



DATE: June 6, 2018 **REPORT NO.** CS2018-065

TO: Chair and Members, Brant & Brantford Local Housing Corporation

FROM: Cheryl L. Glassford, Legal Counsel

| | | |
|------------|-----------------------|---|
| 1.0 | TYPE OF REPORT | CONSENT ITEM <input checked="" type="checkbox"/> |
| | | ITEM FOR CONSIDERATION <input type="checkbox"/> |

2.0 **TOPIC**

Ownership and governance of the Brant and Brantford Local Housing Corporation
[Financial Impact – None] (CS2018-0650)

3.0 **RECOMMENDATION**

THAT the report regarding ownership and governance of the Brant and Brantford Local Housing Corporation BE RECEIVED for information.

4.0 **PURPOSE**

The purpose of this report is to advise the Committee about the ownership structure and governance of the Brant and Brantford Local Housing Corporation ("LHC").

5.0 **BACKGROUND**

Prior to 2001, housing in this area was governed by a crown corporation known as the Brant and Brantford Housing Authority. As part of the devolution of authority to the municipal level, the *Social Housing Reform Act* ("SHRA") was enacted and the City of Brantford was appointed under the SHRA as the Service Manager for the City of Brantford and the County of Brant. The SHRA was subsequently replaced by the *Housing Services Act*.

The LHC by Articles of Incorporation on December 14, 2000, bearing Ontario Corporation No. 2000546. A copy of the Articles of Incorporation are attached as Appendix 'A'. The LHC is governed by the *Ontario Business Corporations Act*. The purpose of the LHC, as stated in the Articles of Incorporation is to:

- (i) Provide, operate and maintain housing accommodation, in accordance with governing legislation;
- (ii) Administer programs providing rent-geared-to-income assistance;
- (iii) Provide accommodation for persons with special needs;
- (iv) Any matter with respect to which the corporation and the Minister, the service manager, or any other person may enter into an agreement under the legislation; and
- (v) Any other matter prescribed by the legislation.

Upon incorporation, 100 common shares were issued to The Corporation of the City of Brantford. These are the only shares which have been issued. A copy of the Shareholder's Register is attached as Appendix 'B'. As a result, the City is the sole shareholder of the LHC.

The LHC adopted by-Law No. 1, on December 15, 2000, a copy of which is attached as Appendix 'C' ("Bylaw"). The Bylaw governs corporate matters, including but not limited to Directors, Meetings, Remuneration, Officers and Personnel, Shareholder Meetings and Shares. Based on the Bylaw, the Board shall consist of no less than two and no more than thirteen Directors. The Directors are elected by the Shareholder.

On May 9, 2001, a Unanimous Shareholder Declaration was adopted, a copy of which is attached as Appendix 'D' ("Declaration"). The Declaration declared that the business and affairs of the LHC will be managed and supervised by the City, through the Social Services Committee.

The Declaration also referenced that a Management Services Agreement ("MSA") was to be executed whereby work of the LHC would be undertaken by City Staff. A copy of the MSA has not been located. It cannot be determined whether such MSA was ever executed, or whether it has been lost over time. However, the LHC has no employees, and all work relating to the LHC, and its assets, is completed by City Staff, as if such an agreement had been executed.

On January 21, 2002, the City and the LHC entered into an agreement regarding the assets and management of the LHC, a copy of which is attached as Appendix 'E' ("Trust Agreement"). This agreement declares that all assets are held in the capacity of bare trustee for the benefit of the City and that equitable title and beneficial interests in the assets of the LHC were transferred to the City. Upon request or direction of the City, the LHC will convey the legal title of the assets. Additionally, the LHC assigned all rights and privileges to the City. In exchange, the City assumed all contractual and other obligations in respect of the assets. Finally, the Trust Agreement directed that agreements were to be in the name of the City and not the LHC.

6.0 CORPORATE POLICY CONTEXT

Pillar 4 – Excellence in Governance & Municipal Management:

The LHC was created as a means of managing portions of the affordable housing portfolio.

7.0 INPUT FROM OTHER SOURCES

Kevin O'Hara – Manager, Housing Operations
Maryellen MacLellan – Director of Housing

8.0 ANALYSIS

Following the adoption of the SHRA, an information report was presented to the Social Service Committee on January 15, 2001. A copy of this information report is attached as Appendix 'F' ("Information Report"). The Information Report outlined the status of the new LHC following adoption of the SHRA in late 2000. The most interesting thing in this Information Report is that the Province created the LHC, and issued the shares to the City.

This means that the initial decision to make the City, as Service Manager, the sole shareholder of the LHC was made by the Province. The question of whether to issue additional shares, or to transfer a portion of the existing shares to the County appears to have never been considered.

However, at this time, rather than assessing the viability of transferring shares, or issuing additional shares, Staff in the Housing Division of the Public Health, Safety & Social Services Department intend to analyze whether the LHC continues to serve a valid purpose. It is expected that such analysis will support a conclusion that the continuation of the LHC is no longer merited. In such a case, a report will be brought forward regarding a potential voluntary dissolution of the corporation.

9.0 FINANCIAL IMPLICATIONS

There are no new financial implications.

10.0 CONCLUSION

The LHC is a separate legal entity, and is governed by the *Ontario Business Corporation Act* and by its own governance documents. The City is the sole shareholder of the LHC and is the sole beneficial owner of all assets of the LHC. An analysis on the merits of dissolution of the LHC, in conjunction with a consolidation of the City owned affordable housing portfolio, will be undertaken by Housing Staff and will be the subject of a future report.


