Life Safety	\$120,590
Cliff Road North	Fencing and Retaining Wall Localized Replacement	PRHC	Site Works	\$204,499
Etude Drive	Corridor Carpet Replacement	PRHC	Interiors	\$24,994
Etude Drive	Domestic Water Distribution Repair and Upgrade	PRHC	Plumbing	\$455,556
Jane Place	Foundation Brick Wall Repair	PRHC	Building Envelope	\$120,000
Jane Place	Asphalt Shingles Replacement and Associated Works	PRHC	Roofing	\$180,154
Jane Place	Walkway Replacement	PRHC	Site Works	\$150,000
King Street	Balcony Exterior Wall and Balcony Slab Repair	PRHC	Balconies	\$137,469
King Street	Access Control and Security Monitoring System	PRHC	Electrical	\$36,067
King Street	Elevator Modernization and Cab Finishes	PRHC	Elevators	\$590,938
Maple Avenue	Roofing Replacement	PRHC	Roofing	\$285,381
Maple Grove	Entrance Vestibule Replacement	PRHC	Building Envelope	\$53,559
Maple Grove	Exterior Wall Repair	PRHC	Building Envelope	\$73,035
Maple Grove	Fire Detection and Alarm System Upgrade	PRHC	Fire / Life Safety	\$74,983
Maple Grove	Corridor Carpet Replacement	PRHC	Interiors	\$37,492
McHardy Place	Fire Detection and Alarm System Upgrade	PRHC	Fire / Life Safety	\$128,542
Queen Frederica	Fire Detection and Alarm System Upgrade	PRHC	Fire / Life Safety	\$305,288
Queen Frederica -TH/Bungalows	Asphalt Shingles Replacement and Associated Works; Attics Remediation	PRHC	Roofing	\$1,268,026
Stavebank	Roofing Replacement	PRHC	Roofing	\$35,046
William Street	Foundation Leak Repair	PRHC	Building Envelope	\$15,000
		PRHC SUBTOTAL		5,060,652
Program	Software Upgrade	Various	Information Tech	\$1,100,000
Program	Program - Watermain, Backflow Preventers	Various	Plumbing	\$1,000,000
Program	Program - Corrective Capital	Various	Various	\$1,000,000
Program	Investigation for 2020 Projects	Various	Investigation	\$2,400,000
		VARIOUS SUBTOTAL		5,500,000
				\$44,376,580

Appendix II

Peel Housing Corporation

2019 State of Good Repair Capital Budget

Capital Work Category	Types of Work	2019 Budget
Shell	UPG Slab, Roof, Exterior Walls, Balconies, Windows and Exterior Doors	\$13,409,223
Services	Elevators, Plumbing, HVAC, Electric Baseboards, Chillers, Make Up Air Units, Electric Panels, Fire Systems, Lighting, Generators	\$12,720,694
Sub-structure	Foundation, UPG Foundations	\$7,404,568
Interiors	Flooring, Carpets, Kitchens, Bathrooms, Doors	\$4,798,606
Siteworks	Fencing, Paving, Playgrounds, Landscaping	\$2,492,162
Investigation	Preliminary Preparation for Capital Projects	\$2,400,000
Software	Work Order Management Software	\$1,100,000
Equipment	Appliances, Garbage Compactors	\$51,327
Total 2019 State of Good Repair Capital Budget		\$44,376,580

Funding Source	2019 Budget
Replacement Reserves	\$5,060,652
Working Fund Reserves	\$15,008,683
Service Manager Loans	\$24,307,245
Total 2019 Budgeted Funding Sources for State of Good Repair	\$44,376,580

Appendix III

2019 Reserve Forecast

Reserve Description	Replacement Reserves			Forecasted Activity 2019 (in thousands)			
	Forecasted December 31, 2018 Balance	Forecasted December 31, 2018 Encumbrances	Forecasted December 31, 2018 Reserves Available	Net Replacement Reserve Contributions	Approved Major Capital Encumbrances	Net Reserve Commitments In/Out	Forecasted December 31, 2019 Reserves Available
15.1	\$2,247	\$(10)	\$2,237	\$-	\$-	\$-	2,238
56.1	(3,238)	(2,174)	(5,412)	1,264	-	1,264	(4,148)
EOA	579	(359)	220	931	-	931	1,151
FP/Uni	(4,270)	(1,544)	(5,814)	2,567	-	2,567	(3,247)
PRHC	7,417	(1,278)	6,139	1,450	(5,061)	(3,611)	2,529
Twin Pines	(2,226)	-	(2,226)	57	-	57	(2,169)
Other - PHC*	3,372	-	3,372	328	-	328	3,700
Total Available – Capital Reserves	\$3,881	\$(5,365)	\$(1,484)	\$6,599	(5,061)	\$1,538	\$54

* Other – PHC includes Summerville, Peel Youth Village, Angela's Place, Walkers Road Expansion, and the Childcare Centres at Ridgeway and Cooksville.

Reserve Description	Working Fund Reserves			Forecasted Budgeted Commitments 2019 (in thousands)			
	Forecasted December 31, 2018 Balance	Forecasted December 31, 2018 Encumbrances	Forecasted December 31, 2018 Reserves Available	Net Working Fund Contributions	Approved Major Capital Encumbrances	Net Reserve Commitments In/Out	Forecasted December 31, 2019 Reserves Available
56.1	\$5,596	\$(1,294)	\$4,302	\$998	\$(4,353)	\$(3,355)	\$948
EOA	1,230	-	1,230	5,029	(6,303)	(1,274)	(46)
FP/Uni	5,575	(1,126)	4,449	553	(4,353)	(3,800)	650
Twin Pines	945	945	945	32	-	32	977
Other - PHC**	1,050	(945)	1,050	106	-	106	1,156
Corporate Energy Reserve	975	-	975	-	-	-	975
Total Available – Working Fund & Energy Reserves	\$15,371	\$(2,420)	\$12,951	\$6,718	\$(15,009)	\$(8,291)	\$4,660

** Other - PHC includes the Insurance Stabilization Reserve, Summerville, Peel Youth Village, Angela's Place, Walkers Road Expansion, and the Childcare Centres at Ridgeway and Cooksville.



Independent Auditor's Report

To the Board of Directors of
Peel Housing Corporation

Opinion

We have audited the financial statements of Peel Housing Corporation, which comprise the statement of financial position as at December 31, 2018, and the statements of operations, remeasurement gains and losses, change in net debt, and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Peel Housing Corporation as at December 31, 2018, and the results of its operations, change in net debt and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards ("Canadian GAAS"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of Peel Housing Corporation in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing Peel Housing Corporation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate Peel Housing Corporation or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing Peel Housing Corporation's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian GAAS will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian GAAS, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Peel Housing Corporation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on Peel Housing Corporation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause Peel Housing Corporation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within Peel Housing Corporation to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

The image shows a handwritten signature in black ink that reads "Deloitte LLP". The signature is written in a cursive, flowing style.

Chartered Professional Accountants
Licensed Public Accountants
May 2, 2019

Peel Housing Corporation

Statement of Financial Position

As at December 31, 2018

	2018	2017
Financial assets		
Investments, unrestricted (Note 4)	\$ 19,391,497	\$ 13,893,267
Accounts receivable (Note 5)	5,289,830	4,805,025
Investments, restricted (Note 4)	18,877,848	15,994,633
	43,559,175	34,692,925
Liabilities		
Accounts payable and accrued liabilities (Note 8)	10,017,220	11,470,308
Deferred revenue	9,586,274	4,289,859
Post-employment liabilities (Note 9)	114,303	109,199
Mortgages payable on income producing properties (Note 10)	151,608,261	173,721,143
Long term debt (Note 11)	37,744,770	34,507,776
	209,070,828	224,098,285
Net debt	(165,511,653)	(189,405,360)
Non-financial assets		
Tangible capital assets (Note 6)	409,572,386	419,571,419
Prepaid expenses	1,225,798	1,160,871
	\$ 410,798,184	\$ 420,732,290
Accumulated surplus (Note 13)	\$ 245,286,531	\$ 231,326,930
Accumulated surplus comprising:		
Accumulated operating surplus	\$ 244,180,976	\$ 229,911,668
Accumulated remeasurement gains	1,105,555	1,415,262
	\$ 245,286,531	\$ 231,326,930

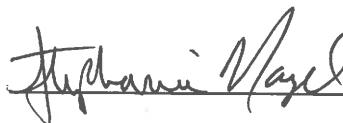
The accompanying notes are an integral part of these financial statements.

On behalf of the Board

Catherine Matheson, President



Stephanie Nagel, Treasurer



Peel Housing Corporation

Statement of Operations

For the year ended December 31, 2018

	2018 Budget (Note 20)	2018 Actual	2017 Actual
Revenues			
Rental income	\$ 60,516,448	\$ 62,019,467	\$ 59,860,712
Non-rental income	4,747,350	5,205,720	5,398,475
Interest income from operations	451,265	475,308	499,644
Government grants (Note 17)	42,480,031	35,237,679	38,197,368
Investment income	489,231	489,231	262,838
Contributed capital (Note 12)	23,750	23,750	23,750
Total revenues	108,708,075	103,451,155	104,242,787
Expenses (Note 15)			
Social housing	96,158,287	89,181,847	91,105,717
Total expenses	96,158,287	89,181,847	91,105,717
Annual operating surplus	12,549,788	14,269,308	13,137,070
Accumulated operating surplus, beginning of year	229,911,668	229,911,668	216,774,598
Accumulated operating surplus, end of year	\$ 242,461,456	\$ 244,180,976	\$ 229,911,668

The accompanying notes are an integral part of these financial statements.

Peel Housing Corporation

Statement of Remeasurement Gains and Losses

For the year ended December 31, 2018

	2018	2017
Accumulated remeasurement gain, beginning of year	\$ 1,415,262	\$ 897,784
Unrealized (loss) gain attributable to:		
Investments	(309,707)	517,478
Remeasurement (loss) gain for the year	(309,707)	517,478
Accumulated remeasurement gain, end of year	\$ 1,105,555	\$ 1,415,262

The accompanying notes are an integral part of these financial statements.

Peel Housing Corporation

Statement of Change in Net Debt

For the year ended December 31, 2018

	2018 Budget (Note 20)	2018 Actual	2017 Actual
Annual operating surplus	\$ 12,549,788	\$ 14,269,308	\$ 13,137,070
Acquisition of tangible capital assets	-	(1,077,928)	(1,626,395)
Amortization of tangible capital assets	11,076,961	11,076,961	11,076,961
	23,626,749	24,268,341	22,587,636
Acquisition of prepaid expenses	-	(1,502,328)	(1,433,081)
Use of prepaid expenses	-	1,437,401	1,438,564
	\$ -	\$ (64,927)	\$ 5,483
Net remeasurement (losses) gains	-	(309,707)	517,478
	23,626,749	23,893,707	23,110,597
Net debt, beginning of year	(189,405,360)	(189,405,360)	(212,515,957)
Net debt, end of year	\$ (165,778,611)	\$ (165,511,653)	\$ (189,405,360)

The accompanying notes are an integral part of these financial statements.

Peel Housing Corporation

Statement of Cash Flows

As at December 31, 2018

	2018	2017
Operating activities		
Annual operating surplus	\$ 14,269,308	\$ 13,137,070
Items not involving cash		
Amortization of tangible capital assets	11,076,961	11,076,961
Change in post-employment liabilities	5,104	262
Net remeasurement (loss) gains for the year	(309,707)	517,478
Change in non-cash assets and liabilities		
Accounts receivable	(484,805)	(2,028,763)
Accounts payable and accrued liabilities	(1,453,088)	2,774,820
Deferred revenue	5,296,415	43,700
Prepaid expenses	(64,927)	5,483
Net change in cash from operating activities	28,335,261	25,527,011
Capital activity		
Acquisition of tangible capital assets	(1,077,928)	(1,626,395)
Net change in cash from capital activity	(1,077,928)	(1,626,395)
Investing activities		
Decrease (increase) in unrestricted investments	(5,498,230)	34,446
(Increase) in restricted investments	(2,883,215)	(1,281,433)
Net change in cash from investing activities	(8,381,445)	(1,246,987)
Financing activities		
Proceeds from Peel Region loan	4,272,572	4,175,772
Repayment of long-term debt	(1,035,578)	(4,659,441)
Repayment of mortgages payable	(22,112,882)	(22,169,960)
Net change in cash from financing activities	(18,875,888)	(22,653,629)
Net change in cash	-	-
Cash, beginning of year	-	-
Cash, end of year	\$ -	\$ -
Cash paid for interest	\$ 5,809,870	\$ 6,898,510
Cash received from interest	742,897	651,569

The accompanying notes are an integral part of these financial statements.

Peel Housing Corporation

Notes to the Financial Statements

For the year ended December 31, 2018

1. Introduction

Peel Housing Corporation (the "Corporation") was incorporated under the Ontario Business Corporations Act in 2003. The Corporation has issued 100 common shares which are owned entirely by The Regional Municipality of Peel (the "Region"). The Corporation was formed as a result of the amalgamation effective January 1, 2003 of Peel Non Profit Housing Corporation with Peel Regional Housing Corporation. The Corporation is a not-for-profit organization that provides and operates housing accommodation for people with low and modest income in the Region of Peel.

