GOVERNANCE, COMMUNICATIONS, HUMAN RESOURCES AND COMPENSATION COMMITTEE MEETING AGENDA
PUBLIC SESSION

Date: July 12, 2017
Time: 9:45 to 11:00 a.m.
Location: Ground floor boardroom, 931 Yonge Street

Revised Agenda

<table>
<thead>
<tr>
<th>Item</th>
<th>Description</th>
<th>Action</th>
<th>Pre-read</th>
<th>Presenter</th>
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<tbody>
<tr>
<td>1.</td>
<td>Chair’s Remarks</td>
<td>Information</td>
<td>Verbal</td>
<td>Chair</td>
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<td>Consent agenda</td>
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<td>2 a)</td>
<td>Approval of Public Meeting Agenda</td>
<td>Approval</td>
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<td>2 b)</td>
<td>Chair’s Poll re: Conflict of Interest</td>
<td>Approval</td>
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<td>Minutes</td>
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<td>2 c)</td>
<td>Confirmation of GCHRCC Public Meeting Minutes of May 12, 2017</td>
<td>Declaration</td>
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<td>Agenda and Conflict of Interest Policy</td>
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<td>2 d)</td>
<td>Business Arising from the Public Meeting Minutes and Action Items Update</td>
<td>Information</td>
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<td>Action Item List</td>
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<td>2</td>
<td>Compliance Reporting Q1 2017</td>
<td>Information</td>
<td>GCHRCC: 2017-23</td>
<td>General Counsel and Corporate Secretary</td>
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<td>3</td>
<td>Donations to United Way</td>
<td>Approval</td>
<td>GCHRCC: 2017-24</td>
<td>Director, Strategic Planning and Stakeholder Relations</td>
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<td>4</td>
<td>City Process for TCHC AGM</td>
<td>Information</td>
<td>GCHRCC: 2017-25</td>
<td>General Counsel and Corporate Secretary</td>
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<td>5</td>
<td>Whistleblower Policy – Procedures</td>
<td>Discussion</td>
<td>Current Policy</td>
<td>General Counsel and Corporate Secretary/Chief Internal Auditor</td>
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<td>6</td>
<td>Review of Scholarship Policy and Procedure</td>
<td>Discussion</td>
<td>Current Policy</td>
<td>VP, Resident and Community Services</td>
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<td>Procedure</td>
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<td>7</td>
<td>Board Strategy Sessions</td>
<td>Discussion</td>
<td>Verbal</td>
<td>Chair</td>
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TERMINATION
The Governance, Communications, Human Resources and Compensation Committee (GCHRCC or Committee) of Toronto Community Housing Corporation (TCHC) held a public meeting on April 6, 2017, in the Main Floor Conference Room, 931 Yonge Street, Toronto, ON M4W 2H2, and via teleconference commencing at 9:27 a.m.

Committee Directors in Attendance: Pamela Taylor, Chair
Joseph Kennedy
Catherine Wilkinson (by teleconference)

Ex Officio Director in Attendance: None

Other Directors in Attendance: None

Regrets: Councillor Joe Cressy

Management Present: Kevin Marshman, President and Chief Executive Officer (Interim)
Mark Johnson, General Counsel and Corporate Secretary
Ted Millward, Legal Counsel - Corporate & Privacy

A quorum being present, the Chair called the meeting to order and Ms. Sonia Fung served as recording secretary.

ITEM 1 CHAIR’S REMARKS
The Chair did not make any remarks.

ITEM 2(A) APPROVAL OF PUBLIC AGENDA AND REVIEW OF AGENDA ORDER

Motion carried ON MOTION DULY MADE by Mr. Kennedy, seconded by Ms. Wilkinson and carried, the GCHRCC approved the agenda as circulated.
ITEM 2(B) DECLARATION OF CONFLICT OF INTEREST

No conflicts were declared.