Cheryl Glassford, Legal Counsel

Attachments
Appendix A – Articles of Incorporation

Appendix B – Shareholder's Register

Appendix C – Bylaw No. 1

Appendix D – Unanimous Shareholder Declaration

Appendix E – Trust Agreement

Appendix F – Information Report of Patricia Lester, Assistant City Solicitor, dated January 15, 2001

In adopting this report, is a by-law or agreement required? If so, it should be referenced in the recommendation section.

By-law required

☐ yes

☒ no

Agreement(s) or other documents to be signed by Mayor and/or City Clerk

☐ yes

☒ no

Is the necessary by-law or agreement being sent concurrently to Council?

☐ yes

☒ no

Appendix A -
Articles of Incorporation

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3245007

Ontario Corporation Number

Numéro de la compagnie en Ontario

2000546

FORM 1

FORMULE NUMÉRO 1

BUSINESS CORPORATIONS ACT

LOI SUR LES COMPAGNIES

ARTICLES OF INCORPORATION
STATUTS CONSTITUTIFS

1. The name of the corporation is: *Dénomination sociale de la compagnie:*
BRANT AND BRANTFORD LOCAL HOUSING CORPORATION
2. The address of the registered office is: *Adresse du siège social:*
38 DARLING ST 102
(Street & Number, or R.R. Number & if Multi-Office Building give Room No.)
(Rue et numéro, ou numéro de la R.R. et, s'il s'agit d'édifice à bureau, numéro du bureau)
BRANTFORD ONTARIO
CANADA N3T 6A8
(Name of Municipality or Post Office) (Postal Code/Code postal)
(Nom de la municipalité ou du bureau de poste)
3. Number (or minimum and maximum number) of directors is: *Nombre (ou nombres minimal et maximal) d'administrateurs:*
2 13
4. The first director(s) is/are: *Premier(s) administrateur(s):*
First name, initials and surname *Resident Canadian State Yes or No*
Résident Canadien Oui/Non
Prénom, initiales et nom de famille
Address for service, giving Street & No. *Domicile élu, y compris la rue et le*
numéro, le numéro de la R.R., ou le nom
de la municipalité et le code postal
or R.R. No., Municipality and Postal Code
* ROBERT L. YES
LANCASTER
24 KENSINGTON AVE
BRANTFORD ONTARIO
CANADA N3R 3N7

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2000546

4. The first director(s) is/are:

President(s) administrateur(s):

First name, initials and surname
Prénom, initiales et nom de familleResident Canadian State Yes or No
Résident Canadien Oui/NonAddress for service, giving Street & No.
or R.R. No., Municipality and Postal CodeDomicile élu, y compris la rue et le
numéro, le numéro de la R.R., ou le nom
de la municipalité et le code postal* TOM
DINSMORE

YES

105 MINTERN AVE

BRANTFORD ONTARIO
CANADA N3S 1L4* RANDOLPH
COVEY

YES

R.R. #3

PARIS ONTARIO
CANADA N3L 3E3* PAUL
URBANOWICZ

YES

107 BRANT AVE

BRANTFORD ONTARIO
CANADA N3T 3H4* VERN
GALE

YES

55 THOMPSON RD

BRANTFORD ONTARIO
CANADA N3T 5L4* JOHN
STARKEY

YES

100 WELLINGTON SQUARE

BRANTFORD ONTARIO
CANADA N3T 5R7

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2000546

4. The first director(s) is/are:

Premier(s) administrateur(s):

First name, initials and surname
Prénom, initiales et nom de famille

Resident Canadian State Yes or No
Résident Canadien Oui/Non

Address for service, giving Street & No.
or R.R. No., Municipality and Postal Code

Domicile élu, y compris la rue et le
numéro, le numéro de la R.R., ou le nom
de la municipalité et le code postal

* PATRICIA E
FRANKLIN

YES

182 MURRAY ST

BRANTFORD ONTARIO
CANADA N3S 5R5

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5. Restrictions, if any, on business the corporation may carry on or on powers the corporation may exercise.
Limites, s'il y a lieu, imposées aux activités commerciales ou aux pouvoirs de la compagnie.

The business of the corporation shall be restricted to:

- i. the provision and operation and maintenance of housing accommodation, with or without any public space, recreational facilities, commercial space or buildings appropriate thereto, in accordance with the Act,
- ii. the administration of programs providing rent-geared-to-income assistance to households of low to moderate income in accordance with the Act,
- iii. the provision of accommodation for persons having special needs,
- iv. any matter with respect to which the corporation and the Minister, the service manager or any other person may enter into an agreement under the Act,
- v. any other matter that is prescribed under the Act,

and the corporation shall exercise no powers other than those required in the carrying on of such business and actions reasonably incidental thereto.

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6. The classes and any maximum number of shares that the corporation is authorised to issue:
Catégories et nombre maximal, s'il y a lieu, d'actions que la compagnie est autorisée à émettre:

The corporation may issue common shares only. Subject to item 8, there are no limits on the number of common shares that may be issued.

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7. Rights, privileges, restrictions and conditions (if any) attaching to each class of shares and directors authority with respect to any class of shares which may be issued in series:
Droits, privilèges, restrictions et conditions, s'il y a lieu, rattachés à chaque catégorie d'actions et pouvoirs des administrateurs relatifs à chaque catégorie d'actions que peut être émise en série:

(a) The directors of the corporation shall not declare, and the corporation shall not pay, any dividend on any issued share of the corporation.

(b) 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.