Effective October 1, 2001, the Region assumed from the Province of Ontario (the "Province") responsibility as Service Manager for social housing located in the Region of Peel. Effective January 1, 2012, the Corporation manages and operates its social housing units under the provisions of *Housing Services Act* ("HSA") and related regulations.

At the December 13, 2018 meeting of the Shareholder, Regional Council approved a change in the Corporation's governance structure. The Corporation's Board of Directors has changed from 6 members of Council to a Board comprised of 5 Region staff. The purpose of the Board will be to fulfill the functions of a Board of Directors for the Corporation and to implement the direction provided by the Shareholder.

2. Accounting Policies

The financial statements of the Corporation are the representation of management and are prepared in accordance with Canadian public sector accounting standards, as recommended by the Public Sector Accounting Board ("PSAB") of the Chartered Professional Accountants of Canada ("CPA Canada").

The focus of PSAB financial statements is on the financial position of the Corporation and the changes thereto. The statement of financial position reports the financial assets and liabilities, and the non-financial assets of the Corporation. Financial assets are those assets that could provide resources to discharge existing liabilities or finance future operations. Accumulated surplus represents the financial position and is the difference between assets and liabilities. This provides information about the Corporation's overall future revenue requirements and its ability to finance activities and meet its obligations.

a) Basis of Accounting

i. Accrual Method of Accounting

The Corporation follows the accrual method of accounting. The accrual basis of accounting recognizes revenue in the period in which the transactions or events occurred that gave rise to the revenues. Expenses are the cost of goods or services acquired in the period, whether or not payment has been made or invoices received.

ii. Recognition of Rental Income

Rental income relates to rent revenue earned on the lease of the Corporation's social housing units. Revenue is recognized as earned over the term of the lease.

iii. Recognition of Government Grants

Government transfers are received from the Service Manager and the Province for the provision of social housing services, building construction and other capital expenditures.

Government grants are recognized in the financial statements in the period in which the events giving rise to the transfer occur, providing the transfers are authorized, any eligibility criteria have been met, reasonable estimates of the amounts can be made, and there are no stipulations which give rise to a liability.

iv. *Recognition and Measurement of Financial Instruments*

The Corporation accounts for its accounts receivable, investments, accounts payable and accrued liabilities, and long term debt according to PSAB's standards for accounting and reporting financial instruments. Portfolio investments held in equity instruments that are quoted in an active market are reported at fair market value in the financial statements.

The fair value of investments is determined by the combination of the fair market value of investments with Encasa Financial Inc. ("Encasa") and a pro-rated portion of the Region's investments to reflect the fact that the balance of the Corporation's investments is pooled with the Region. Only the Encasa investment is reported at market value in the financial statements. Transaction costs are expensed as incurred.

The carrying value of cash, accounts receivable, accounts payable and accrued liabilities approximate respective fair values due to their relatively short-term maturity. The carrying value of long term debt and vendor mortgage approximate fair value due to the terms and conditions of the borrowing arrangements compared to current market conditions of similar items.

v. *Tangible Capital Assets*

Tangible capital assets are recorded at cost, which includes amounts that are directly attributable to acquisition, construction, development or betterment of the asset. The cost, less residual value, of tangible capital assets, excluding land, are amortized on a straight-line basis over their estimated useful lives as follows:

Assets	Useful life – years
Buildings	20 – 100
Building improvements	8 – 100
Equipment and furnishings	3 – 80
Vehicles	3

Annual amortization is charged in the year of acquisition and in the year of disposal. Assets under construction are not amortized until the asset is in service.

vi. *Contributions of Tangible Capital Assets*

Tangible capital assets received as contributions are recorded at their fair value at the time of contribution. Revenue at an equal amount is recognized at the time of contribution.

vii. *Accounts Receivable*

The rent receivable portion of accounts receivable includes backdated rent receivables as determined in accordance with the HSA. These are established at the point of discovery.

viii. *Capitalization of Costs*

The Corporation capitalizes all development or construction related direct costs to income-producing property under construction. These costs include realty tax, project management fees, interest on construction loans and/or the interest relating to short-term bridge financing.

ix. *Reserves*

The capital replacement reserves for projects governed by the HSA, are established according to the terms of the agreements with the Service Manager. The remaining unallocated operating surpluses (including non-HSA projects) are transferred to reserves designated for capital expenditures and working funds.

The working fund reserves were established by the Board of Directors to provide for unforeseen operating and capital expenditures for which alternative financing cannot be arranged.

The energy conservation reserve was established by the Board of Directors with a view to reduce utility costs. Interest is to be paid calculated on 100 basis points above the Canada Bond Yield's rate having a term to maturity equivalent to the term the reserve is being asked to invest.

x. *Mortgages Payable on Income Producing Property*

On the interest adjustment date, construction loans payable are transferred to mortgages payable on income-producing property. The interest adjustment date represents the effective date for commencement of mortgage payments and receipt of government grants based on the original mortgage commitment obtained to finance the project. To the extent that final mortgage requirements may differ from the original mortgage commitment when final construction costs are known, mortgages payable on income-producing property are adjusted accordingly.

xi. *Liability for Contaminated Sites*

Contaminated sites are a result of contamination being introduced into air, soil, water or sediment of a chemical, organic or radioactive material or live organism that exceeds an environmental standard.

A liability for remediation of contaminated sites is recognized, net of any expected recoveries, when a site is not in productive use and the following criteria are met:

- a) an environmental standard exists,
- b) contamination exceeds the environmental standard,
- c) the Corporation is directly responsible or accepts responsibility for the liability,
- d) future economic benefits will be given up, and,
- e) a reasonable estimate of the liability can be made.

A liability is recognized as management's estimate of the cost directly attributable to remediation activities and would include post-remediation operation, maintenance and monitoring that are an integral part of the remediation strategy for a contaminated site.

xii. *Use of Estimates*

The preparation of financial statements in conformity with the Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities and the reported amounts of revenue and expenses during the period. Significant estimates relate to accounts receivable, accrued liabilities and amortization. Actual amounts could differ from those estimates.

3. Adoption of Accounting Policies

Effective January 1, 2018, the Corporation adopted the following new Canadian public sector accounting standards on a prospective basis. The adoption of these new standards has not had a material impact on these financial statements.

a. PS 2200 Related Party Disclosures

PS 2200 defines related parties and established disclosures required for related party transactions. A related party exists when one party has the ability to exercise control or shared control over the other. Related parties include key management personnel, their spouse or dependents and the entities they control or have shared control. Disclosure of information about related party transactions and the relationship underlying them is required when they have occurred at a value different from that which would have been arrived at if the parties were unrelated, and they have, or could have, a material financial effect on the financial statements.

Key management personnel of the Corporation are those individuals having authority and responsibility for planning, directing and controlling the activities and have been identified as Members of the Peel Housing Corporation Board and specific members of Regional and PHC staff for the purpose of this reporting. The Corporation has a wide variety of controls in place to ensure that key management personnel do not enter into transactions with related parties.

b. PS 3420 Inter-Entity Transactions

PS 3420 provides guidance on how to account for and report transactions between public sector entities that comprise a government's reporting entity from both a provider and recipient perspective. The main features of the new section deal with the measurement of these transactions. Inter-entity transactions are disclosed in accordance with the requirements of PS 2200 – Related Party Disclosures.

c. PS 3210 Assets

PS 3210 provides additional guidance on the definition of assets and what is meant by economic resources, control, past transactions or events and from which future economic benefits are expected to be obtained.

d. PS 3320 Contingent Assets

PS 3320 introduces a definition for possible assets arising from existing conditions or situations involving uncertainty which will ultimately be resolved when one or more future events occur that are not wholly within the government's control. Disclosure is required under this standard when the occurrence of a confirming future event is considered likely.

e. PS 3380 Contractual Rights

PS 3380 requires disclosure of information pertaining to future rights to economic resources arising from contracts or agreements that will result in both an asset and revenue in the future. Such disclosure includes the nature, extent and timing of the contractual rights.

4. Investments

Unrestricted and restricted investments reported on the statement of financial position have cost and market values as follows:

2018		
	Cost	Market Value
Investments, unrestricted	\$ 19,391,497	\$ 19,593,541
Investments, restricted	18,877,848	19,032,841
Total investments	\$ 38,269,345	\$ 38,626,382

2017		
	Cost	Market Value
Investments, unrestricted	\$ 13,893,267	\$ 14,070,821
Investments, restricted	15,994,633	20,234,711
Total investments	\$ 29,887,900	\$ 34,305,532

The Corporation's investments of \$2,896,596 (2017 – \$2,896,596) with Encasa had a fair market value of \$4,002,151 as at December 31, 2018 (2017 – \$4,035,668). The net accumulated unrealized gain of \$1,105,555 (2017 – \$1,415,262) for restricted investments is reported in the statement of re-measurement gains and losses and in the statement of financial position as an increase to restricted investments. The balance of the Corporation's funds are with the Region for investment purposes which earn interest based on the Region's investment yield.

5. Accounts Receivable

Accounts receivable consists of the following:

	2018	2017
Rents	\$ 791,236	\$ 901,085
HST receivable	937,544	639,817
Other	3,561,050	3,066,690
Region of Peel	-	197,433
Total	\$ 5,289,830	\$ 4,805,025

6. Tangible Capital Assets

2018

(All dollars in \$000)

Cost	Balance at December 31, 2017	Additions	Disposals & Write-downs	Balance at December 31, 2018
Land	\$ 142,095,880	\$ 78,600	\$ -	\$ 142,174,480
Buildings and building improvements	543,340,362	-	-	543,340,362
Vehicles	21,961	-	-	21,961
Equipment and furnishings	676,811	-	-	676,811
Construction work in progress	2,286,001	999,328	-	3,285,329
Total cost	\$ 688,421,015	\$ 1,077,928	\$ -	\$ 689,498,943

Accumulated Amortization	Balance at December 31, 2017	Disposals	Amortization	Balance at December 31, 2018
Land	\$ -	\$ -	\$ -	\$ -
Buildings and building improvements	268,578,757	-	11,048,381	279,62,138
Vehicles	17,459	-	1,977	19,436
Equipment and furnishings	253,380	-	26,603	279,983
Total accumulated amortization	\$ 268,849,596	\$ -	\$ 11,076,961	\$ 279,926,557

Net Book Value	Balance at December 31, 2018
Land	\$ 142,174,480
Buildings and building improvements	263,713,224
Vehicles	2,525
Equipment and furnishings	396,828
Construction work in progress	3,285,329
Total net book value	\$ 409,572,386

2017

(All dollars in \$000)

Cost	Balance at December 31, 2016	Additions	Disposals & Write-downs	Balance at December 31, 2017
Land	\$ 142,017,280	\$ 78,600	\$ -	\$ 142,095,880
Buildings and building improvements	543,340,362	-	-	543,340,362
Vehicles	21,961	-	-	21,961
Equipment and furnishings	676,811	-	-	676,811
Construction work in progress	738,206	1,547,795	-	2,286,001
Total cost	\$ 686,794,620	\$ 1,626,395	\$ -	\$ 688,421,015

Accumulated Amortization	Balance at December 31, 2016	Disposals	Amortization	Balance at December 31, 2017
Land	\$ -	\$ -	\$ -	\$ -
Buildings and building improvements	257,530,376	-	11,048,381	268,578,757
Vehicles	15,482	-	1,977	17,459
Equipment and furnishings	226,777	-	26,603	253,380
Total accumulated amortization	\$ 257,772,635	\$ -	\$ 11,076,961	\$ 268,849,596

Net Book Value	Balance at December 31, 2017
Land	\$ 142,095,880
Buildings and building improvements	274,761,605
Vehicles	4,502
Equipment and furnishings	423,431
Construction work in progress	2,286,001
Total net book value	\$ 419,571,419

During the year, the Corporation capitalized \$151,042 (2017 – \$111,800) of interest relating to various capital projects. There were no contributed tangible capital assets during the year (2017 - \$Nil). During the year, there were no write-downs of assets (2017 – \$Nil). The Corporation has no tangible capital assets recognized at a nominal value.

7. Contaminated Sites

As at December 31, 2018, there are no contaminated sites that meet the specified criteria and no liability (2017 – \$Nil) for contaminated sites has been recorded in these financial statements. It is the Corporation's practice to remediate all properties to an acceptable level based on the environmental standards for the intended use of the land.

8. Accounts Payable and Accrued Liabilities

The amount due to the Region at December 31, 2018 of \$224,858 (2017 – \$Nil) is included in accounts payable and accrued liabilities and does not bear interest and has no specific terms of payment.

Long term debt payable to the Region is disclosed in Note 11.

9. Post-Employment Liabilities

The liability for retirement benefits on the statement of financial position is the result of a full actuarial valuation as at December 31, 2017, with an estimate as at December 31, 2018 for the Corporation's share of costs associated with extending the coverage for health, dental and life insurance benefits to qualifying employees, with estimates to December 31, 2020. Benefit coverage, except for life insurance coverage, ceases at the age of 65.