ITEM 2(C) CONFIRMATION OF PUBLIC MEETING MINUTES OF APRIL 6, 2017

The Committee asked that the following amendments be made to the minutes of the public meeting held on April 6, 2017:

Page 5 of 6, last paragraph should read:

Mr. Spearn indicated that TCHC has had a historical practice of supporting the United Way’s fundraising efforts by matching annual employee United Way payroll contributions because the agencies they fund provide much needed services to TCHC tenants. The Board of Directors contributed $56,629 in 2016 to match payroll pledges. The Committee noted that consideration should be given to assessing this practice for 2017.

Motion carried ON MOTION DULY MADE by Mr. Kennedy, seconded by Ms. Wilkinson and carried, the GCHRCC confirmed the above-captioned minutes with the above-mentioned amendments.

Action Item:

(1) Management to report back with an assessment of future contributions to match payroll pledges to United Way at a future GCHRCC meeting agenda.

ITEM 2(D) BUSINESS ARISING FROM THE MINUTES AND COMMITTEE ACTION ITEMS UPDATE

Motion carried ON MOTION DULY MADE by Mr. Kennedy, seconded by Ms. Wilkinson and carried, the GCHRCC received the report for information.

ITEM 3 UPDATE ON SUBSIDIARIES GCHRCC:2017-29

Mr. Johnson presented the report and answered questions from the GCHRCC.

The Committee was advised that TCHC is targeting to wind-up/dissolve the following 5 subsidiaries in 2017/2018:

Don Mount Court Development Corporation
Access Housing Connections Inc.  
Regent Park Energy Inc.  
Toronto Community Housing Enterprises Inc.  
Railway Lands Development Corporation  
Housing Services Inc.  

The remaining 14 subsidiaries are to be dissolved once operational activities have concluded.

Motion carried  
ON MOTION DULY MADE by Mr. Kennedy, seconded by Ms. Wilkinson and carried, the GCHRCC received the report for information.

ITEM 4 ANNUAL GENERAL MEETING  
PROTOCOL FOR TCHC WHOLLY OWNED SUBSIDIARIES (APPROVAL)  

Mr. Johnson presented the above captioned report and answered questions from the GCHRCC.

The recommendation in the report for TCHC’s wholly owned subsidiaries to meet the requirements to hold annual general meetings by a written resolution was reviewed with the Committee.

The question of how the requirement is met for TCHC’s annual general meeting for its shareholder, the City of Toronto, was also raised. The Committee requested that management contact the City and report back at the next meeting with additional details on the current process implemented by the City for TCHC’s annual general meeting.

The Committee requested that a clause be added to the form resolution included as Appendix 1 that confirms the actions of the directors and officers of the corporation that were undertaken over the year.

Motion carried  
ON MOTION DULY MADE by Mr. Kennedy, seconded by Ms. Wilkinson and carried, the GCHRCC unanimously adopt this report and recommend the following to the Board of Directors:

THAT the Board

(1) authorize the TCHC President and CEO (Interim) to
represent the sole shareholder, TCHC, and conduct annual meetings via written resolution in the form attached as Appendix 1 (with the above mentioned amendment adding a clause to confirm the actions of the officers and directors), for the following subsidiaries that are wholly-owned by TCHC:

i. 2001064 Ontario Inc.
ii. Access Housing Connections Inc.
iii. Alexandra Park Development Corporation
iv. Allenbury Gardens Development Corporation
v. Don Mount Court Development Corporation
vi. Leslie Nymark Development Corporation
vii. Railway Lands Development Corporation
viii. Regent Park Development Corporation
ix. Toronto Affordable Housing Fund
x. Toronto Community Housing Enterprises Inc.; and

(2) authorize the TCHC President and CEO (Interim) and the General Counsel and Corporate Secretary (and their respective designates) to take all actions and execute all necessary documents to implement the above resolutions.

Action Item:

(1) Management to follow up with the City of Toronto on the practice to meet the requirement of an annual general meeting for TCHC and report back at a future meeting.

ITEM 5 POLICY APPROVAL: CONFLICT OF INTEREST POLICY – BOARD OF DIRECTORS

A revised draft Conflict of Interest Policy – Board of Directors was presented. Discussion ensued.

It was acknowledge that the policy was a living document, and it was proposed that it be put forward to the full Board for comment.