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- B. The issue, transfer or ownership of shares is/is not restricted and the restrictions (if any) are as follows:

L'émission, le transfert ou la propriété d'actions est/n'est pas restreinte. Les restrictions, s'il y a lieu, sont les suivantes:

(a) Subject to clause (b), without the prior written consent of the Minister, no share or beneficial interest therein shall be allotted, issued or transferred to, or owned by, any person other than the service manager.

(b) Despite clause (a) and subject to clause (c), the corporation may issue shares to, or the service manager may transfer shares or beneficial interest in shares to,

i. a related municipality;

ii. a corporation, the objects of which include the provision of housing, which is prohibited by its instrument of incorporation, legislation, or both, from carrying on business for profit and which is controlled by the service manager or a related municipality; or

iii. a non-profit housing corporation incorporated under section 13 of the Housing Development Act which is controlled by the service manager or a related municipality,

which may own such shares or a beneficial interest therein.

(c) Shares may not be issued or transferred in a manner that would result in the service manager owning less than a majority of the issued and outstanding shares in the capital of the corporation.

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9. Other provisions, (if any, are):
Autres dispositions, s'il y a lieu:

(a) The corporation shall not issue any invitation to the public to subscribe for the securities of the corporation.

(b) The corporation shall not, without the prior written consent of the Minister, amalgamate with a corporation other than,

i. a corporation, the objects of which include the provision of housing, which is prohibited by its instrument of incorporation, legislation, or both, from carrying on business for profit and which is controlled by the service manager or a related municipality; or

ii. a non-profit housing corporation incorporated under section 13 of the Housing Development Act which is controlled by the service manager or a related municipality.

(c) The corporation shall not, without the prior written consent of the Minister, transfer or mortgage or otherwise encumber any real property transferred to it under the Act or grant or dispose of any interest in such real property except to,

i. a related municipality;

ii. a corporation, the objects of which include the provision of housing, which is prohibited by its instrument of incorporation, legislation, or both, from carrying on business for profit and which is controlled by the service manager or a related municipality; or

iii. a non-profit housing corporation incorporated under section 13 of the Housing Development Act which is controlled by the service manager or a related municipality.

(d) The corporation shall not, without the prior written consent of the Minister, transfer or mortgage or otherwise encumber any real property transferred to it under the Act, or develop or redevelop such real property or grant or dispose of any interest in such real property unless,

i. the transfer of such real property by a transfer order made under the Act has been registered as required by section 42 of the Act; and

ii. the transaction complies with any criteria for such a transaction as may be prescribed by regulation made under the Act.

(e) Despite clauses (c) and (d), the corporation may without the consent

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9. Other provisions, (if any, are):
Autres dispositions, s'il y a lieu:

of the Minister,

i. lease an individual residential unit in a housing project located on real property transferred to the corporation under the Act for a term not exceeding one year;

ii. lease to any person any part of the property transferred to the corporation under the Act that is not an individual residential unit if the transfer order made under the Act with respect to that property has been registered as required by section 42 of the Act.

(f) Except for,

i. remuneration from the service manager;

ii. remuneration from another municipality paid pursuant to section 244 of the Municipal Act as amended from time to time, including any successor legislation; and

iii. reimbursement for reasonable expenses incurred in performance of duties as directors of the corporation,

the directors of the corporation shall serve without remuneration in their capacity as directors, as officers if applicable, or in any other capacity and no director shall directly or indirectly receive any profit or payment of any nature from the corporation on any basis.

(g) In addition to its other powers under the Business Corporations Act, the board of directors of the corporation may from time to time take any steps required for the rezoning of any real property owned by the corporation in order to facilitate or enable the development thereof.

(h) On dissolution or winding up of the corporation, any assets remaining after satisfaction of and lawful provision for all debts, obligations and liabilities of the corporation shall be distributed solely to the service manager.

(i) Despite clause (h) if any shares of the corporation upon the date of its dissolution or winding up are owned by,

i. a related municipality;

ii. a corporation, the objects of which include the provision of housing, which is prohibited by its instrument of incorporation,

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9. Other provisions, (if any, are):
Autres dispositions, s'il y a lieu:

legislation, or both, from carrying on business for profit and which is controlled by the service manager or a related municipality; or

111. a non-profit housing corporation incorporated under section 13 of the Housing Development Act which is controlled by the service manager or a related municipality,

any assets remaining after satisfaction of and lawful provision for all debts, obligations and liabilities of the corporation shall be distributed in proportion to the number of shares owned by the service manager and by each of the municipalities or corporations referred to in clauses i to 111.

(j) In these articles,

"Act" means the Social Housing Reform Act, 2000, as amended from time to time, and includes any successor legislation;

"corporation" means the corporation named in item 1;

"Minister" means the Minister of Municipal Affairs and Housing, or such other member of the Executive Council as may be assigned the administration of the Act under the Executive Council Act;

"related municipality" means a municipality within the service area of the service manager as designated in a regulation under Part II of the Act that does not form part of the municipality of the service manager for municipal purposes;

"service manager" means the City of Brantford.

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10. The names and addresses of the incorporators are
Nom et adresse des fondateurs

First name, initials and last name
or corporate name

*Prénom, initiale et nom de
famille ou dénomination sociale*

Full address for service or address of registered office or of principal place of business
giving street & No. or R.R. No., municipality and postal code
*Domicile élu, adresse du siège social ou adresse de l'établissement principal, y compris
la rue et le numéro, le numéro de la R.R., le nom de la municipalité et le code postal*

* MEREDITH BERESFORD

777 BAY ST 2ND FLOOR

TORONTO ONTARIO
CANADA M5G 2E5

MINISTRY OF MUNICIPAL AFFAIRS & HOUSING

SHAREHOLDERS' REGISTER

[illegible]

Appendix C
Bylaw No. 1

BY-LAW NO. 1

A by-law relating generally to the conduct of the business and affairs of the Local Housing Corporation.