The following significant actuarial assumptions adopted in the valuation were based on management's best estimates.

- Future discount rates 4.0 per cent per year
- Future inflation rate 1.75 per cent per year
- Future salaries Escalate at 2.75 per cent per year
- Future dental premium rates Escalate at 3.75 per cent per year
- Future health care premium rates Initial rate of 6.75 per cent decreasing by 0.33 per cent per year to the ultimate rate of 3.75 per cent

The following are the actuarial results for the accrued benefit liability reported on the statement of financial position:

Retirement Benefits Liability	2018	2017
Accrued benefit obligation at January 1	\$ 168,724	\$ 108,937
Add: benefit service cost	3,250	2,037
Add: interest accrued	6,580	5,248
Deduct: benefit payments	(11,674)	(7,787)
Expected accrued benefit obligation at December 31	166,880	108,435
Actual accrued benefit obligation at December 31	166,880	168,724
Deduct: unamortized actuarial loss	(52,577)	(59,525)
Liability at December 31	\$ 114,303	\$ 109,199

Retirement Benefits Expense	2018	2017
Current period benefit cost	\$ 3,250	\$ 2,037
Interest on accrued benefit obligation	6,580	5,248
Amortization of actuarial losses	6,948	764
Total	\$ 16,778	\$ 8,049

10. Mortgages Payable on Income Producing Properties

Mortgages are secured by a first charge on specific assets of the Corporation with amortization periods that range from 5 to 50 years and interest ranging from 1.04 per cent to 8.0 per cent. Generally, interest rates are fixed for either 5 or 10 years.

Estimated principal repayments in respect to these mortgages for the years 2019-2023 and thereafter are as follows:

	Principal Repayments
2019	\$ 18,969,150
2020	18,109,309
2021	18,308,545
2022	18,248,436
2023	17,626,005
Subsequent to 2023	60,346,816
Total	\$ 151,608,261

Interest paid during the year amounted to \$5,809,870 (2017 – \$6,898,510).

11. Long Term Debt

Long term debt consists primarily of four loans from the Region and forgivable loans with the Province associated with some of the properties developed with the Region.

	2018	2017
Region of Peel Loans:		
2005 Summerville Pines Current term is 2.9 per cent for ten years from March 6, 2016 to March 5, 2026, amortized over 35 years; payments made are based on the operating surplus of the project.	\$ 6,233,522	\$ 7,031,611
Service Manager Capital/Infrastructure Repayable Subsidy Interest rates currently range from 2.99 to 3.37 per cent payable over 15 years commencing with the various property locations' respective Operating Agreement end dates.	23,982,247	20,445,633
2013 Land Acquisition Purchase of land adjacent to Twin Pines, with an interest rate of 3.2 per cent, with an open term to repay.	2,920,561	2,841,962
Twin Pines Site Development Development of the Twin Pines site, with an interest rate of 2.95 per cent, with an open term to repay.	2,689,190	2,245,570
Provincial loans (forgivable):		
Forgiven after 20 years once program requirements have been met.	1,919,250	1,943,000
Total	\$ 37,744,770	\$ 34,507,776

Interest paid during the year amounted to \$971,227 (2017 – \$911,356).

12. Contributed Capital

The following summarizes changes to the balance for contributed capital.

	2018	2017
Balance at the beginning of the year	\$ 18,855,004	\$ 18,831,251
Assisted Housing in Peel forgivable loan	23,750	23,750
Total	\$ 18,878,754	\$ 18,855,004

13. Accumulated Surplus

The accumulated surplus consists of the following:

	2018	2017
Accumulated operating surplus:		
Investment in tangible capital assets	\$ 224,117,252	\$ 213,328,250
Reserves	24,557,157	17,558,886
Contributed capital	18,878,754	18,855,004
Capital fund	(23,982,244)	(20,445,633)
Accumulated surplus from operations	724,260	724,260
Unfunded liability – retiree benefits	(114,303)	(109,199)
Common shares	100	100
	244,180,976	229,911,668
Unrealized gain on restricted investments	1,105,555	1,415,262
Total Accumulated Surplus	\$ 245,286,531	\$ 231,326,930

14. Surplus / (Deficit) from Housing Program Administration

Overhead costs are related to administrative functions performed by the Region and are allocated based on the buildings' weighted unit count.

	2018	2017
Total revenue	\$ 833,773	\$ 750,907
Less: expenses	11,395,186	10,603,090
Deficit before the under noted items	(10,561,413)	(9,852,184)
Transfer of investment income to reserve funds	(253,666)	(262,838)
Transfer of investment revenue to last month's rent	(77,512)	(63,194)
Transfer of investment income to operations	(489,231)	(325,536)
Administrative expense recovered from operations	10,273,533	9,550,727
Administrative allocation to Region of Peel buildings	1,108,288	953,024
Surplus/deficit from housing program administration	\$ -	\$ -

15. Expenses by Object

The statement of operations reports expenses for the Corporation by function. The following is a summary of expenses by object.

	2018	2017
Salary and wages	\$ 4,642,359	\$ 4,977,434
Municipal taxes	12,983,393	12,653,766
Amortization	11,076,961	11,079,961
Debt interest charges	6,782,737	7,809,866
Other operating expenses	53,696,397	54,584,690
Total	\$ 89,181,847	\$ 91,105,717

16. Contingent Liabilities

As at December 31, 2018, the Corporation has certain legal disputes outstanding that have arisen in the ordinary course of operations. No provision has been made in 2018 for costs or losses, as all claims are expected to be covered by insurance or the consequences are undeterminable at this time.

17. Government Grants

The following represents three grants where funding was received up to December 31, 2018 from the Region's Social Housing Apartment Retrofit Program (SHARP), the Social Housing Improvement Program (SHIP), and the Social Housing Apartment Improvement Program (SHAIP). Grants were approved by the Service Manager and made available for eligible project costs that meet the conditions as specified in each respective grant agreement.

SHARP Projects

Property	Project Description	SHARP Grant Approved	SHARP Eligible Expenses Incurred Prior to January 1, 2018	2018 SHARP Eligible Expenses Incurred January 1, 2018 to December 31, 2018	Excess of Approved SHARP Grant Over Expenses
Bella Vista Place	Exterior EIFS Retrofits and Repairs	\$ 1,861,190	\$ 1,328,706	\$ 140,166	\$ 392,318
Gardenview Court	Exterior Wall Leakage Repairs for Units 1018 & 116	129,466	117,618	11,848	-
Gardenview Court	Hot Water Boilers Replacement & Associated Works	463,982	359,209	104,776	-
Surveyor's Point	Hot Water Boilers Replacement & Associated Works	443,883	305,484	138,399	-
Surveyor's Point	Roofing Replacement	218,488	197,532	20,957	-
Total		\$ 3,117,008	\$ 2,308,548	\$ 416,142	\$ 392,318

The total amount of SHARP funding spent on the approved Eligible Project Costs in 2018 is \$416,412 (2017 - \$2,308,548).

SHIP Projects

Property	Project Description	SHIP Grant Approved	SHIP Eligible Expenses Incurred Prior to January 1, 2018	2018 SHIP Eligible Expenses Incurred January 1, 2018 to December 31, 2018	Excess of Approved SHIP Grant Over Expenses
Britannia Place Castlebrooke	Roofing Replacement	\$ 334,252	\$ 210,565	\$ 123,687	\$ -
	Elevators	533,810	376,003	148,416	9,391
	Modernization and Cab Retrofits				
Conover	Roofing Replacement	276,461	238,587	37,874	-
Fairview Place	Balcony Remediation	736,596	182,722	439,493	114,381
Lakeside Court - TH	Asphalt Shingles, Eavestroughs and Downspouts Replacement and Assoc Works	52,867	52,867	-	-
Lakeview Promenade - APT	Elevators	535,933	70,327	465,606	-
Meadows	Modernization and Cab Retrofits				
	Asphalt Shingles, Eavestroughs and Downspouts Replacement and Assoc Works	536,458	468,702	67,755	-
Whillian's Gate	Elevators	485,340	6,567	460,210	18,562
Chelsea Gardens	Modernization				
	UPG Repairs and Associated Works	948,401	460,284	344,340	143,777
Maple Avenue	Generator / Fuel System Compliance Upgrade	44,961	44,961	-	-
Total		\$ 4,485,079	\$ 2,111,586	\$ 2,087,382	\$ 286,111

The total amount of SHIP funding spent on the approved Eligible Project Costs in 2018 is \$2,087,382 (2017 - \$2,111,586).

SHAIP Projects

Property	Project Description	SHAIP Grant Approved	SHAIP Eligible Expenses Incurred Prior to January 1, 2018	2018 SHAIP Eligible Expenses Incurred January 1, 2018 to December 31, 2018	Excess of Approved SHAIP Grant Over Expenses
Bella Vista Place	Replacement of Unit and Site Lighting and Fixtures with LED	\$ 270,000	\$ -	\$ -	\$ 270,000
Bella Vista Place	Underground Parking Garage (UPG) - 5 exhaust fans and Carbon Monoxide (CO) detectors	115,000	-	-	115,000
Gardenview Court	Exhaust Ventilation - Garage (5 Units)	65,000	-	-	65,000
Gardenview Court	Replacement with energy-efficient windows and doors, and associated exterior works	1,720,000	-	18,927	1,701,073
Gardenview Court	Replacement of Unit and Site Lighting and Fixtures with LED	250,000	-	-	250,000
Surveyor's Point	Replacement of Unit and Site Lighting and Fixtures with LED	177,000	-	-	177,000
Surveyor's Point	Replacement with energy efficient Cooling Tower	88,000	-	-	88,000
Surveyor's Point	Replacement with energy-efficient windows and doors, and associated exterior works	1,340,000	-	18,927	1,321,073
Surveyor's Point	Underground Parking Garage (UPG) - 2 exhaust fans	25,000	-	-	25,000
Total		\$ 4,050,000	\$ -	\$ 37,855	\$ 4,012,145

The total amount of SHAIP funding spent on the approved Eligible Project Costs in 2018 is \$37,855 (2017 - \$Nil).

18. Risks**a) Credit Risk**

The Corporation is subject to credit risks from its tenants as a result of counterparty default. This risk is mitigated by prudent monitoring procedures.

b) Interest Rate Risk

The Corporation is subject to interest rate fluctuations on its mortgages and long term debt. The Corporation currently does not use any hedging strategies to mitigate this interest rate exposure.

c) Market Risk

Market risk arises as a result of trading in fixed income securities and equities. Fluctuations in the market expose the Corporation to a risk of loss. The Corporation mitigates this risk through cash management processes and compliance to the approved investment policy.

19. Commitments

The Corporation has obligations under non-cancellable operating leases with the Region of Peel for various service agreements.

The expected payments to the expiry of leases and agreements are as follows:

	Payments
2019	\$ 2,055,469
2020	2,055,469
2021	2,055,469
2022	2,055,469
2023	2,055,469
Subsequent to 2023	49,229,272
Total	\$ 59,506,617

20. Budget Reconciliation

The budget amounts presented in the financial statements are based on the 2018 operating and capital budgets approved by the Board on October 5th, 2017 and February 1, 2018. The following reconciles the approved budget to the budget amounts presented in the financial statements using the accrual basis of accounting, in accordance with PSAS.

	Revenues	Expenses
Board Approved Operating Budget	100,022,006	100,022,006
Board Approved Capital Budget	70,582,429	70,582,429
PSAB Adjustments		
Contributions to reserves/reserve funds	-	(13,933,787)
Contributions from reserves/reserve funds	(30,409,341)	-
Amortization	-	(10,819,149)
Loan principal repayments	-	(193,212)
Acquisition of tangible capital assets	-	(49,500,000)
Capital projects funded by loans	(32,000,000)	-
Other Adjustments		
Investment income	489,231	-
Contributed Capital	23,750	257,370
Budget as presented in Financial Statements	\$ 108,708,075	\$ 96,158,287

21. Comparative Figures

Certain prior year figures have been reclassified to conform to the financial statement presentation adopted in the current year.