The committee identified an incomplete sentence on Page 4 and a grammatical error in point 9 on page 5. Mr. Johnson noted these for correction.
ON MOTION DULY MADE by Mr. Kennedy, seconded by Ms. Wilkinson and carried, the GCHRCC unanimously approved the draft Conflict of Interest Policy for the Board of Directors included as Attachment 1 (with above mentioned revisions) to report:GCHRCC:2017-22 and recommend that it be forwarded to the Board of Directors for review and approval.

ITEM 6 POLICY REVIEW: WHISTLEBLOWER POLICY

A discussion was held on the current Whistleblower Policy, a copy of which was included in the meeting materials.

It was noted that the policy does not provide sufficient guidance on how complaints are addressed. It was suggested that the policy be amended or that a complaint procedure should be considered to address the following:

- complaints made against a member of the Board.
- complaints that are not sufficiently detailed.
- complaints that are frivolous, vexatious or based on innuendo.
- The threshold to trigger an investigation into a complaint and who decides if a complaint is sufficient to trigger investigation.
- A timeline for investigating complaints.
- Ensuring complainants are taken seriously, while also ensuring the person that is the subject of the complaint is made aware of the complaint and provided with an adequate opportunity to respond to it.

The suggestion was made that the Whistleblower policies and procedures of other organizations be researched to determine how they address the issues identified by the Committee.

Action Item:
(1) Management to report back at a future GCHRCC meeting on procedures for the Whistleblower Policy that address the issues identified by the Committee.

ITEM 7 BOARD EVALUATION

A set of draft questions was distributed at the meeting. Discussion ensued.
It was noted that the purpose of the survey is to look at how the Board functions as an entity, on a yearly basis. The survey would be done anonymously. The results would be provided to GCHRCC to be reviewed and discussions would be held with respect to possible improvements. The questionnaire will be submitted to the Board at the upcoming meeting.

ITEM 8  BOARD AND COMMITTEE WORKSHOPS  VERBAL
The Committee briefly discussed holding Board and Committee workshops and working sessions, and a request was made that a discussion on Committee on Board strategy sessions be a future agenda item. The need for Board members to be made aware of outside educational opportunities related to social housing, including the ONPHA conference was also identified.