Brant and Henshford Local Housing Corporation
(herein called the "Corporation")

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| 5. Remuneration of Directors | 13. Notices |
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| 7. Standard of Care and Liability of Directors and Officers | 15. Repeal and Amendment |
| 8. Indemnification of Directors and Officers | 16. Effective Date |

BE IT ENACTED as a by-law of the Corporation as follows:

1. INTERPRETATION

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

- (a) "Act" means the *Business Corporations Act* of the Province of Ontario together with the regulations made pursuant thereto and any statutory regulations that may be substituted therefor, as amended from time to time;
- (b) "Articles" means the articles of incorporation 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 the by-law;
- (e) "Corporation" means the Corporation;
- (f) "dssab service manager" means a service manager that is a district social services administration board;
- (g) "Director" means a director of the Corporation;
- (h) "independent municipality" means a municipality within the service area of a municipal service manager that does not form part of the municipality of the municipal service manager for municipal purposes;
- (i) "Minister" means the Minister of Municipal Affairs and Housing or such other member of the Executive Council as may be assigned the administration of the *Social Housing Reform Act, 2000* under the *Executive Council Act*;
- (j) "municipal service manager" means a service manager that is a municipality;
- (j.1) "notice" means written or electronic notice;
- (k) "person" means an individual, a corporation, the Crown, a municipality, an agency, a board, a commission or any other entity;
- (l) "recorded address" means, in the case of a shareholder, his address as recorded in the shareholders' register; and, in the case of a Director, officer, auditor or member of a committee of the Board, his latest address recorded in the records of the Corporation;
- (m) "related municipality" means an independent municipality in the related service manager's service area in the case of a municipal service manager, or a municipality in the related service manager's service area, in the case of a dssab service manager;
- (n) "related service manager", in relation to the Corporation, means the service manager to whom common shares of the Corporation are deemed to have been issued under section 22(7) of the *Social Housing Reform Act, 2000*;
- (o) "service manager" means a municipality, agency, board or commission designated as a service manager under subsection 4(1) of the *Social Housing Reform Act, 2000*; and

1.02 In this by-law where the context requires, words importing the singular include the plural and vice versa and words importing gender include the masculine, feminine and neuter genders.

- 1.03 Save as aforesaid, all the words and terms appearing in this by-law shall have the same definitions and application as in the Act.
- 1.04 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.

2. REGISTERED OFFICE AND SEAL

- 2.01 The registered office of the Corporation shall be as specified by the Board.
- 2.02 The Corporation may have a corporate seal which shall be adopted and may be changed by resolution of the Board.

3. DIRECTORS

- 3.01 The Board shall consist of no less than two (2) and no more than thirteen (13) Directors.
- 3.02 Appointment/Election and Term -
 - (a) A Director may be appointed/elected for a term of three (3) years.
 - (b) Despite clause 3.02(a), a Director shall remain in office until a successor is appointed.
- 3.03 Chair - The Board shall appoint a Chair who shall preside at meetings and may perform any other duties assigned by the Board.
- 3.04 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.
- 3.05 Removal - The shareholders may, by ordinary resolution passed at a meeting of shareholders, remove any Director or Directors from office before the expiration of his or their respective terms and may, by a majority of the votes cast at the meeting, elect any person in his place for the remainder of his term.
- 3.06 Vacating of Office - A Director ceases to hold office when he dies, resigns, is removed from office by the shareholders, or become disqualified to serve as a Director.
- 3.07 Vacancies - Where a vacancy occurs on the Board, the shareholder(s) may appoint a new Director to fill the vacancy.

4. MEETINGS OF DIRECTORS

- 4.01 Meetings by Telephone - Where all the Directors present at or participating in the meeting have consented, any Director may participate in a meeting of the Board or of a

committee of the Board by means of conference telephone, electronic or other communications facilities as permit all persons participating in the meeting to communicate with each other, simultaneously and instantaneously, and a Director participating in such a meeting by such means is deemed to be present at the meeting.

- 4.02 **Calling of Meetings** - Meetings of the Board shall be held from time to time at such place, at such time and on such day any two other Directors may determine, and the secretary shall call meetings when directed or authorized by that person(s). Notice of every meeting so called shall be given to each Director not less than 48 hours (excluding any part of a Sunday and of a holiday as defined by the *Interpretation Act (Ontario)*) before the time when the meeting is to be held, except that no notice of meeting shall be necessary if all the Directors are present or if those absent have waived notice of or otherwise signified their consent in the holding of such meeting.
- 4.03 **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, but 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.
- 4.04 **First Meeting of New Board** - Each newly elected Board may without notice hold its first meeting provided that a quorum of Directors is present.
- 4.05 **Quorum** - A majority of the Directors constitutes a quorum at any meeting of Directors.
- 4.06 **Chair** - the chair of any meeting of the Board shall be
 - (a) the Chair; or
 - (b) if the Chair is not available, another Director who is present at the meeting and selected by the Directors who are present.
- 4.07 **Votes to Govern** - At all meetings of the Board, each Director shall have one vote and every question shall be decided by a majority of votes cast on the question.
- 4.08 **Casting Vote** - In the case of an equality of votes on any question at a meeting of the Board, the chair of the meeting shall be entitled to be a second or casting vote.
- 4.09 **Resolution in Lieu of Meeting** - A resolution in writing, signed by all the Directors entitled to vote on that resolution at a meeting of Directors or committee of Directors, is as valid as if it had been passed at a meeting of Directors or committee of Directors. A copy of every such resolution shall be kept with the minutes of the proceedings of the Directors or committee of Directors.
- 4.10 **Delegation** - Directors may appoint from their number a committee of Directors and delegate to such committee any of the powers of the Directors. 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, to elect its chair and to regulate its procedure.