REPORT
Meeting Date: 2019-06-27
Peel Living Annual General Meeting

DATE: June 17, 2019

REPORT TITLE: **PEEL HOUSING CORPORATION BOARD - UPDATED BOARD COMPOSITION, SHAREHOLDER DIRECTION AND BY-LAWS**

FROM: Janice Sheehy, Commissioner of Human Services

RECOMMENDATION

That the amended Peel Housing Corporation Shareholder Direction attached as Appendix I to the report of the Commissioner of Human Services titled “Peel Housing Corporation Board – Updated Board Composition, Shareholder Direction and By-laws”, be adopted;

And further, that Steve Fantin be removed from his role as Treasurer of Peel Housing Corporation and retain his role as a Director of the Peel Housing Corporation Board;

And further, that Stephanie Nagel, Region of Peel Treasurer, be appointed as the Treasurer of Peel Housing Corporation;

And further, that the appointment of Michael Buchert, Manager of Peel Living Financial Support Unit by the Peel Housing Corporation Board on May 1, 2019 to the new office of Deputy-Treasurer, be approved;

And further, that Peel Housing Corporation’s By-law Number 1 dated January 23, 2003 and By-law Number 1-2016 dated October 6, 2016 be repealed, and Peel Housing Corporation’s General Corporate By-law 1-2019 enacted by the the Peel Housing Corporation Board on May 1, 2019 and attached as Appendix II to the subject report, be confirmed;

And further, that the Peel Housing Corporation’s By-law No. 2 dated December 14, 2006 be repealed and Peel Housing Corporation’s Borrowing By-law 2-2019 enacted by the Peel Housing Corporation Board on June 5, 2019 and attached as Appendix III to subject report, be confirmed;

And further, that the Peel Housing Corporation’s By-law No. 3 dated May 10, 2007 be repealed and Peel Housing Corporation’s Financial Controls By-law 3-2019 enacted by the Peel Housing Corporation Board on June 5, 2019 and attached as Appendix IV to the subject report, be confirmed.

PEEL HOUSING CORPORATION BOARD - UPDATED BOARD COMPOSITION, SHAREHOLDER DIRECTION AND BY-LAWS

REPORT HIGHLIGHTS

- On December 13, 2018, a new composition for the Peel Housing Corporation Board (“the Board”) consisting of Regional staff was approved by Regional Council in their capacity as the sole Shareholder of Peel Housing Corporation (“PHC”) to focus primarily on overseeing day-to-day operations.
- An amended Shareholder Direction that outlines the relationship and expectations of the Board is attached as Appendix I for approval.
- Changes to the role of Peel Housing Corporation’s Treasurer are being recommended for approval.
- The creation of the Deputy-Treasurer Officer and the appointment of Michael Buchert to this position, which was done by the Board on May 1, 2019, is being recommended for approval.
- Peel Housing Corporation’s General Corporate By-law 1-2019 attached as Appendix II, Borrowing By-law 2-2019 attached as Appendix III and Financial Controls By-law 3-2019 attached as Appendix IV are being recommended for endorsement and confirmation.

DISCUSSION

1. Background

On June 28, 2018, Regional Council approved the transition of the Board structure into a Board comprised of Regional staff. On December 13, 2018, a staff Board was approved with the mandate of focusing primarily on overseeing day-to-day operations, as not to create a second governing body that has significant mandate overlap with the Region of Peel’s Strategic Housing and Homelessness Committee. The purpose of the Board is to fulfill the functions of a board of directors for PHC and to implement the direction provided by the Shareholder, including supporting the implementation of the Peel Housing and Homelessness Plan strategies. Subject to the Shareholder Direction, the Board is responsible for providing board governance, leadership, advice and guidance to PHC on operational matters, tenant satisfaction, and employee engagement.

Also, on December 13, 2018, Regional Council in their capacity as the sole Shareholder of PHC, approved the Board’s composition, Shareholder Direction, escalation process, and appointed Regional staff to Director and Officer positions. Following the approval of the new structure, staff anticipated returning to the Shareholder with updated governance documents such as the Shareholder Direction and PHC’s By-laws that are being recommended for approval through this report. Changes to the Board’s Treasurer role are also being recommended to improve role clarity.

2. Structure and Governance Updates

The changes that are being proposed to the Shareholder Direction, Board composition, General Corporate By-law 1-2019, Borrowing By-law 2-2019 and Financial Controls By-law 3-2019 are outlined below:

**PEEL HOUSING CORPORATION BOARD - UPDATED BOARD COMPOSITION,
SHAREHOLDER DIRECTION AND BY-LAWS****a. Shareholder Direction**

The following changes are being proposed to the Shareholder Direction:

- Section 8.2 has been updated to note the category of Directors that have voting powers.
- Section 8.2(c) has been updated to note that a Treasurer does not need to be a Director of the Board. Further, the section notes that the Treasurer will only have voting powers when they are identified as being a Director of the Board.
- Section 9.4.1(a) has been updated to say that, without the approval of the Shareholder, PHC will not create any new indebtedness as defined by the Region's Debt Management Policy

This adjustment will allow the Shareholder flexibility in appointing Regional staff who are not Directors of the Board as Officers of the Board who provide services as required and are non-voting members.

b. Board Composition

The following changes to the Board's composition were endorsed by the Peel Housing Corporation Board on May 1, 2019 and are being recommended for approval and appointment by Regional Council in their capacity as the Shareholder today:

- The removal of Steve Fantin as Treasurer of PHC and retainment of his role as Director of PHC, be approved.
- The appointment of Stephanie Nagel, Region of Peel Treasurer, as the Treasurer of PHC, be approved.
- The appointment of Michael Buchert as the Deputy-Treasurer of PHC by the PHC Board, be approved.

This role change of PHC's Treasurer will create direct linkages from PHC's Treasurer and Deputy-Treasurer to Finance staff who provide financial supports and services to PHC. The high volume of PHC documents that require the Treasurer's sign-off are easier to execute when the Board's Treasurer is also a Regional employee that works in Finance. This helps mitigate the overlap of responsibilities that occur when the Treasurer of the Corporation is not responsible for providing financial services at the Region. The Treasurer and Deputy-Treasurer will be Officers of PHC but not Directors or voting members of the Board.

c. By-Laws

The following changes are being proposed to the PHC By-Laws:

- A General Corporate By-law 1-2019 has been developed to replace By-law Number 1 dated January 23, 2003 and By-law Number 1-2016 dated October 6, 2016;
- A Borrowing By-law 2-2019 has been developed to replace the previous Borrowing By-law No. 2 dated December 14, 2006; and
- A Financial Controls By-law 3-2019 has been developed to replace the previous Financial Controls By-law No. 3 dated May 10, 2007.

PEEL HOUSING CORPORATION BOARD - UPDATED BOARD COMPOSITION, SHAREHOLDER DIRECTION AND BY-LAWS

The new General Corporate By-law 1-2019 reflects the updated Shareholder Direction and structure of the Board. Further, the new Borrowing By-law 2-2019 reflects the Shareholder Direction, which limits PHC's ability to create indebtedness as defined by the Region of Peel's Debt Management Policy. The new Financial Controls By-law 3-2019 establishes financial principles to provide guidance towards the goal of ensuring the long-term financial health of PHC.

RISK CONSIDERATIONS

Without the approval of the updated Shareholder Direction, Board composition and By-laws, there is a risk that the policies and practices described within them may be out of alignment with established policies and practices for the broader corporation of The Regional Municipality of Peel.

CONCLUSION

On December 13, 2018, Regional Council in their capacity as the sole Shareholder of PHC approved the staff Board's mandate and governance documents.

Staff recommends that that the updated governance documents, including the Shareholder Direction, be approved. Further, that the changes to the Board's Treasurer role and the creation of the Deputy-Treasurer Officer be approved. Staff are also recommending that the General Corporate By-law 1-2019, Borrowing By-law 2-2019 and Financial Controls By-law 3-2019 be confirmed.



Janice Sheehy, Commissioner of Human Services

Approved for Submission:



D. Szwarc, Chief Administrative Officer

APPENDICES

Appendix I – Amended PHC Shareholder Direction
 Appendix II – PHC By-law 1-2019
 Appendix III – PHC By-law 2-2019
 Appendix IV – PHC By-law 3-2019

**PEEL HOUSING CORPORATION BOARD - UPDATED BOARD COMPOSITION,
SHAREHOLDER DIRECTION AND BY-LAWS**

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

Reviewed in workflow by: Legal Services

SHAREHOLDER DIRECTION

THE REGIONAL MUNICIPALITY OF PEEL
(the "Region")

TO

PEEL HOUSING CORPORATION BOARD
(the "Board")

Table of Contents

1.	RECITALS.....	4
2.	INTERPRETATION.....	4
	2.1 Definitions.....	4
	2.2 Region Officials.....	6
3.	INTRODUCTION, PURPOSE	6
	3.1 Region as PHC Shareholder	6
	3.2 Purposes of this Shareholder Direction.....	6
4.	SHAREHOLDER PRINCIPLES.....	7
	4.1 Relationship Principles	7
	4.2 Operating Principles	7
5.	MANDATE OF PHC	8
	5.1 General, Business	8
6.	BOARD OF DIRECTORS	9
	6.1 Board Responsibilities.....	9
	6.2 Meetings.....	10
	6.3 Conflict of Interest Policy.....	10
	6.4 Confidentiality	10
	6.5 Appointment and Term.....	10
	6.6 Re-appointment.....	11
	6.7 Resignation	11
	6.8 Removal	11
	6.9 Vacating of Office	11
	6.10 Vacancies.....	11
	6.11 Remuneration.....	12
7.	SERVICES AND SERVICES AGREEMENT	12
	7.1 Services Provided by Region	12
	7.2 Services Agreement	12
	7.3 Contracting Elsewhere for Services	12
	7.4 Employment of Staff	12
8.	BOARD STRUCTURE	12
	8.1 Composition of the Board.....	12
	8.2 Categories of Directors.....	13
	8.3 Qualifications of Directors.....	13
	8.4 Board Selection Process	14

9.	SHAREHOLDER MATTERS.....	14
9.1	Decisions of the Shareholder	14
9.2	Liaison	14
9.3	Matters Requiring Shareholder Approval under the OBCA.....	14
9.4	Other Matters Requiring Shareholder Approval	15
10.	REGULATORY MATTERS	16
10.1	Social Housing.....	16
10.2	Other Legislation	16
11.	ACCOUNTABILITY	16
11.1	Direction to Initial Staff Board	16
11.2	Business Plan	16
11.3	Annual Reporting.....	17
11.4	Access to Records	18
11.5	Audit	18
11.6	Accounting.....	19
11.7	Financial Operations Reports	19
12.	FINANCIAL YEAR END	19
13.	NOTICE.....	19
14.	AMENDMENTS, TERMINATION.....	20
15.	REVIEW OF SHAREHOLDER DIRECTION.....	20
16.	HEADINGS.....	20

SCHEDULE "A" SERVICES PROVIDED BY REGION TO PHC

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

1. RECITALS

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

2. INTERPRETATION

2.1 Definitions

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

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

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

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

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

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

“**Chair**” means the Chair of PHC as appointed by the Shareholder;

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

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

“**Corporation**” means PHC;

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

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

“**Financial Statements**” means, for any particular period, audited or unaudited (as stipulated in this Shareholder Direction), consolidated or unconsolidated (as stipulated in this Shareholder

Direction), comparative Financial Statements of PHC consisting of not less than a Statement of Financial Position, Statement of Operations, Statement of Remeasurement Gains and Losses, Statement of Change in Net Debt, Statement of Cash Flows, a report or opinion of the Auditor (in the case of audited Financial Statements) and such other statements, reports, notes and information prepared in accordance with generally accepted accounting principles (consistently applied) and as are required in accordance with any applicable law;

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

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

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

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

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

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

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

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

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

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

“**Program Administrator**” means the Region when acting in its role as Service Manager or as the administrator of funding for any other housing program not subject to the HSA and any other regulatory authority or order of government having authority to establish housing program legislation and regulations;

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

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

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

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

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

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

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

and PHC as outlined in this Shareholder Direction;

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

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

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

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

“**Vice-Chair**” means the Vice-Chair of PHC as appointed by the Shareholder.

2.2 Region Officials

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

3. INTRODUCTION, PURPOSE

3.1 Region as PHC Shareholder

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

3.2 Purposes of this Shareholder Direction

The purposes of this Shareholder Direction are as follows:

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

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

4. SHAREHOLDER PRINCIPLES

4.1 Relationship Principles

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

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

4.2 Operating Principles

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

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

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

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

5. MANDATE OF PHC

5.1 General, Business

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

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

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

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

6. BOARD OF DIRECTORS

6.1 Board Responsibilities

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

- (a) implementing the direction provided by the Shareholder;
- (b) developing a four-year business plan that is reviewed annually;
- (c) supporting the implementation of strategies related to the PHHP;
- (d) providing leadership, advice and guidance to PHC;
- (e) oversight of operational matters;
- (f) monitoring tenant satisfaction;
- (g) monitoring employee engagement;
- (h) providing annual progress reports to the Shareholder;
- (i) providing updates to the Peel Strategic Housing and Homelessness Committee as requested;
- (j) abiding by the OBCA, the HSA, PHC's Articles of Incorporation, its By-Laws and other relevant legislation; and

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

6.2 Meetings

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

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

6.3 Conflict of Interest Policy

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

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

6.4 Confidentiality

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

- (a) disclosure to the Shareholder's or PHC's employees or agents is necessary for the performance of any of their duties and obligations under this Shareholder Direction;
- (b) disclosure is required in the course of judicial proceedings or pursuant to law;
- (c) or the confidential information becomes part of the public domain (other than through unauthorized disclosure by any party); and
- (d) it is in accordance with the terms of the *Municipal Freedom of Information Protection of Privacy Act*, R.S.O. 1990, c. M.56 and the *Personal Health Information Protection Act*, 2004, S.O. 2004, c. 3, Sched. A, as amended or replaced from time to time.