TERMINATION
The GCHRCC public meeting terminated at 11:05 a.m.
<table>
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<tr>
<th>Report No. and Meeting Date</th>
<th>Description</th>
<th>Status</th>
<th>Target Date</th>
<th>Assigned to</th>
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<tbody>
<tr>
<td>Discussion</td>
<td><strong>Policy Review: Whistleblower Policy</strong>&lt;br&gt;Management to report back at a future GCHRCC meeting on procedures for the Whistleblower Policy.</td>
<td>Follow up discussion scheduled on the July 4th GCHRCC Agenda. Chief Internal Auditor to attend to discuss how the policy is implemented in practice.</td>
<td>July 4th, 2017</td>
<td>General Counsel and Corporate Secretary</td>
</tr>
<tr>
<td>GCHRCC:2017-22</td>
<td><strong>Annual General Meeting Protocol for TCHC Wholly Owned Subsidiaries</strong>&lt;br&gt;Management to follow up with the City of Toronto on the practice to meet the requirement of an annual general meeting for TCHC and report back at a future meeting.</td>
<td>Report addressing this item is on the July 4th GCHRCC Agenda.</td>
<td>July 4th, 2017</td>
<td>General Counsel and Corporate Secretary</td>
</tr>
<tr>
<td>Review of Public Meeting Minutes</td>
<td><strong>Confirmation of Public Meeting Minutes of April 6, 2017</strong>&lt;br&gt;Management to report back with an assessment of future</td>
<td>Report addressing this item is on the July 4th GCHRCC Agenda.</td>
<td>July 4th, 2017</td>
<td>Director of Strategic Planning &amp; Stakeholder Relations</td>
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<td>Report No. and Meeting Date</td>
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<tr>
<td>GCHRCC:2016-40</td>
<td>Corporate Insurance Program Renewal</td>
<td>In progress. Item to be tracked for reporting in 2017.</td>
<td>TBD 2017</td>
<td>Director, Risk Management &amp; Insurance</td>
</tr>
<tr>
<td>GCHRCC:2016-45</td>
<td>Emergency Response Plan Update</td>
<td>Ongoing</td>
<td></td>
<td>Chief Operating Officer</td>
</tr>
<tr>
<td>GCHRCC:2017-13</td>
<td>Donations to Outside Agencies</td>
<td>A discussion of the current scholarship policy and procedure is an agenda item for the July 4th meeting.</td>
<td>July 4th, 2017</td>
<td>VP, Resident and Community Services</td>
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<td>Management to report to the Committee with a review of the Scholarship Programs TCHC participates in.</td>
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<tr>
<td>Review of Action Item List</td>
<td>Item 4 – Business Arising from the Minutes and Committee Action Item List</td>
<td>Management to put the Communications Plan back on the Action Item List.</td>
<td>TBD</td>
<td>Director, Strategic Communications</td>
</tr>
<tr>
<td>April 18, 2016</td>
<td></td>
<td>Additional time is required to produce the plan. Process and timing to be reviewed with GCHRCC Chair.</td>
<td>2017</td>
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<tr>
<td>GCHRCC:2016-05</td>
<td>Item 6 – Update on Enterprise Risk Management</td>
<td>Risk assessments are to be done in a manner to ensure practical impacts on tenants are taken into consideration (with priority on the assessments for summer related activities, in particular the use of BBQs,).</td>
<td>Completed</td>
<td>Director, Risk Management &amp; Insurance</td>
</tr>
<tr>
<td>April 18, 2016</td>
<td></td>
<td>ERM Presentation brought to the Board at the May 29th meeting. Quarterly ERM updates to be provided to the Board - targeted to commence Q4 2017.</td>
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<tr>
<td>GCHRCC:2015-56, NOVEMBER 13</td>
<td>Item 7 – Update on Enterprise Risk Management</td>
<td>Management will report back to GCHRCC and Board, in the second quarter of 2016, with risk appetite statements for approval and the status of the implementation of the corporate wide ERM program, including highest risks</td>
<td>Completed</td>
<td>Director, Risk Management &amp; Insurance</td>
</tr>
<tr>
<td>13, 2015</td>
<td></td>
<td>ERM Presentation brought to the Board at the May 29th meeting. Quarterly ERM updates to be provided to the Board- targeted to commence Q4 2017.</td>
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<td>identified, mitigation strategies and the proposed ERM Framework that clarifies the role of the Board and Management.</td>
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**GCHRCC SEPTEMBER 29, 2014**

**Item 10 – Tenant Directors – Process for Appointment**

The GRHRC requested Management to establish a focus group at the end of the tenant director selection process in April 2015 to identify strengths and weaknesses of the process, to propose improvements and to include tenant consultation.

Report on the review of the tenant board member selection process for 2017 was brought to the RSC Committee on May 30th, 2016, and included a component on tenant consultations.

Management has been advised by the City that the City will take the lead in the review and consultation process. This Item to be reported through RSC with updates provided to GCHRCC through this action item list.

**Reporting through RSC**

**General Counsel and Corporate Secretary**
Compliance Reporting, Q1-2017

Item 2E
July 12, 2017
Governance, Communications, Human Resources and Compensation Committee

Report: GCHRCC:2017-23
To: Governance, Communications, Human Resources and Compensation Committee (GCHRCC)
From: President and Chief Executive Officer (Interim)
Date: June 26, 2017

Strategic Plan Priority: Service Excellence:
- Demonstrate Value for Money and Public Accountability

PURPOSE:
To provide the Governance, Communications, Human Resources and Compensation Committee (GCHRCC) with the Compliance Certificate for Q1, 2017.

RECOMMENDATIONS:
It is recommended that the GCHRCC receive this report for information.

REASONS FOR RECOMMENDATIONS:
In 2012, the Board expressed an interest in a compliance certificate process to provide assurance to the Board that key areas of financial compliance are
formally reviewed and confirmed. Attached, please find the certificate relating to all statutory payments for Q1, 2017.