- 4.11 **Conflict of Interest - Disclosure of Interest in Contracts** - Every Director or officer of the Corporation who is a party to a material contract or transaction or proposed material contract or transaction with the Corporation, or is a Director or officer of or has a material interest in any person who is a party to a material contract or transaction or proposed material contract or transaction with the Corporation, shall disclose in writing to the Corporation or request to have entered in the minutes of the meeting of Directors the nature and extent of his interest at the time and in the manner required by the Act. Any such contract or proposed contract shall be referred to the Board or shareholders for approval even if such contract is one that in the ordinary course of the Corporation's business would not require approval by the Board or the shareholders, and a director interested in a contract so referred to the Board shall not vote on any resolution to approve the same except as provided by the Act.

5. REMUNERATION OF DIRECTORS

- 5.01 **Remuneration** - The Directors of the Corporation, 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 position or in any other capacity, except for:
- (a) remuneration from the related service manager or another municipality paid pursuant to section 244 of the *Municipal Act* as amended from time to time, including any successor legislation; and
 - (b) reimbursement for reasonable expenses incurred in the performance of duties as Directors of the Corporation.

6. OFFICERS AND PERSONNEL

- 6.01 **Appointment** - The Board shall from time to time appoint a chief executive officer, a Secretary, a Treasurer, or a Secretary-Treasurer and may appoint a deputy chief executive officer and such other officers as the Board may determine. The Board may specify the duties of, and in accordance with this by-law, delegate to such officers powers to manage the business and affairs of the Corporation.
- 6.02 **Terms and Remuneration** - The terms of employment and remuneration of all officers elected or appointed by the Board, other than those who are Directors, and the remuneration of employees, shall be determined by resolution of the Board. The Board shall also have the power to authorize the reimbursement of any Director or officer of the Corporation for reasonable expenses incurred in the performance of duties.
- 6.03 **Chief Executive Officer** - The Board shall appoint a chief executive officer who shall be responsible for the general supervision of the day-to-day business and affairs of the Corporation and shall have such other powers and duties as the Board may specify.
- 6.04 **Secretary** - The Board shall from time to time appoint a Secretary. The Secretary shall attend all meetings of the Directors, shareholders and committees of the Board and shall enter or cause to be entered in books kept for that purpose, minutes of all proceedings at such meetings; he shall give, or cause to be given, when instructed, notices required to be given to shareholders, Directors, auditor and members of committees; he shall be the custodian of the stamp or mechanical device generally used for affixing the corporate seal of the Corporation and of all books, papers, records, documents and other instruments belonging to the Corporation; and he shall perform such other duties as may from time to time be prescribed by the Board.
- 6.05 **Treasurer** - The Board shall from time to time appoint a Treasurer. The Treasurer shall keep, or cause to be kept, proper accounting records as required by the Act; he shall deposit, or cause to be deposited, all monies received by the Corporation in the Corporation's bank account; he shall, under the direction of the Board, supervise the safekeeping of securities and the disbursement of the funds of the Corporation; he shall render to the Board, whenever required, an account of all his transactions as Treasurer and of the financial position of the Corporation; and he shall perform such other duties as may from time to time be prescribed by the Board.
- 6.06 **Other Officers** - The duties of all other officers of the Corporation shall be such as the terms of their engagement call for or the Board requires of them. Any of the powers and duties of an officer to whom an assistant has been appointed may be exercised and performed by such assistant, unless the Board otherwise directs.
- 6.07 **Engaging of Employees** - The Board may engage, or arrange for the services of, employees, agents and other personnel as may be required to perform such duties and exercise such powers as may be assigned to them by the Board.

- 6.08 **Remuneration of Officers and Employees** - The Board shall have the power to fix the remuneration payable to the Corporation's officers (other than those who are Directors) and employees.
- 6.09 **Conflict of Interest** - An officer shall disclose his interest in any material contract or transaction or proposed material contract or transaction with the Corporation in accordance with Section 4.11 herein.

7. STANDARD OF CARE AND LIABILITY OF DIRECTORS AND OFFICERS

- 7.01 **Standard of Care** - Every Director and officer of the Corporation, in exercising his powers and discharging his duties, shall act honestly and in good faith with a view to the best interests of the Corporation, and exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.
- 7.02 **Limitation of Liability** - Subject to paragraph 7.01, 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 happening 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 happen in the execution of the duties of his office or in relation thereto, unless the same are occasioned by his 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. INDEMNIFICATION OF DIRECTORS AND OFFICERS

8.01 **Indemnification** - The Corporation shall indemnify and save harmless every Director or officer of the Corporation, or other person who has undertaken or is about to undertake, any liability on behalf of the Corporation, and his heirs, executors, administrators and estate shall be indemnified and saved harmless, out of the funds of the Corporation, from and against:

- a) all costs, charges and expenses which such Director, officer or other person sustains or incurs in respect of any action, suit or proceedings which are brought, commenced or prosecuted against him in respect of any act, deed or matter made, done or permitted by him, in respect of the execution of the duties of his office or in respect to any such liability; and
- b) all other costs, charges and expenses which he sustains or incurs in relation to the affairs thereof;

except such costs, charges or expenses as are occasioned by his own dishonesty, wilful neglect or wilful default.

8.02 **Insurance** - The Corporation may purchase and maintain such insurance for the benefit of its Directors and officers as such, as the Board may from time to time determine.