6.5 Appointment and Term

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

6.5.2 Ongoing Board

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

6.6 Re-appointment

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

6.7 Resignation

A Director may resign from office upon giving a written resignation to the Corporation and such resignation becomes effective when received by the Corporation or at the time specified in the resignation, whichever is later. A successor will be recommended by the CAO to the Shareholder for appointment to replace the Director that has resigned.

6.8 Removal

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

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

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

6.9 Vacating of Office

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

6.10 Vacancies

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

6.11 Remuneration

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

- (a) remuneration from the Region or another municipality paid pursuant to Section 283 of the *Municipal Act, 2001*, S.O. 2001, c. 25 as amended or replaced from time to time; and
- (b) reimbursement for reasonable expenses incurred in the performance of duties as Directors of PHC.

7. SERVICES AND SERVICES AGREEMENT

7.1 Services Provided by Region

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

7.2 Services Agreement

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

7.3 Contracting Elsewhere for Services

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

7.4 Employment of Staff

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

8. BOARD STRUCTURE

8.1 Composition of the Board

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

8.2 Categories of Directors

The Board shall consist of the following categories:

- (a) Chair: The Chair is to provide leadership to the Board. The Chair co-ordinates Board activities and ensures the Board discusses all matters relating to the PHC mandate. The Chair co-ordinates Board activities in fulfilling its governance responsibilities and facilitates co-operative relationships between Board Members. The Chair is responsible for escalating issues that are out of the Board's jurisdiction to the Shareholder. The Chair is a Director and a voting member of the Board.
- (b) Vice-Chair: The Vice-Chair may exercise the Chair's duties and powers during his or her absence. The Vice-Chair is a Director and a voting member of the Board.
- (c) Treasurer: The Treasurer is to work collaboratively with the Human Services Commissioner, the CFO and the Service Manager to support the Board in achieving its fiduciary responsibilities and must be a subject matter expert in reviewing financial statements and financial reporting. The Treasurer does not need to be a Director of the Board. The Treasurer will only have voting powers when they are identified as being a Director of the Board.
- (d) Secretary: The Secretary will be responsible for ensuring that accurate minutes of meetings are taken and approved. Requirements of minutes may include at a minimum: the date, time, and location of the meeting, a list of those present and absent, a list of the items discussed, and the text of the motions presented and a description of their disposition. The Secretary is a Director and a voting member of the Board.
- (e) Director: Voting member who will provide advice, leadership and guidance in achieving the mandate of PHC and should abide by the Shareholder Direction, the OBCA, the HSA, PHC's Articles of Incorporation, its By-Laws and other relevant legislation.

8.3 Qualifications of Directors

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

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

8.4 Board Selection Process

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

9. SHAREHOLDER MATTERS

9.1 Decisions of the Shareholder

The following will apply to any approvals or decisions that the Shareholder must provide:

- (a) all approvals and decisions will be communicated in writing signed by an authorized signatory of the Shareholder; and
- (b) where Shareholder approvals are required, the Board will give reasonable advance notice in writing of the need for approval and will provide such information as is reasonably necessary for the Shareholder to make an informed decision regarding the subject matter requiring approval.

9.2 Liaison

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

9.3 Matters Requiring Shareholder Approval under the OBCA

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

- (a) apply to make changes to the Articles;
- (b) create any subsidiary corporations;
- (c) amalgamate, apply to continue as a body corporate under the laws of another jurisdiction, merge, consolidate or effect a reorganization as defined in the OBCA, or approve or effect any plan of arrangement, in each case whether statutory or otherwise;
- (d) take or institute proceedings for any winding up, arrangement, corporate governance or legal reorganization or dissolution;

- (e) create new classes of shares or reorganize, amend, consolidate, subdivide or otherwise change its outstanding securities;
- (f) dispose of, by conveyance, transfer, lease, sale and leaseback, or other transaction, all or substantially all of its assets or undertaking, with the exception of entering into residential and commercial leases for the units and commercial spaces of PHC;
- (g) change the Auditor;
- (h) make any change to the number of directors comprising the Board; and
- (i) enter into any transaction or take any action that requires Shareholder approval pursuant to the OBCA or the HSA.

9.4 Other Matters Requiring Shareholder Approval

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

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

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

10. REGULATORY MATTERS

10.1 Social Housing

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

10.2 Other Legislation

PHC is subject to a variety of legislation that governs its operations and sets out the responsibilities of the Board including but not limited to the HSA, the *Residential Tenancies Act*, 2006, S.O. 2006, c.17, the Human Rights Code and municipal property standards and by-laws, as amended or replaced from time to time. In all cases such legislation will prevail over this Shareholder Direction and any other direction of the Shareholder where there is a conflict between these directions and such legislation.

11. ACCOUNTABILITY

11.1 Direction to Initial Staff Board

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

11.2 Business Plan

11.2.1 The Business Plan will include details on:

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

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

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

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

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

11.3 Annual Reporting

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

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

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

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

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

11.4 Access to Records

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

11.5 Audit

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

11.6 Accounting

11.6.1 PHC will continue to prepare its financial statements in accordance with Canadian public sector accounting standards, as recommended by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada. PHC will in consultation with the Region's CFO and the external Auditor adopt and use the accounting policies and procedures that may be approved by the Board from time to time and all such policies and procedures will be in accordance with Canadian generally accepted accounting principles and/or applicable regulatory or program requirements.

11.7 Financial Operations Reports

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

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

12. FINANCIAL YEAR END

PHC's financial year end shall be December 31.

13. NOTICE

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

To the Region at:

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

Facsimile: 905-791-6902

Attention: Commissioner of Human Services

To PHC at:

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

Facsimile: 905-791-6902

Attention: Chair

14. AMENDMENTS, TERMINATION

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

15. REVIEW OF SHAREHOLDER DIRECTION

This Shareholder Direction shall be reviewed by the Region from time to time.

16. HEADINGS

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

DATED at Brampton as of this 27th day of June, 2019.

THE REGIONAL MUNICIPALITY OF PEEL

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

By: _____
Name: Nando Iannicca
Title: The Regional Chair

SCHEDULE "A"

SERVICES PROVIDED BY REGION TO PHC

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

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

SCHEDULE "B"

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

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

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

GENERAL CORPORATE BY-LAW 1-2019

A by-law relating generally to the transaction of the business and affairs of Peel Housing Corporation (the "Corporation") and to repeal By-law Number 1 enacted January 23, 2003

CONTENTS

1.	Interpretation	9.	Shares
2.	Registered Office and Seal	10.	Dividends
3.	Directors	11.	Meetings of the Shareholder
4.	Meetings of Directors	12.	Execution of Documents
5.	Remuneration of Directors	13.	Notices
6.	Committees of the Board	14.	Banking and Fiscal
7.	Officers	15.	Repeal of and Amendment
8.	Conduct of Directors and Officers and Indemnity	16.	Repeal of By-law Number 1

ARTICLE ONE – INTERPRETATION

- 1.01 Definitions: In this By-law and all other by-laws of the Corporation, unless the context otherwise requires:
- (a) "Act" means the *Business Corporations Act* (Ontario), R.S.O. 1990 c. B.16 or any successor statute, as amended or replaced from time to time, and the regulations thereunder;
 - (b) "Articles" means the articles of arrangement of the Corporation as amended or restated from time to time;
 - (c) "Board" means the Board of Directors of the Corporation;
 - (d) "By-law" means this by-law;
 - (e) "CAO" means the Region's Chief Administrative Officer;
 - (f) "Commissioner of Human Services" means the Commissioner of Human Services of the Region or any person appointed to act in the place of that individual or their designate;
 - (g) "Contracts" includes deeds, mortgages, hypothecs, charges, conveyances,

transfers and assignments of property (real or Personal, immovable or movable, legal or equitable), agreements, releases, receipts and discharges for the payment of money, share certificates and other securities, warrants and all instruments in writing;

- (h) "Corporation" means this Corporation;
- (i) "Council" means the elected Council of the Region;
- (j) "Directors" means the duly elected or appointed directors of the Corporation;
- (k) "Documents" has the same meaning as the term "Contracts";
- (l) "GM" means the General Manager of the Corporation or any person appointed to act in the place of that individual or their designate;
- (m) "Holiday" means any day that is observed as a statutory or civic holiday by the Region;
- (n) "HSA" means the Housing Services Act, 2011, S.O. 2011, Chapter 6 or any successor statute, as amended or replaced from time to time, and the regulations thereunder;
- (o) "Initial Staff Board" means the first Directors appointed by the Shareholder following execution of the Shareholder Direction;
- (p) "Meeting of the Shareholder" includes an annual meeting of the Shareholder and a special meeting of the Shareholder;
- (q) "Notice" means written or electronic notice;
- (r) "Officer" means an officer of the Corporation;
- (s) "Person" includes an individual, body corporate, sole proprietorship, partnership, syndicate, an unincorporated association or organization, joint venture, trust, employee benefit plan, government or any agency or political subdivision thereof, and a natural person acting as trustee, executor, administrator or other legal representative;
- (t) "Recorded Address" means, with respect to the Shareholder, its latest address as recorded in the securities register of the Corporation and with respect to a Director, Officer, auditor, member of a committee of the Board, or any other Person but subject to the Act, their latest address as recorded in the records of the Corporation or otherwise known to the secretary;
- (u) "Region" means The Regional Municipality of Peel;
- (v) "Shareholder" means the Region acting as the sole shareholder and owner of the Corporation; and
- (w) "Shareholder Direction" referred to in the Act as a unanimous shareholder

agreement, means the written declaration by the Shareholder dated December 13th, 2018, as may be amended, revised or superseded from time to time.

- (x) Subject to the foregoing, words and expressions that are defined in the Act have the same meanings when used in the by-laws of the Corporation.
 - (y) In the by-laws of the Corporation, words importing the singular include the plural and vice versa, words importing any gender include the masculine, feminine and neuter genders, and headings are for convenience of reference only and shall not affect the interpretation of the by-laws.
- 1.02 By-laws of the Corporation: In the event of a conflict between the provisions of this By-law and any other by-law of the Corporation, except a by-law amending or repealing all or any part of this By-law, the provisions of this By-law shall prevail.
- 1.03 Shareholder Direction and Articles Govern: Notwithstanding any provision of this or any other by-law of the Corporation, where any such provision conflicts with the Shareholder Direction or the Articles, the Shareholder Direction or Articles, as the case may be, shall govern.
- 1.04 Act Governing: Notwithstanding any provision of this or any other by-law of the Corporation, where any such provision conflicts with a provision of the Act, the HSA or any other legislation applicable to the Corporation, the provision of the Act, HSA or other legislation shall govern.

ARTICLE TWO – REGISTERED OFFICE AND SEAL

- 2.01 Registered Office: The registered office of the Corporation shall be located at 10 Peel Centre Drive, Brampton or at such other address within the Regional Municipality of Peel as the Board may determine from time to time, with approval of the Shareholder.
- 2.02 Seal: The Corporation may have a seal in such form as the Board may determine from time to time.

ARTICLE THREE – DIRECTORS

- 3.01 Powers of the Board: Subject to the Shareholder Direction and the responsibilities and duties set out in the Act and any other legislation applicable to the Corporation, the Board of Directors shall manage or supervise the management of the business and affairs of the Corporation.
- 3.02 Categories of Directors: The Board shall consist of the following categories:
- (a) Chair
 - (b) Vice-Chair
 - (c) Secretary
 - (d) Board Member

- 3.03 Qualifications: No Person shall be a Director if the Person:
- (a) is not an individual;
 - (b) is less than 18 years of age;
 - (c) has the status of bankrupt;
 - (d) is found by a court to be of unsound mind; or has been found to be incapable of managing property under the Substitute Decisions Act, 1992 or Mental Health Act;
 - (e) is neither a resident Canadian nor a lawful landed immigrant in Canada; or
 - (f) is not an active employee of the Region.
- 3.04 Number of Directors: The Board shall consist of no fewer than two (2) and no more than twenty-five (25) Directors. The number of Directors, including the number to be elected at the annual meeting, shall be the number from time to time determined within the range provided for in the Articles by special resolution of the Shareholder (or by the Directors when empowered to do so by special resolution of the Shareholder).
- 3.05 Appointment and Term: Directors of the Initial Staff Board, consisting of employees of the Region, as appointed by the Shareholder, shall be appointed for a one (1) to three (3) year term based on their role and subject to Sections 3.08 and 3.09 of this By-law, and shall remain in office until a successor is appointed at the annual general meeting, unless their respective offices are vacated earlier. Following the appointment of the Initial Staff Board, Directors will be appointed to the Board for a three (3) year term.
- 3.06 Re-appointment: A Director may be re-appointed to the Board at the expiration of his or her term of office.
- 3.07 Resignation: A Director may resign from office upon giving a written resignation to the Corporation and such resignation shall be effective when received by the Corporation or at a time specified in the resignation, whichever is later. A successor will be recommended by the CAO to the Shareholder for appointment to replace the Director who has resigned.
- 3.08 Removal: Subject to the Act, the Shareholder may, by resolution at an annual or special meeting of the Shareholder, remove any Director or Directors from office before the expiration of the applicable term(s) and may, by a majority of the votes cast at the meeting, appoint any person in any such Director's place for the remainder of the term, provided that such person shall be a member of the category specified in Section 3.02 to which the person's predecessor belonged. The reasons for such removal may include, but are not restricted to:
- (a) breach of the Director's obligations under the Act;
 - (b) a conflict of interest that cannot be resolved in any other manner satisfactory to the Board;

- (c) engaging in activities that are deemed by the Shareholder to have an adverse impact on their duties as a Board member; and
 - (d) failure to attend three or more consecutive meetings of the Board without the approval of the Board.
- 3.09 Vacating of Office: A Director ceases to hold office when he or she dies, resigns, is removed from office by the Shareholder, or becomes disqualified to serve as a Director.
- 3.10 Vacancies: Subject to the Act, where a vacancy occurs on the Board, the Shareholder may appoint a new Director to fill the vacancy consistent with the requirements of Sections 3.02 and 3.03. While there is a vacancy on the Board, the remaining Directors may exercise all the powers of the Board as long as a quorum of the Board remains in office.
- 3.11 Employee Directors: A Director shall not be disciplined in their role as an employee of the Region as a result of carrying out their fiduciary duties while serving on the Board.