“Kevin Marshman”

Kevin Marshman
President and Chief Executive Officer (Interim)

ATTACHMENT:
1. Q1, 2017 – Quarterly Compliance Certificate

STAFF CONTACT:
Ismail Ibrahim, Director of Compliance & Legal Counsel
416-981-4241
Ismail.ibrahim@torontohousing.ca
Memo

To: Governance, Communications, Risk, and Human Resources Committee

From: Kevin Marshman
President & Chief Executive Officer (Interim)

Date: June 26, 2017

Re: Quarterly Compliance Certificate

I, Kevin Marshman, in my capacity as President and Chief Executive Officer (Interim) of Toronto Community Housing Corporation, hereby certify that to the best of my knowledge and not in my personal capacity:

1. For the period of January 1, 2017 to March 31, 2017, the following statutory payments have been accounted for, reported to the applicable government body or agency, in a timely manner according to the requirements under law or regulation:

<table>
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<tr>
<th>Government Body or Agency</th>
<th>Statutory Payment</th>
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<tr>
<td>Canada Revenue Agency</td>
<td>• HST monthly remittances</td>
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<td>• Employee Source Deductions (Income Tax, CPP, EI) monthly remittances</td>
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<tr>
<td>OMERS</td>
<td>• Monthly remittances</td>
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<tr>
<td>WSIB</td>
<td>• Monthly remittances</td>
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<tr>
<td>Ontario Ministry of Finance</td>
<td>• Employer Health Tax monthly remittances</td>
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2. I have reviewed, or caused to review, such files, books, and records of Toronto Community Housing Corporation and have made, or caused to be made, such enquiries of Toronto Community Housing Corporation employees under my direct supervision as I have determined necessary for the purpose of this certificate.

Regards,

Kevin Marshman
President & Chief Executive Officer (Interim)
United Way Contribution
Item 3
July 12, 2017
Governance, Communications, Human Resources and Compensation Committee

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<th>Report:</th>
<th>GCHRCC:2017-24</th>
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<tr>
<td>To:</td>
<td>Governance, Communications, Human Resources and Compensation Committee (GCHRCC)</td>
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<tr>
<td>From:</td>
<td>Director, Strategic Planning &amp; Stakeholder Relations</td>
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<td>Date:</td>
<td>June 20, 2017</td>
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PURPOSE:
To seek the Board’s approval for a corporate contribution to the 2017 United Way campaign.

RECOMMENDATIONS:
That the GCHRCC recommend that the Board of Directors approve a contribution to the 2017 United Way campaign equal to the 2017 contributions by employees through payroll deduction.

REASONS FOR RECOMMENDATIONS:
The fundraising campaign provides a common, positive focus that all levels of staff can rally around. It plays an important part in the culture of the company, engaging management, employees and unions. This is an important employee engagement channel and a contributor to staff morale.

Toronto Community Housing and its employees have participated in United Way campaigns since TCHC was created. In the past the corporation, through the Board, has matched employee payroll deductions for the
United Way. In 2016 the corporation contributed $56,629 to match the payroll contributions of employees. The total contribution from TCHC in 2016 was $139,563. In addition to payroll pledges and matching amounts from the corporation, $26,405 was raised through employee events.

The agencies funded by the United Way provide services across Toronto and York Region. These agencies work in our communities and many residents of TCHC receive supports and assistance from these agencies. The funds raised by TCHC go back to agencies that work in TCHC communities. Providing support to these agencies through the United Way is important for TCHC tenants. The focus on the United Way campaign provides an opportunity for employees to see the value of this work.

The United Way of Toronto and York Region is a registered charity that acts as a funder for a large number of agencies in Toronto, and now York Region, that is “dedicated to creating the opportunities people need to improve their lives and build a better future.”

**IMPLICATIONS AND RISKS:**
Continuing the practice of matching employee contributions will be appreciated by staff and project stability and continuity with past practices. Continued participation in this manner helps maintain the good relationships with the major non-governmental agency funder.

Many private corporations match employee contributions. As the City of Toronto does not match employee contributions there is a small risk that the matching could be seen as an inappropriate use of corporate funds. No concern has been raised throughout the history of this practice.