9. MEETINGS OF SHAREHOLDERS

9.01 **Annual Meetings** - The annual meeting of shareholders of the Corporation shall be held at such time and on such day in each year as the Board may from time to time determine, for the purposes of receiving the reports and statements required by the Act to be laid before the annual meeting, electing Directors, appointing auditors and fixing or authorizing the Board to fix their remuneration, and for the transaction of such other business as may properly be brought before the meeting.

9.02 **Special Meetings** - The Board may at any time call a special meeting of shareholders for the transaction of any business which may properly be brought before such meeting of shareholders.

9.03 **Place of Meeting** - Meetings of shareholders shall be held at the registered office of the Corporation, or at such other place as the Board from time to time determines.

9.04 **Notice of Meetings** - Notice of the time and place of each meeting of shareholders shall be sent not less than five (5) days before the date of the meeting to the auditor of the Corporation, to each Director, and to each person whose name appears on the records of the Corporation at the close of business on the day next preceding the giving of the notice as a shareholder entitled to vote at the meeting. Notice of a special meeting of shareholders shall state:

- (a) the nature of the business to be transacted at the meeting in sufficient detail to permit the shareholders to form a reasoned judgment on the business; and
- (b) the text of any special resolution or by-law to be submitted to the meeting.

A shareholder and any other person entitled to attend a meeting of shareholders may in any manner and at any time waive notice of or otherwise consent to a meeting of shareholders.

- 9.05 **Persons Entitled To Be Present** - The only persons entitled to attend a meeting of shareholders shall be those entitled to vote at the meeting, the Directors and the auditor of the Corporation and others who although not entitled to vote are entitled or required under any provision of the Act or by-laws of the Corporation to be present at the meeting. Any other persons may be admitted only on the invitation of the chair of the meeting or with the consent of the meeting.
- 9.06 **Quorum** - The holders of a majority of the shares entitled to vote at a meeting of shareholders present in person constitute a quorum for the transaction of business at any meeting of shareholders.
- 9.07 **One-Shareholder Meeting** - If the Corporation has only one shareholder, the shareholder present through a person duly authorized to represent the shareholder constitutes a meeting.
- 9.08 **Right to Vote** - At any meeting of shareholders, unless the Articles otherwise provide, each share of the Corporation entitles the holder to one vote.
- 9.09 **Votes to Govern** - All questions proposed for the consideration of the shareholders at a meeting shall be decided by a majority of the votes. In case of equality of votes, the chair of the meeting shall be entitled to a second or casting vote.
- 9.10 **Show of Hands** - At all meetings of shareholders every question shall be decided by a show of hands. Upon a show of hands, every person present and entitled to vote has one vote regardless of the number of shares he represents. Whenever a vote by show of hands shall have been taken upon a question, a declaration by the chair that the vote upon the question has been carried by a particular majority, or not carried, and an entry to that effect in the minutes of the meeting, shall be prima facie evidence of the fact.
- 9.11 **Adjournment** - The chair of a meeting of shareholders may, with the consent of the meeting and subject to such conditions as the meeting may decide, adjourn the meeting from time to time and from place to place.
- 9.12 **Resolution in Lieu of Meeting** - Except where a written statement with respect to the subject matter of the resolution is submitted by a Director or the auditor in accordance with the Act,

- (i) a resolution in writing signed by all the shareholders entitled to vote on that resolution at a meeting of shareholders is as valid as if it had been passed at a meeting of the shareholders; and
- (ii) a resolution in writing dealing with any matter required by the Act to be dealt with at a meeting of shareholders, and signed by all the shareholders entitled to vote at that meeting, satisfies all the requirements of the Act relating to that meeting of shareholders.

10. SHARES AND TRANSFERS

- 10.01 First Share Issuance** - The Corporation is deemed upon incorporation to have issued one hundred (100) shares in its capital stock of the Corporation to the related service manager for nominal consideration.
- 10.02 Common Shares and Acquisition of Shares** - The Corporation may issue common shares only and only a related service manager and a related municipality may acquire common shares in the capital of the Corporation as a result of a share issuance, share transfer or amalgamation, subject to the restrictions specified in paragraphs 10.03, 10.04 and 10.05.
- 10.03 Restrictions on Share Issuance** - The Corporation shall not issue shares pursuant to 10.02 without the prior written consent of the Minister unless they are issued to:
- (i) the related service manager,
 - (ii) a related municipality,
 - (iii) a non-profit corporation controlled by the related service manager or a related municipality, but only if an object of the non-profit corporation is the provision of housing, or
 - (iv) a non-profit housing corporation incorporated under section 13 of the *Housing Development Act* and that is controlled by the related service manager or a related municipality;

and the share issuance does not result in the related service manager owning legally or beneficially less than a majority of the issued and outstanding common shares in the capital of the Corporation.

- 10.04 Restrictions on Share Transfers** - A shareholder of the Corporation shall not, without the prior written consent of the Minister, transfer or encumber the shareholder's legal or beneficial ownership in shares in the capital of the Corporation, and the Corporation shall not, without the prior written consent of the Minister, permit, acquiesce in, approve, ratify, recognize or register any transfer or encumbrance of legal or beneficial ownership in shares in its capital, unless the transfer or encumbrance is made to or in favour of:

- (i) the related service manager,
- (ii) a related municipality,
- (iii) a non-profit corporation controlled by the related service manager or a related municipality, but only if an object of the non-profit corporation is the provision of housing, or
- (iv) a non-profit housing corporation incorporated under section 13 of the *Housing Development Act* and that is controlled by the related service manager or a related municipality;

and the transfer or encumbrance does not and cannot result in the related service manager owning legally or beneficially less than a majority of the issued and outstanding common shares in the capital of the Corporation,

10.05 Restriction on Amalgamation - The Corporation shall not amalgamate with another corporation without the prior written consent of the Minister unless the other corporation is,

- (a) a non-profit corporation controlled by the related service manager or a related municipality, but only if an object of the non-profit corporation is the provision of housing; or
- (b) a non-profit housing corporation incorporated under section 13 of the *Housing Development Act* and that is controlled by the related service manager or a related municipality.