ARTICLE FOUR – MEETINGS OF DIRECTORS

- 4.01 Calling Meetings: Meetings of the Board shall be held from time to time at such places on such days and at such times as the chair of the Board, the vice-chair of the Board or any two Directors may determine, and the secretary shall give Notice of any such meeting when directed by the Person calling it as aforesaid. No Notice of a meeting shall be necessary if all of the Directors are present or if those absent have waived notice of or otherwise signified their consent to the holding of such meeting.
- 4.02 Closed Meetings/Delegations: Meetings of the Board will not be open to the public. The chair of the Board may choose to accept delegations from the public at Board Meetings.
- 4.03 Meetings by Telephone: If all the Directors present at or participating in the meeting consent (which consent may be given at any time), a meeting of the Board may be held by means of such telephone, electronic or other communication facilities as permit all Persons participating in the meeting to communicate with each other simultaneously and instantaneously, and each Director participating in such a meeting by such means shall be deemed to be present at the meeting.
- 4.04 Regular Meeting: The Board may appoint a day or days in any month or months for regular meetings at a place and hour to be named. A copy of any resolution of the Board fixing the place and time of regular meetings of the Board shall be sent to each Director forthwith after being passed, and no other Notice shall be required for any such regular meetings except where the Act requires the purpose or the business to be transacted to be specified.
- 4.05 Notice: Where Notice is required, Notice of the time and of the place or manner of participation for every meeting of the Board shall be sent to each Director not less than 48 hours (excluding Saturdays, Sundays and Holidays) before the time of the meeting.
- 4.06 First Meeting of the New Board: Each newly constituted Board may hold its first meeting without Notice for routine organizational purposes on the same day as the Meeting of the Shareholder at which such Board is elected.

- 4.07 Quorum: The number of Directors from time to time required to constitute a quorum for the transaction of business at a meeting of the Board shall be 51% of the number of Directors so determined at that time (or, if that is a fraction, the next larger whole number of Directors).
- 4.08 Chair: The chair of the Board, or in their absence the vice-chair of the Board, shall be the presiding officer of any meeting of the Board. If no such Officer is present, the Directors present shall choose one of their number to be the presiding officer of the meeting.
- 4.09 Voting: At all meetings of the Board, each Director shall have one vote and every question shall be decided by a majority of the votes cast on the question. In case of an equality of votes the chair of the meeting shall be entitled to a casting vote.
- 4.10 Resolutions in Lieu of a Meeting: When there is a quorum of Directors in office, a resolution in writing signed by all the Directors entitled to vote on that resolution at a meeting of the Directors or committee of Directors, is as valid as if passed at a meeting of Directors. A copy of every such resolution shall be kept with the minutes of the proceedings of the Directors or committee of Directors. Any such resolution may be signed in counterparts and if signed as of any date shall be deemed to have been passed on such date.
- 4.11 Delegation of Powers: Directors may appoint from their number a committee of Directors and delegate to such committee any of the powers of the Directors, subject to any limitations on the authority of such a committee imposed by the Act or Shareholder Direction. Unless otherwise determined by the Board, each committee shall have the power to fix its quorum at not less than a majority of its members and to elect its chair.
- 4.12 Rules of Procedure for Board Meetings: Where any matter related to the conduct of meetings is not expressly or by implication provided for in this By-law, and in the absence of any other rules of procedure for the conduct of meetings adopted by the Board from time to time, the rules of procedure as contained in Robert's Rules of Order shall be followed for governing the proceedings of the Board and its committees.

ARTICLE FIVE – REMUNERATION OF DIRECTORS

- 5.01 Remuneration: The Directors, including those who are also Officers shall serve as Directors and if applicable, Officers without remuneration, and no Director shall directly or indirectly receive any profit or remuneration from his or her position or in any other capacity, except for:
- (a) Remuneration from the Region or another municipality paid pursuant to section 283 of the Municipal Act, 2001, S.O. 2001, c.25 as amended or replaced from time to time; and
 - (b) Reimbursement for reasonable expenses incurred in the performance of duties as Directors of the Corporation.

ARTICLE SIX – COMMITTEES OF THE BOARD

- 6.01 Committees: From time to time the Board may appoint from among its number one or more committees. Each committee may exercise those powers lawfully delegated to it by the Board under the Act.
- 6.02 Procedure: The members of each committee shall hold office while Directors during the pleasure of the Board or until their successors shall have been appointed. The Board may fill any vacancy in a committee from among the Directors. Unless otherwise determined by the Board or by any other legislation applicable to the Corporation, each committee may fix its quorum, elect its chair and adopt rules to regulate its procedure.

ARTICLE SEVEN – OFFICERS

- 7.01 Appointment of Officers: Subject to the Shareholder Direction and any required Shareholder approval, from time to time the Board may designate the offices of the Corporation and appoint Officers.
- 7.02 Appointment of Non-Officers: The Board may also appoint other Persons to serve the Corporation in such other positions and with such titles, powers and duties as the Board may determine from time to time.
- 7.03 Terms of Appointment: Subject to the Shareholder Direction and any required Shareholder approval, each Officer or any Person appointed by the Board or the Shareholder, shall hold their office or position until he or she is removed by either the Board or, where required, the Shareholder, or until he or she resigns or ceases to be qualified for his or her office or position or until his or her successor is appointed.
- 7.04 Powers and Duties of Officers: The Shareholder may appoint Officers to fill the following offices, whose duties and powers, respectively, shall be:
- (a) *Chair of the Board*: The chair of the Board shall, when present, preside at all meetings of the Board. The chair is to provide leadership to the Board. The chair co-ordinates Board activities and ensures the Board discusses all matters relating to the Corporation's mandate. The chair co-ordinates Board activities in fulfilling its governance responsibilities and facilitates co-operative relationships between Board members. The chair is responsible for escalating issues that are out of the Board's jurisdiction to the Shareholder.
 - (b) *Vice-Chair*: The vice-chair may exercise the chair's duties and powers during his or her absence.
 - (c) *Secretary*: The secretary shall attend and act as secretary of all meetings of the Board, its committees and of the Shareholder. He or she shall send or cause to be sent all Notices and documents the Corporation is required to send to the Shareholder, Directors, the auditor and governmental or regulatory bodies or agencies. He or she shall prepare or cause to be prepared all registers and records (other than accounting records) required under the Act (and any other legislation applicable to the Corporation) and shall be the custodian of all books, papers, records, documents and other instruments belonging to the Corporation except to the extent that some other Person has been appointed for that

purpose, and of the stamp used for affixing the corporate seal, if any, of the Corporation. He or she shall also exercise such other powers and discharge such other duties as the Board or the Shareholder may prescribe from time to time.

- (d) *Treasurer*: The treasurer, under the direction of the Board, shall control the deposit of money, the safekeeping of securities and the disbursement of funds of the Corporation. Whenever required he or she shall render to the Board an account of their transactions as treasurer and report to and advise the Board on the financial position and requirements of the Corporation and the results of its operations. He or she shall also exercise such other powers and discharge such other duties as the Board or the Shareholder may prescribe from time to time.
- (e) *Other Officers*: The powers and duties of all other Officers of the Corporation shall be such as the terms of their engagement call for or as the Shareholder may prescribe from time to time. Any of the powers and duties of an Officer to whom an assistant has been appointed may be exercised and discharged by such assistant, unless the Shareholder otherwise directs.

The Board may from time to time further specify the duties of each Officer, delegate to him or her powers to manage any business or affairs of the Corporation (including the power to sub-delegate) and change such duties and powers, all insofar as not prohibited by the Act.

- 7.05 Employees and Agents: Subject to the Shareholder Direction, the Board or any Officer designated by it may from time to time appoint or engage the services of employees, agents and other personnel for the Corporation as may be required to perform such duties and exercise such powers as may be assigned to them by the Board or Officer (including the power to sub-delegate).

ARTICLE EIGHT – CONDUCT OF DIRECTORS AND OFFICERS AND INDEMNITY

- 8.01 Standard Care: Every Director and Officer of the Corporation in exercising his or her powers and discharging his or her duties shall act honestly and in good faith with a view to the best interests of the Corporation and shall exercise the care, diligence and skill that a reasonably prudent Person would exercise in comparable circumstances.
- 8.02 Conflict of Interest: The Directors and Officers of the Corporation shall strictly abide by the conflict of interest requirements of the *Municipal Conflict of Interest Act*, R.S.O. 1990, c. M.50, as amended or replaced from time to time, the Act, the HSA, the Region and the Shareholder, regarding conflicts of interest, including requirements concerning disclosure and abstention from voting.
- 8.03 Indemnity: Every Person who at any time is or has been a Director or Officer of the Corporation or who at any time acts or has acted at the Corporation's request as a director or officer of a body corporate of which the Corporation is or was a shareholder or creditor, and the heirs and legal representatives of every such Person, shall at all times be indemnified by the Corporation in every circumstance where the Act so permits or requires. In addition and without prejudice to the foregoing and subject to the limitations in the Act regarding indemnities in respect of derivative actions, every Person who at any time is or has been a Director or Officer of the Corporation or properly incurs

or has properly incurred any liability on behalf of the Corporation or who at any time acts or has acted at the Corporation's request (in respect of the Corporation or any other Person) and their heirs and legal representatives, shall at all times be indemnified by the Corporation against all costs, charges and expenses, including an amount paid to settle an action or satisfy a fine or judgment, reasonably incurred by him or her in respect of or in connection with any civil, criminal or administrative action (pending, under way or completed) to which he or she is or may be made a party, or in which he or she is or may become otherwise involved, and all appeals therefrom, if, as a Director or Officer:

- (a) he or she acted honestly and in good faith with a view to the best interests of the Corporation; and
- (b) in the case of a criminal or administrative action or proceeding that is enforced by a monetary penalty, he or she had reasonable grounds for believing his or her conduct was lawful.

Nothing in this section shall affect any other right to indemnity to which any Person may be or become entitled by contract or otherwise. From time to time the Board may determine that this section shall also apply to the employees of the Corporation who are not Directors or Officers of the Corporation or to any particular one or more or class of such employees, either generally or in respect of a particular occurrence or class of occurrences and either prospectively or retroactively. From time to time thereafter the Board may also revoke, limit or vary the continued such application of this section.

8.04 Limitation of Liability: Subject to paragraph 8.01, no Director or Officer shall be liable for the acts, receipts, neglects or defaults of any other Director or Officer or employee, or for any loss, damage or expense to the Corporation through the letting or subletting of land or premises owned or managed by the Corporation or through the insufficiency or deficiency of title to any property acquired for or on behalf of the Corporation, or for the insufficiency or deficiency in the maintenance, repair or renovation of any building comprising the projects under the control of the Corporation, or for the insufficiency or deficiency of any security in or upon which any of the monies of or belonging to the Corporation shall be invested, or for any loss or damage arising from the bankruptcy, insolvency or tortious acts of any person, firm or corporation with whom or which any monies, securities or effects of the Corporation shall be lodged or deposited, or for any loss, conversion, misapplication or misappropriation of or any damage resulting from any dealings with any monies, securities or other assets belonging to the Corporation, or for any loss occasioned by any error of judgment or oversight on his part in the operation, management or administration of the housing projects under the control of the Corporation, or for any other loss, damage or misfortune whatever, which shall occur in the execution of the duties of his or her office or in relation thereto, unless the same are occasioned by his or her own dishonesty, wilful neglect or wilful default; provided that nothing herein shall relieve any Director or Officer from the duty to act in accordance with the Act or from liability for any breach of the Act.

8.05 Insurance: Subject to the Act, the Corporation may purchase liability insurance for the benefit of any Person referred to in section 8.03 as the Board may from time to time determine.