**SIGNATURE:**

“Hugh Lawson”

____________________________________
Hugh Lawson
Director, Strategic Planning & Stakeholder Relations
STAFF CONTACT:
Hugh Lawson, Director, Strategic Planning & Stakeholder Relations
416-981-4216
Hugh.lawson@torontohousing.ca
City Process for TCHC’s Annual General Meeting
Item 4
July 12th, 2017
Governance, Communications, Human Resources and Compensation Committee

Report: GCHRCC:2017-25
To: Governance, Communications, Human Resources and Compensation Committee (GCHRCC)
From: Legal Counsel, Corporate
Date: June 22, 2017

PURPOSE:
To provide the GCHRCC with information on the process to fulfill the requirement for an Annual General Meeting for TCHC.

RECOMMENDATIONS:
It is recommended that the GCHRCC receive this report for information.

REASONS FOR RECOMMENDATIONS:
At its last meeting, the GCHRCC asked that information be provided to the Committee on the current process in place to meet the requirement under the Ontario Business Corporations Act to hold an Annual General Meeting (AGM) of TCHC’s shareholder, the City of Toronto.

In order to satisfy the requirements for an AGM, the City Manager and Deputy City Manager & Chief Financial Officer bring a report to City Council addressing the matters required to be dealt with at an AGM, with the
recommendation that the portion of the City Council meeting at which the report is considered be treated as TCHC’s AGM.

In order to fulfill the substantive requirements of the AGM, the report includes and recommends for receipt by City Council, TCHC's audited annual consolidated financial statements, and recommends the appointment of TCHC’s auditor for the next fiscal year.

The report also recommends for receipt TCHC’s Letter to the Shareholder and Annual Review, which annually are approved by TCHC’s Board and are to be forwarded to the Executive Committee pursuant to the requirements of the Shareholder Direction.

The report to the City’s Executive Committee addressing the AGM and 2016 Audited Financial Statements is provided for reference as Attachment 1 to this report.

SIGNATURE:

“Ted Millward”

______________________________

Ted Millward
Legal Counsel, Corporate

ATTACHMENT:

1. TCHC Annual General Meeting and 2016 Audited Financial Statements

STAFF CONTACT:

Ted Millward, Legal Counsel, Corporate
416-981-4280
ted.millward@torontohousing.ca
Toronto Community Housing Corporation – Annual General Meeting and 2016 Audited Financial Statements

Date:  May 31, 2017
To:  Executive Committee
From:  City Manager and Deputy City Manager & Chief Financial Officer
Wards:  All Wards

SUMMARY

This report recommends the actions necessary to comply with the requirements of the Ontario Business Corporations Act (OBCA) for holding an Annual General Meeting of the Shareholder of Toronto Community Housing Corporation (TCHC), including receipt of TCHC's 2016 audited annual consolidated financial statements and appointment of the auditor for TCHC for 2017.

This report also contains a recommendation that TCHC delay the development of its next strategic plan until after City Council has decided on the implementation of the recommendations in the Tenants First report.

RECOMMENDATIONS

The City Manager and the Deputy City Manager & Chief Financial Officer recommend that:

1. City Council treat the portion of the City Council meeting at which this Report is considered as the Annual General Meeting of the Shareholder for Toronto Community Housing Corporation, and:

a) receive the Letter to the Shareholder and Annual Review from the Toronto Community Housing Corporation's Chair of the Board of Directors and Interim President and Chief Executive Officer dated April 25, 2017 and related attachments, forming Attachment 1 to this report;

b) receive TCHC's 2016 Audited Annual Consolidated Financial Statements for the period ending December 31, 2016, and the auditor's report dated April 26, 2017, forming Attachment 2 to this report; and
c) re-appoint PricewaterhouseCoopers LLP, Chartered Accountants, as the auditor for TCHC for fiscal year 2017 at the fee provided in the City's agreement with that firm.

2. City Council, as shareholder, approve a delay to the development of TCHC's next strategic plan until after City Council has decided on the implementation of the recommendations in the Tenants First report.

3. City Council direct the City Clerk to forward a copy of the "Toronto Community Housing Corporation Consolidated Financial Statements December 31, 2016", forming Attachment 2 to this report, to the Audit Committee for information.