10.06 Restriction on Voluntary Dissolution or Winding Up - The Corporation shall not, without the prior written consent of the Minister, be voluntarily dissolved unless all real property that was transferred by a transfer order has been transferred to one or more of the following persons:

- (i) The related service manager,
- (ii) A related municipality,
- (iii) A non-profit corporation controlled by the related service manager or a related municipality, but only if an object of the non-profit corporation is the provision of the housing,
- (iv) A non-profit housing corporation incorporated under section 13 of the *Housing Development Act* and that is controlled by the related service manager or a related municipality.

10.07 Restriction on Securities - Any invitation to subscribe for securities of the Corporation is prohibited.

- 10.08 Share Certificates - Every holder of one or more shares of the Corporation is entitled, at his option, to a share certificate, or to a non-transferable written acknowledgment of his right to obtain a share certificate, stating the number and class or a series of shares held by him 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.
- 10.09 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.

11. DIVIDENDS

- 11.01 The Directors of the Corporation shall not declare, and the Corporation shall not pay, any dividend on any issued share of the Corporation.
- 11.02 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.

12. EXECUTION OF DOCUMENTS

- 12.01 Signing Officers - Deeds, transfers, assignments, contracts and obligations of the Corporation may be signed by the chief executive officer or any other person designated by the Directors. Notwithstanding this, the Board may at any time and from time to time direct the manner in which and the person or persons by whom any particular deed, transfer, contract or obligation or any class of deeds, transfers, contracts or obligation or any class of deeds, transfers, contracts or obligations may be signed.
- 12.02 Seal - Any person authorized to sign any document may affix the corporate seal.

13. NOTICES

- 13.01 Giving Notice - The giving (including the sending, delivering or serving) of any notice (including any communication or other document) pursuant to the Act, the Articles or by-laws shall be sufficiently given if delivered personally or by facsimile to the intended recipient or to the intended recipient's recorded address, or if mailed by prepaid post.
- 13.02 Deemed Notice - A notice is deemed to have been given in the case of personal delivery or by facsimile at the time of such delivery or facsimile. A mailed notice is deemed to have been received, in the absence of a postal disruption, five (5) days after the mailing.
- 13.03 Omissions and Errors - The accidental omission to give any notice, or the non-receipt of any notice, or any error in any notice not affecting its substance, shall not invalidate any action taken at any meeting held pursuant to such notice or otherwise founded on the notice.

- 13.04 Waiver of Notice - Any person entitled to a notice may at any time in writing waive same or abridge the time for its delivery, and any such waiver, whether given before or after the conduct of the business to which the notice relates shall cure any default in the giving or timeliness of such notice.

14. BANKING AND FISCAL

- 14.01 Banking - The banking business of the Corporation shall be transacted with such banks, trust companies or other bodies corporate or organizations as may from time to time be designated by or under the authority of the Board under such agreements, instructions, and delegation of powers, subject to paragraph 12.01 as the Board may from time to time authorize.
- 14.02 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.
- 14.02 Financial Year - The financial year of the Corporation shall terminate on the 31st day of December in each year.

15. REPEAL AND AMENDMENT

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

16. EFFECTIVE DATE

- 16.01 Effective Date - This by-law shall come into force on the 15th day of December, 2000.

ENACTED by the Minister on the 15 day of December, 2000.


Minister of Municipal Affairs and Housing

Appendix D
Shareholder Declaration

BRANT/BRANTFORD LOCAL HOUSING CORPORATION - MAY 9, 2001 - PAGE 3

CORPORATION OF THE CITY OF BRANTFORD

UNANIMOUS SHAREHOLDER DECLARATION

FOR

BRANT AND BRANTFORD LOCAL HOUSING CORPORATION

WHEREAS the Brant and Brantford Local Housing Corporation is a private business corporation, incorporated under the *Business Corporations Act* (Ontario), to administer social housing in the Service Area;

AND WHEREAS, City Council, as the sole shareholder of the Brant and Brantford Local Housing Corporation appointed a Board of Directors to manage the business and affairs of the Brant and Brantford Local Housing Corporation; such directors being comprised of members from the Social Services Sector Committee, a standing Committee of City Council;

AND WHEREAS under section 108(3) of the *Business Corporations Act* (Ontario), City Council as sole shareholder may make a declaration that restricts in whole or in part the powers of the directors to manage or supervise the management of the business and affairs of a corporation;

NOW THEREFORE BE IT RESOLVED THAT:

1. The Corporation of the City of Brantford Council, through the Social Services Sector Committee, is entrusted to manage or supervise the management of the business and affairs of the Brant and Brantford Local Housing Corporation; and that
2. City Council direct Staff to prepare a Management Services Agreement between the City and the Brant and Brantford Local Housing Corporation, whereby the Social Services and Housing Department of the City of Brantford, will manage and fund municipal housing and administer and fund social housing for the Service Area; and that
3. The Management Services Agreement be brought back to Council at such time as the employees of the Brant and Brantford Local Housing Corporation become employees of the City.