ARTICLE NINE - SHARES

- 9.01 Share Issuance: The Corporation is deemed upon incorporation to have issued one hundred (100) shares in the capital stock of the Corporation to the Region for nominal consideration.
- 9.02 Restriction on Share Issuance: The Corporation shall not issue shares in the capital of the Corporation in addition to those shares issued prior to the effective date of this By-law unless such shares are issued to the Region.
- 9.03 Restriction on Securities: Any invitation to the public to subscribe for securities of the Corporation is prohibited.
- 9.04 Share Certificates: Every holder of one or more shares of the Corporation is entitled, at the holder's option, to a share certificate, or to a non-transferable written acknowledgment of the holder's right to obtain a share certificate, stating the number and class or a series of shares held by the holder as shown in the records of the Corporation. Share certificates and acknowledgments of a Shareholder's right to a share certificate shall be in such form as the Board shall from time to time approve. Any share certificate shall be signed in accordance with Section 12.01 herein and need not be under the corporate seal.
- 9.05 Replacement of Share Certificates: The Directors may by resolution prescribe, either generally or in a particular case, the conditions upon which a new share certificate may be issued to replace a share certificate which has been defaced, lost, stolen or destroyed.

ARTICLE TEN - DIVIDENDS

- 10.01 Dividends: The Directors of the Corporation shall not declare, and the Corporation shall not pay, any dividend on any issued share of the Corporation.
- 10.02 No Payment of Income: No part of the income of the Corporation shall be payable to or otherwise available for the personal benefit of any Shareholder of the Corporation.

ARTICLE ELEVEN – MEETINGS OF THE SHAREHOLDER

- 11.01 Annual Meeting: Subject to the Act, the annual meeting of the Shareholder shall be held on such day and at such time as the Board may determine from time to time, for the purpose of receiving the financial statements and reports required by the Act to be placed before each annual meeting of the Shareholder, electing Directors (if required), appointing the auditor (if required) and fixing or authorizing the Board to fix its remuneration and transacting such other business as may properly be brought before the meeting.
- 11.02 Special Meeting: From time to time the Board may call a special meeting of the Shareholder to be held on such day and at such time as the Board may determine. Any special meeting of the Shareholder may be combined with an annual meeting.
- 11.03 Place of Meetings: Meetings of the Shareholder shall be held at the registered office of

the Corporation or at such other place as the Board may determine from time to time.

- 11.04 Record Date: The Board may fix in advance a record date, preceding the date of any Meeting of the Shareholder by not more than 60 calendar days nor less than 30 calendar days, for the determination of the Shareholder entitled to Notice of the meeting, and where no such record date for Notice is fixed by the Board, the record date for Notice shall be the close of business on the day immediately preceding the day on which Notice is given. Notice of any such record date fixed by the Board shall be given as and when required by the Act or any other legislation applicable to the Corporation.
- 11.05 Notice: Notice in writing of the time, place and purpose for holding each Meeting of the Shareholder shall be sent not less than 10 calendar days before the date on which the meeting is to be held, to each Director, the auditor (if any) of the Corporation and the Shareholder. Notice of a Meeting of the Shareholder shall state or be accompanied by a statement of the nature of all special business to be transacted at the meeting, in sufficient detail to permit the Shareholder to form a reasoned judgment thereon, and the text of any special resolution or by-law to be submitted to the meeting.
- 11.06 Requisite Material: The written material requisite for any annual or other Shareholder's meeting shall be submitted to the Clerk of the Region, and the inclusion of such material in the documentation distributed by the Clerk of the Region to the members of Council in connection with the meetings at which such documentation is to be considered, shall constitute Notice of such Shareholder's meeting.
- 11.07 Waiver of Notice: The Shareholder and any other person entitled to attend a Meeting of the Shareholder may in any manner and at any time waive Notice of or otherwise consent to a Meeting of the Shareholder.
- 11.08 Financial Statements: Not less than 21 calendar days before each annual Meeting of the Shareholder or before the signing of a resolution in lieu thereof, the secretary shall send a copy of the annual financial statements and reports required by the Act to be placed before the annual meeting to the Shareholder.
- 11.09 Chair and Secretary: The chair of the Shareholder shall chair any Meeting of the Shareholder. In the absence of the chair of the Shareholder, the Persons present and entitled to vote shall choose one of their number to be chair. If the secretary of the Board is absent, the chair of the Board shall appoint some Person, who need not be a shareholder, to act as secretary of the meeting.
- 11.10 Rules of Procedure for Shareholder Meetings: The rules of procedure for the conduct of meetings of the Shareholder shall be the same as the rules of procedure for the conduct of meetings of Council, or such other rules or procedure that the Shareholder may adopt from time to time.
- 11.11 Adjournment: The chair of a Meeting of the Shareholder may, with the consent of the Shareholder, terminate the meeting following the conclusion of all business which may properly come before the meeting or, subject to such conditions as the meeting may decide, may adjourn the meeting from time to time and from place to place.
- 11.12 Signed Resolutions: Subject to the Act, a resolution in writing signed by the Shareholder is as valid as if it had been passed at a Meeting of the Shareholder. Any such resolution

may be signed in counterparts and if signed as of any date shall be deemed to have been passed on such date.

- 11.13 Other Laws, Regulations, etc.: Notwithstanding any provision in this Article 11, the Corporation shall comply with the Act and all legislation applicable to it in the conduct of shareholder meetings.

ARTICLE TWELVE – EXECUTION OF DOCUMENTS

- 12.01 Signing Authorities: Contracts or Documents requiring execution by the Corporation may be signed as follows:
- (a) by the chair, treasurer, secretary, Commissioner of Human Services, GM or their respective designates appointed in writing for particular Contracts or Documents; or
 - (b) otherwise by any two Officers or Directors of the Corporation.

However, the Board may direct from time to time the manner in which and the Person by whom any particular Contract or Document or class of Contracts or Documents may or shall be signed.

- 12.02 Electronic Signature: Subject to the provisions of this By-law relative to share certificates and to the Act, and if authorized by the Board, the corporate seal, if any, of the Corporation and the signature of any signing officer may be mechanically or electronically reproduced upon any Contracts or Documents of the Corporation. Any such electronic signature shall bind the Corporation notwithstanding that any signing officer whose signature is so reproduced may have ceased to hold office at the date of delivery or issue of such Contracts or Documents. All Contracts or Documents so signed shall be binding upon the Corporation without further authorization or formality.
- 12.03 Affixing Corporate Seal: Any Person authorized to sign any Contract or Document may affix the corporate seal.

ARTICLE THIRTEEN - NOTICES

- 13.01 To the Shareholder and Directors: Any Notice or document required or permitted to be sent by the Corporation to the Shareholder or Director or others as required by the Act, by any other legislation applicable to the Corporation or otherwise by law, may be mailed by prepaid Canadian mail in a sealed envelope addressed to, or may be delivered personally to, such Person at their Recorded Address, or may be sent by any other means permitted under the Act.
- 13.02 Electronic Notice: A Notice required or permitted to be sent by the Corporation may be sent by electronic means in accordance with the *Electronic Commerce Act*, 2000, S.O. 2006, c.34.
- 13.03 Deemed Notice: A Notice is deemed to have been given:
- (a) if so mailed, on the fifth calendar day after mailing;

- (b) if delivered personally, at the time delivered; and
 - (c) if delivered by electronic means, at the time of such electronic delivery if sent on or prior to 4pm on the date sent, and otherwise on the next calendar day which is not a Saturday, Sunday or Holiday.
- 13.04 Changes in Recorded Address: The secretary may change the Recorded Address of any Person in accordance with any information the secretary believes to be reliable.
- 13.05 Computation of Days: In computing any period of days or calendar days under the by-laws of the Corporation or the Act, the period shall be deemed to commence on the day following the event that begins the period and shall be deemed to end at midnight on the last day of the period except that if the last day of the period falls on a Holiday, the period shall end at midnight of the day next following that is not a Holiday.
- 13.06 Omissions and Errors: The accidental omission to give any Notice to any Person, or the non-receipt of any Notice by any Person or any immaterial error in any Notice shall not invalidate any action taken at any meeting held pursuant to such Notice.
- 13.07 Waiver of Notice: Any Person entitled to attend a Meeting of the Shareholder or Directors or a committee thereof may in any manner and at any time waive Notice of such meeting, and attendance of such Person at any meeting is a waiver of Notice thereof except where the attendance is for the express purpose of objecting to the transaction of any business on the grounds that the meeting is not lawfully called.
- 13.08 Waiver of Time Requirement: Where any Notice or document is required to be given under the Articles or by-laws or the Act, the Notice may be waived or the time for sending the Notice or document may be waived or abridged at any time with the consent in writing of the Person entitled thereto. Any meeting may be held without Notice or on shorter Notice than that provided for in the by-laws if all Persons not receiving the Notice to which they are entitled waive Notice of or accept short Notice of such meeting.

ARTICLE FOURTEEN – BANKING AND FISCAL

- 14.01 Banking Arrangements: The banking business of the Corporation shall be transacted with such banks, trust companies or other Persons as the Board may designate from time to time and all such banking business shall be transacted on behalf of the Corporation by the Persons as the Board may determine from time to time. The Board may limit the specific powers of any Person in respect of the transaction of banking business.
- 14.02 Electronic Fund Transfer: All electronic fund transfers by the Corporation shall be authorized in such manner and by such Officer or Persons as the Board may from time to time designate.
- 14.03 Signing of Cheques: All cheques and other negotiable instruments for the payment of money shall be signed in such manner and by such Officers or Persons as the Board may from time to time designate.
- 14.04 Borrowing Power: The Board shall have the power to borrow subject to Shareholder approval.

- 14.05 Financial Year: The financial year of the Corporation shall end on the 31st day of December in each year or otherwise on such day of the year as the Board may determine from time to time.

ARTICLE FIFTEEN – REPEAL AND AMENDMENT

- 15.01 Repeal and Amendment: The Board may repeal and amend all or any part of this by-law.

ARTICLE SIXTEEN – REPEAL OF BY-LAW NUMBER 1

- 16.01 Repeal of By-Law Number 1: Upon this By-law coming into force, By-law Number 1 (enacted January 23, 2003), as amended, is repealed, provided that such repeal shall not affect its previous operation or the validity of any act done or any right, privilege, obligation or liability acquired or incurred pursuant to By-law Number 1 prior to its repeal. The validity of resolutions of the Shareholder or Board with continuing effect passed under the repealed By-law Number 1 shall continue, except to the extent inconsistent with this By-law.

Enactment

ENACTED by the Board this 1st day of May, 2019.

Catherine Matheson
Chair

Kathryn Lockyer
Secretary

Confirmation by the Shareholder

CONFIRMED by the Shareholder this 27th day of June, 2019.

Nando Iannicca
Regional Chair

PEEL HOUSING CORPORATION

BY-LAW 2-2019

A by-law respecting the borrowing of money by Peel Housing Corporation, and to repeal By-law No. 2 enacted December 14th, 2006.

1. Definitions: In this by-law, unless the context otherwise requires:
 - (a) "Articles" means the articles of arrangement of the Corporation as amended or restated from time to time;
 - (b) "Board" means the board of directors of the Corporation;
 - (c) "Corporation" means Peel Housing Corporation;
 - (d) "Directors" means the duly elected or appointed directors of the Corporation;
 - (e) "HSA" means *Housing Services Act, 2011*, S.O. 2011, Chapter 6 or any successor statute, as amended or replaced from time to time, and the regulations thereunder;
 - (f) "OBCA" means the *Business Corporations Act (Ontario)*, R.S.O. 1990 c.B.16 or any successor statute, as amended or replaced from time to time, and the regulations thereunder;
 - (g) "Officers" means an officer of the Corporation;
 - (h) "Shareholder" means The Regional Municipality of Peel acting as the sole shareholder and owner of Peel Housing Corporation; and
 - (i) "Shareholder Direction" means the written declaration by the Shareholder dated December 13, 2018, as may be amended, revised or superseded from time to time.
2. In addition to, and without limiting such other powers which the Corporation may by law possess, and subject to and to the extent permitted by the HSA, OBCA, the Shareholder Direction, and the Articles of the Corporation, the Directors may without authorization of the Shareholder:
 - (a) borrow money upon the credit of the Corporation;
 - (b) issue, reissue, sell or pledge debt obligations of the Corporation;

- (c) give a guarantee on behalf of the Corporation to secure the performance of an obligation; and
- (d) mortgage, hypothecate, pledge or otherwise create a security interest in all or any property of the Corporation, owned or subsequently acquired, to secure any obligation of the Corporation.

The words "debt obligation" as used in subparagraph (b) above mean a bond, debenture, note or other similar obligation or guarantee of such an obligation of the Corporation, whether secured or unsecured.

3. The Directors may from time to time by resolution delegate the powers conferred on them by paragraph 2 of this by-law to a Director, a committee of Directors or an Officer of the Corporation.
4. The power hereby conferred shall be deemed to be in supplement of and not in substitution for any powers to borrow money for the purpose of the Corporation possessed by its Directors or Officers independently of a borrowing by-law.
5. Upon this By-law 2-2019 coming into force, By-law No.2 (enacted December 14, 2006), is repealed, provided that such repeal shall not affect its previous operation, or the validity of any act done, or any right, privilege, obligation or liability acquired or incurred pursuant to By-law No.2 prior to its repeal. The validity of resolutions of the Shareholder or the Board with continuing effect passed under the repealed By-law No.2 shall continue, except to the extent inconsistent with this By-law 2-2019.