**FINANCIAL IMPACT**

TCHC’s 2016 financial statements indicate net income of $41.4 million (an increase of $14.2 million over 2015), total assets of $3.247 billion (a decrease of $8.0 million over 2015), and total liabilities of $2.257 billion (a decrease of $46.8 million over 2015). Shareholder’s equity increased by $38.8 million in 2016 to $989.9 million, and the value of TCHC's housing projects increased by $160.6 million to $2.768 billion.

**DECISION HISTORY**

TCHC's previous annual shareholder meeting, at which its 2015 financial statements were considered, was held by City Council at its meeting held on July 12, 2016 as Item EX7.13.


On March 31, 2015, City Council approved PricewaterhouseCoopers LLP, Chartered Accountants, as the Auditor for 2015-2019 for the City and certain City Agencies and Corporations, including Toronto Community Housing Corporation.

http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2015.AU1.20

An Amended and Restated Shareholder Direction for TCHC was adopted by City Council at its meeting held on November 13, 14, 15 and 18, 2013 as Item EX35.5 to remove outdated references, update reporting procedures, increase transparency and improve accountability of TCHC. The Shareholder Direction sets out the shareholder's objectives, establishes governance principles for TCHC and its subsidiaries and the powers of the Board of Directors, and details the accountability and reporting requirements for TCHC to the City.

http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2013.EX35.5
COMMENTS

1. Background

Subsection 154 (1) of the Ontario Business Corporations Act (OBCA) requires that the Shareholder receive TCHC's audited annual financial statements and the report of the auditor at the annual meeting of the Shareholder. Subsection 94 (1) requires that the directors of TCHC call an annual meeting of its Shareholder by no later than fifteen months after holding the last preceding annual meeting, which was held by City Council at its meeting of July 12, 2016.

Section 149 (2) of the OBCA requires that TCHC's Shareholder at each annual meeting appoint one or more auditors to hold office until the close of the next annual meeting, and allows the Shareholder to authorize the directors to fix the auditor's remuneration.

The City's Shareholder Direction to TCHC requires that it prepare an annual report and audited consolidated financial statements and submit them to City Council through the Executive Committee. TCHC is required to report annually on the items identified in Attachment 1 in the section entitled Additional Information Reported by TCHC to the Shareholder Annually which follows the TCHC 2016 Annual Review.

TCHC's Board of Directors approved its 2016 annual report and 2016 annual consolidated financial statements at its meeting held on April 25, 2017.

2. Appointment of Auditor

The City’s Auditor General, every 5 years, conducts a competitive process to select an external auditor. On March 31, 2015, City Council approved PricewaterhouseCoopers LLP, Chartered Accountants, as the Auditor for 2015-2019 for the City and certain City Agencies and Corporations, and other programs and funds as set out in AU1.20, including for the TCHC.

As a result, this report recommends that PricewaterhouseCoopers LLP be appointed as the Auditor for the TCHC for the fiscal year 2017 at the fee provided for in the City's agreement with that firm.

3. Key Achievements in 2016

The Letter to the Shareholder from TCHC's Chair of the Board of Directors and the Interim President and Chief Executive Officer include the enclosed 2016 Annual Review (Attachment 1) which highlights key TCHC achievements in 2016.
4. Strategic Plan and Business Plan

In 2016, TCHC proposed to develop a new strategic plan to be delivered in 2017, as required under Shareholder Direction. In the Letter to the Shareholder, TCHC is requesting a delay to the development of this strategic plan until after City Council has decided on the implementation of the recommendations in the Tenants First report, which may amend its mandate and future direction.