Appendix E
Trust Agreement

This Agreement made this 21 day of Jan 2001

BETWEEN:

THE CORPORATION OF THE CITY OF BRANTFORD
[referred to as the "City"]

- and -

BRANT AND BRANTFORD LOCAL HOUSING CORPORATION
[referred to as "LHC"]

WHEREAS the Brant and Brantford Local Housing Corporation is a private business corporation, incorporated under the *Business Corporations Act* (Ontario) to administer social housing in the Service Area, in accordance with the *Social Housing Act*;

AND WHEREAS by Unanimous Shareholder Declaration, the City through the Social Services Sector Committee was entrusted to manage or supervise the management of the business and affairs of the LHC;

AND WHEREAS the Parties shall have regard to the fact that the City, as the Service Manager is the sole shareholder of the LHC;

AND WHEREAS the Parties are desirous of entering into an Agreement whereby the City will manage, administer, and fund municipal housing for the Service Area;

NOW THEREFORE IN CONSIDERATION of the mutual covenants herein contained and the provision of other good and valuable consideration by each Party hereto to each of the others (the receipt and adequacy of which is acknowledged) the Parties hereto have agreed as follows:

Definitions:

"assets" - means all assets of the LHC, whether real or personal, wheresoever situate and (without limiting the generality of the foregoing) includes:

- [a] all real property of the LHC;
- [b] all equipment of the LHC;
- [c] all materials of the LHC;
- [d] choses in action, the benefit of any agreements and other entitlements of the LHC;
- [e] reversionary interests in existing leases of the LHC; and
- [f] any assets, which may hereinafter be acquired by the LHC.

1. Declaration of Trust

The LHC hereby declares that the assets are held in the capacity of bare trustee for the benefit of the City. The equitable title and all beneficial interests in the assets are hereby transferred to the City.

2. Legal Title

Despite Section 1, the LHC will retain legal title to the assets and shall, upon request of the City, convey the assets to the City or as the City may direct.

3. Assumption of Obligations

The City assumes all contractual and other obligations, burdens, liabilities and responsibilities in respect of the assets and business affairs of the LHC.

4. Assignment of Rights

The LHC assigns to the City all rights, privileges, remedies and choses in action in relation to the assets.

5. Agreements

Where it is proposed to lease any of the assets (either to residential tenants or otherwise), such leases shall be drawn showing the City as Landlord and not the LHC.

All other agreements in relation to the assets or the business affairs of the LHC, shall be in the name of the City.

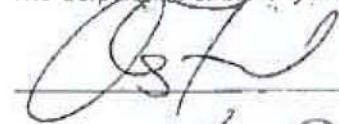
6. Effective Date

This Agreement shall be effective January 1, 2002.

IN WITNESS WHEREOF THE PARTIES HAVE EXECUTED THIS AGREEMENT

The Corporation of the City of Brantford

Per:



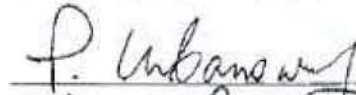
Mayor



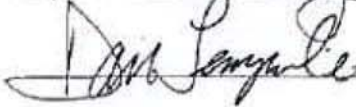
Clerk

The Brant and Brantford Local Housing Corporation

Per:



Chair



C.E.O.

Appendix F
Information Report, dated January 15, 2001



THE CORPORATION OF THE CITY OF BRANTFORD

INFORMATION REPORT

DATE: January 15, 2001

REPORT TO: Chair P. Urbanowicz and Members of the Social Services Sector Committee

REPORT FROM: Patricia Lester, Assistant City Solicitor *Patricia Lester*

SUBJECT: BRANT AND BRANTFORD LOCAL HOUSING CORPORATION

On December 14, 2000, the Province proclaimed the *Social Housing Reform Act* that transferred the administration of social housing to municipalities. Under the Act the Minister has created a local housing corporation called the "Brant and Brantford Local Housing Corporation" [referred as "LHC"] and has issued to the Service Manger (City Council) 100 shares in the LHC.

A meeting of the initial board of directors of the LHC has been held and the board has dealt with various matters necessary to operationalize the LHC, pending the appointment by Council of the permanent board of directors. City Council on December 18, 2000 approved the recommendation that the permanent LHC Board of Directors will be comprised of the members of the Social Services Sector Committee.

In order to formalize this approval, a resolution from City Council as "shareholder" of the LHC, must be passed, removing the initial directors and appointing the members of the Social Services Sector Committee as the new directors. Also, the shareholder will confirm By-Law No. 1, which is the general operating by-law and will appoint the auditor for the LHC. It is recommended that this occur at the Council meeting of February 5, 2001.

Once the new directors are appointed, a meeting must be called to deal with a number of outstanding matters. It is recommended that this meeting be held on February 7, 2001, following the Social Services Sector Committee meeting of the same date. At that LHC meeting, the following matters will be dealt with:

1. appointment of the Chair of the Board;
2. appointment of the officers and designation of office (Treasurer and Secretary or Secretary-Treasurer);
3. adoption of corporate seal;
4. adoption of form of share certificate;
5. fixing financial year end;
6. adoption of form of banking resolution required by the Royal Bank of Canada and authorization for signing officers to direct the LHC's bankers;
7. execution by signing officers of initial documentation:
 - (a) Initial Return / Notice of Change
 - (b) Directors and Officers Liability Insurance Application
 - (c) Banking forms
8. establish regular Board meeting dates;
9. adoption of the City's Purchasing Policy and Procedures and other related City policies; and
10. any other Business.

Staff will be assisting the LHC Board of Directors in preparing the necessary documentation in accordance with the *Ontario Business Corporations Act*.