Enactment

ENACTED by the Board this 5th day of June, 2019.

Catherine Matheson
Chair

Kathryn Lockyer
Secretary

Confirmation by the Shareholder

CONFIRMED by the Shareholder this 27th day of June, 2019.

Nando Iannicca
Regional Chair

PEEL HOUSING CORPORATION

BY-LAW 3-2019

A by-law establishing financial principles to provide guidance towards the goal of ensuring the long-term financial health of the Peel Housing Corporation, and to repeal By-law No. 3 enacted May 10, 2007.

1. Definitions: In this by-law, unless the context otherwise requires:

(a) Financial Terminology

- i) "Assets" means capital assets that are used to produce or provide goods or services. They have a useful life extending beyond one accounting period (e.g. a year), are used on a continuing basis and are not for sale in the ordinary course of operations;
- ii) "Borrow" means the act of issuing debt or other financial instruments for the purpose of raising funds;
- iii) "Capital Budget" means the annual Peel Housing Corporation Board approved plan for expenditures and financing sources to acquire or construct capital assets;
- iv) "Capital Forecast" means the projection of expenditures and financing sources for years beyond the Capital Budget approval year in which the forecast is made;
- v) "Capital Plan" means the combined Capital Budget and Capital Forecast;
- vi) "Financial Health" means the overall financial condition of Peel Housing Corporation as indicated by its Financial Flexibility, Financial Sustainability and Financial Vulnerability;
- vii) "Financial Flexibility" means the degree to which Peel Housing Corporation can change its debt to meet its financial obligations;
- viii) "Financial Principles" means the guidelines to be adopted by Peel Housing Corporation for best practice related to the investment and financing decisions of the corporation; which principles are set out in Schedule A, attached to and forming part of this by-law;
- ix) "Financial Sustainability" means the degree to which planned service and infrastructure levels can be met without resorting to disruptive cuts to services;
- x) "Financial Vulnerability" means the degree to which Peel Housing Corporation is dependent on sources of funding outside its control or influence or is exposed

to risks that could impair its ability to meet existing financial obligations and commitments;

xi) "Reserve" means the unrestricted accumulation of appropriations from net revenues. Reserves include Working Fund Reserve, Capital Financing, Capital Construction and Infrastructure Replacement;

xii) "Reserve Fund" means the accumulation of appropriations from net revenues for purposes which are restricted by law or by the direction of Council contained in the by-law establishing the Reserve Fund, or funding agreement;

xiii) "Users" means residents and businesses who use a service or services provided by Peel Housing Corporation; and

xiv) "Working Fund Reserve" means a Reserve arising from the operating surplus to minimize annual fluctuations in revenue and expenses.

(b) Organizational Structure

i) "Board" means the board of directors of Peel Housing Corporation;

ii) "Chief Administrative Officer" means the Chief Administrative Officer of The Regional Municipality of Peel and any person who has been authorized to temporarily act as the Chief Administrative Officer during the incumbent's absence or a vacancy in the office;

iii) "Chief Financial Officer" or "CFO" means the Chief Financial Officer of The Regional Municipality of Peel and any person who has been authorized to temporarily act as the Chief Financial Officer during the incumbent's absence or a vacancy in the office;

iv) "Council" means the Council of The Regional Municipality of Peel;

v) "General Manager" means the General Manager of Peel Housing Corporation or any person appointed to act in the place of that individual or their designate;

vi) "Shareholder" means The Regional Municipality of Peel acting as the sole shareholder and owner of Peel Housing Corporation;

vii) "Shareholder Direction" means the written declaration by the Shareholder dated December 13, 2018, as may be amended, revised or superseded from time to time; and

viii) "Treasurer" means the Treasurer of Peel Housing Corporation.

2. The Financial Principles for Financial Sustainability, to manage Financial Vulnerability and for Financial Flexibility set out in the first column of Schedule A to this by-law are adopted by Peel Housing Corporation as principles to provide guidance towards the goal of ensuring the long term Financial Health of Peel Housing Corporation.

3. The Meanings attributed to the principles set out in Schedule A are to be considered for purposes of interpretation but shall not be considered to be exhaustive or prescriptive.
4. The Policy Alignments identified in Schedule A refer to the policy or legal instruments which are the primary means of advancing the corresponding principle.
5. To the extent that the policies or legal instruments identified under the Policy Alignment column in Schedule A have been adopted by Peel Housing Corporation, reference in those policies or legal instruments to "Council" shall be interpreted to mean the Board, references to "Chief Administrative Officer" shall be interpreted to mean the General Manager, and references to "Chief Financial Officer" shall be interpreted to mean the Treasurer.
6. The Treasurer shall undertake a review of this by-law not less frequently than once every seven years and report to the Board results of such review.
7. The Treasurer, upon the recommendation in writing of the CFO, is authorized to create, implement, amend and revoke policies for the financial administration of Peel Housing Corporation which are consistent with the Financial Principles adopted in this by-law and those of The Regional Municipality of Peel as outlined in the Shareholder Direction.
8. Upon this By-law 3-2019 coming into force, By-law No.3 (enacted May 10, 2007) is repealed, provided that such repeal shall not affect its previous operation, or the validity of any act done, or any right, privilege, obligation or liability acquired or incurred pursuant to By-law No.3 prior to its repeal. The validity of resolutions of the Shareholder or the Board with continuing effect passed under the repealed By-law No.3 shall continue, except to the extent inconsistent with this By-law 3-2019.

Enactment

ENACTED by the Board this 5th day of June, 2019.

Catherine Matheson
Chair

Kathryn Lockyer
Secretary

Confirmation by the Shareholder

CONFIRMED by the Shareholder this 27th day of June, 2019.

Nando Iannicca
Regional Chair

SCHEDULE A to By-Law 3-2019

1. Financial Principles for Financial Sustainability

	Financial Principle	Meaning	Policy Alignment (ROP)
1.	Ensure the Capital Plan is Sustainable	<ul style="list-style-type: none"> Reserves and Reserve Funds should be funded to the levels required for their purposes Capital expenditures are reviewed in context of affordability Operating impact of capital is sustainable and affordable 	Reserve Policy
2.	Maintain Assets	<ul style="list-style-type: none"> State of Good Repair will be maintained in alignment with infrastructure replacement plans to the extent that we are informed by the Regional Housing Master Plan. Infrastructure is replaced when it can be demonstrated that the replacement cost and subsequent maintenance cost are less expensive than maintaining the existing Asset in a state of good repair over the same period of time subject to funding availability. 	Asset Management Policy
3.	Deliver Value for Money	<ul style="list-style-type: none"> Continuously find efficiency and quality improvements to manage and deliver services. 	Procurement By-Law

2. Financial Principle for Financial Vulnerability

	Financial Principle	Meaning	Policy Alignment (ROP)
1.	Make Responsible Investments	<ul style="list-style-type: none"> Cash balances are invested in accordance with internal policies and regulatory requirements, in such a way to maximize returns while minimizing risk. 	Investment Policy Budget Policy
2.	Work with partners, including funders, to maintain economic viability of the community	<ul style="list-style-type: none"> Timing of major expenditure are aligned with Regional Plan, and recognize available funding opportunities from all available funding sources. 	Regional Official Plan Housing Master Plan

3. Financial Principles to Manage Financial Flexibility

	Financial Principle	Meaning	Policy Alignment (ROP)
1.	Maintain Flexibility to Mitigate Volatility	<ul style="list-style-type: none"> Reserves and Reserve Funds are used to fund unanticipated potential 	Reserve Policy

		<p>liabilities, stabilizing revenues and expenditures that are subject to cyclical fluctuations, extraordinarily large purchases, or self-financing on-going activities</p> <ul style="list-style-type: none"> • Any Annual surplus is used to maintain long term financial sustainability of Peel Housing Corporation. 	Budget Policy
2.	Borrow only for social housing properties to ensure long-term financial flexibility.	<ul style="list-style-type: none"> • Debt is issued for specified properties or capital programs. • Debt repayment period cannot exceed the useful life of the Asset for which the debt is incurred, not to exceed 40 years. 	<p>Debt Policy</p> <p>Cash Management Strategy</p>



REPORT
Meeting Date: 2019-06-27
Peel Living Annual General Meeting

DATE: June 14, 2019

REPORT TITLE: **2019 APPOINTMENT AND REMUNERATION OF EXTERNAL AUDITORS**

FROM: Dan Labrecque, General Manager, Peel Housing Corporation
Stephanie Nagel, Treasurer, Peel Housing Corporation

RECOMMENDATION

That Deloitte LLP be appointed as the Corporation's Auditors to hold office until the close of the next annual meeting, pursuant to the award from the Request for Proposal for External Audit Services for the Regional Municipality of Peel and Peel Housing Corporation, Fiscal Years 2019 to 2020;

And further, that the audit fee for the 2019 fiscal year be set at \$18,972 (excluding application taxes);

And further, that the Treasurer be authorized to approve additional remuneration for the auditors during this period in the event of additional audit requirements.

REPORT HIGHLIGHTS

- The Region of Peel issued a Request for Proposal ("RFP") for the External Audit Services, Fiscal Years 2016 to 2020 for both the Region of Peel and Peel Housing Corporation.
- The RFP was competitively bid and Deloitte LLP won the award.
- The *Ontario Business Corporations Act* requires that the Shareholder of Peel Housing Corporation annually appoint an external auditor.
- The audit fees for 2019 are increased by \$553 (3 per cent), to \$18,972 (\$18,419 in 2018).
- Deloitte LLP has demonstrated considerable municipal and housing auditing experience.

DISCUSSION

An RFP for the external audit services was last issued in 2016 for the Fiscal Years 2016 to 2020 for both the Region of Peel and Peel Housing Corporation; and Regional Council awarded the contract to Deloitte LLP. As the appointment for the external auditor was previously approved by Regional Council, it is before the Shareholder for confirmation.

Deloitte demonstrated an excellent overall understanding of the complexities of performing the audit services for both Peel Housing Corporation and the Region of Peel.

2019 APPOINTMENT AND RENUNERATION OF EXTERNAL AUDITORS

Deloitte LLP is the auditor for various municipal housing corporations across Ontario and the senior audit staff who will be serving the Region of Peel and Peel Housing Corporation have extensive experience in performing municipal and housing audits.

Under the *Ontario Business Corporations Act*, section 149, the shareholders of Peel Living must, at each annual meeting, appoint the external auditors to hold office until the close of the next annual general meeting.

FINANCIAL IMPLICATIONS

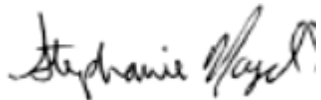
Sufficient funds are available in the 2019 budget for the annual audit fees.

CONCLUSION

In accordance with the Purchasing By-law 2013-113 and the requirements under the *Ontario Business Corporations Act*, section 149, it is recommended that Deloitte LLP be awarded the contract for the External Audit Services for the 2019 fiscal year for an annual audit fee of \$18,972 excluding applicable taxes.



Dan Labrecque, General Manager, Peel Living



Stephanie Nagel, Treasurer, Peel Housing Corporation

For further information regarding this report, please contact Stephanie Nagel at extension 7105 or via email @ stephanie.nagel@peelregion.ca.

Reviewed in workflow by:

Purchasing



REPORT
Meeting Date: 2019-06-27
Peel Living Annual General Meeting

DATE: June 5, 2019

REPORT TITLE: **2019 RATIFICATION AND CONFIRMATION OF THE ACTIONS OF THE CORPORATION**

FROM: Kathryn Lockyer, Secretary, Peel Housing Corporation

RECOMMENDATION

That all the by-laws and resolutions of the Corporation and all acts of the Corporation undertaken in good faith from June 28, 2018 to the present, be ratified and confirmed.

REPORT HIGHLIGHTS

- It is necessary to ratify and confirm all resolutions and acts of the Corporation from the last Annual Shareholder Meeting to the present.

DISCUSSION

It is common practice for the Shareholder of Peel Housing Corporation to, at least once a year, ratify and confirm all preceding by-laws, resolutions and acts of the Corporation that were undertaken in good faith from the previous year and since the last Annual Shareholder meeting. In addition to the Annual Shareholder meeting, a Special Meeting of the Shareholder was held in 2018.

The Shareholder, at the last Annual Shareholder meeting held on June 28, 2018, ratified and confirmed all preceding by-laws, resolutions and acts of the Corporation that were undertaken in good faith from the previous year.

It is now necessary to ratify and confirm all resolutions and acts of the Corporation from the last Annual Shareholder Meeting to the present. The Minutes of Board of Directors meetings are available for review by the Shareholder through the Office of the Secretary.

Kathryn Lockyer, Secretary, Peel Housing Corporation

For further information regarding this report, please contact Kathryn Lockyer, ext. 4325 or kathryn.lockyer@peelregion.ca

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