5. Summary – 2016 Audited Consolidated Financial Statements

2016 Audited Consolidated Financial Results

The consolidated financial statements include the assets, liabilities and results of operations of TCHC, its wholly-owned subsidiaries and proportionate interests of its joint ventures. TCHC subsidiaries and joint ventures include:

Subsidiaries:
- Don Mount Court Development Corporation (DMCDC)
- 2001064 Ontario Inc.
- Access Housing Connections Inc. (AHCI)
- Regent Park Development Corporation (RPDC)
- Toronto Community Housing Enterprises Inc. (TCHE)
- Railway Lands Development Corporation (RLDC)
- Allenby Gardens Development Corporation (AGDC)
- Regent Park Energy Inc. (RPEI)
- Alexandra Park Development Corporation (APDC)
- Housing Services Inc. (HSI)
- Leslie Nymark Development Corporation (LNDC)

Joint Ventures:
- Dundas and Parliament Development Corporation (DPDC)
- Parliament and Gerrard Development Corporation (PGDC)
- Library District Inc.
- Allenby Gardens Revitalization General Partnership (AGP)
- Alexandra Park Phase I Partnership (APPI)
- Leslie Nymark Partnership (LNP)

Highlights of 2016 financial results

- $41.4 million as net income compared with $27.3 million for 2015
- $989.9 million in shareholder's equity, an increase of $38.8 million over 2015
- $26.1 million contributed to the State of Good Repair Fund, established in 2011 to finance the capital repair needs of existing residential buildings
Balance Sheet

The table below summarizes TCHC’s consolidated balance sheet as at December 31, 2016 with comparative figures for 2015.

<table>
<thead>
<tr>
<th>Table 1: Summary Consolidated Balance Sheet as at December 31</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
</tr>
<tr>
<td>($ million)</td>
</tr>
<tr>
<td>Assets</td>
</tr>
<tr>
<td>Current assets</td>
</tr>
<tr>
<td>Receivables and investments</td>
</tr>
<tr>
<td>Housing projects and capital assets</td>
</tr>
<tr>
<td>Total Assets</td>
</tr>
<tr>
<td>Liabilities</td>
</tr>
<tr>
<td>Current liabilities</td>
</tr>
<tr>
<td>Project financing</td>
</tr>
<tr>
<td>Other liabilities</td>
</tr>
<tr>
<td>Total Liabilities</td>
</tr>
<tr>
<td>Surplus &amp; share capital</td>
</tr>
<tr>
<td>Total liabilities, surplus and share capital</td>
</tr>
</tbody>
</table>

Total assets were relatively unchanged at $3,246.8 million, a decrease of $8.0 million (or <1%) compared with the previous year resulting from:

- a reduction of $177 million in receivables and investments with a corresponding increase of $161 million in housing projects and capital assets – due to improvements to land and buildings carried out in 2016
- an increase in current assets by $9 million primarily as a result of a reclassification of certain internally restricted investments from long-term assets to current assets

Total liabilities were $2,256.9 million, a decrease of $46.8 million (or 2%) compared with the previous year, resulting from:

- a $21.3 million decrease in project financing – the net effect of new project financing and on-going mortgage and loan repayments
- a $20.1 million decrease in other liabilities primarily from a $10.9 million increase in deferred revenue from land sales, offset by a $34.2 million decrease in deferred capital contributions
Statement of Operations

The following table summarizes TCHC’s 2016 consolidated statement of operations with comparative figures for 2015.

### Table 2: Summary Consolidated Statement of Operations
Year ended December 31

<table>
<thead>
<tr>
<th></th>
<th>2016 ($ million)</th>
<th>2015 ($ million)</th>
<th>Increase/(Decrease)</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenue</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Subsidies</td>
<td>227.4</td>
<td>226.0</td>
<td>1.4</td>
<td>1%</td>
</tr>
<tr>
<td>Rent</td>
<td>316.0</td>
<td>310.3</td>
<td>5.7</td>
<td>2%</td>
</tr>
<tr>
<td>Amortization of deferred capital contributions</td>
<td>46.4</td>
<td>47.1</td>
<td>-0.6</td>
<td>-1%</td>
</tr>
<tr>
<td>Parking, laundry and cable fees</td>
<td>17.4</td>
<td>16.8</td>
<td>0.7</td>
<td>4%</td>
</tr>
<tr>
<td>Investment income</td>
<td>10.4</td>
<td>11.1</td>
<td>-0.7</td>
<td>-6%</td>
</tr>
<tr>
<td>Joint venture income</td>
<td>-0.5</td>
<td>20.3</td>
<td>-20.8</td>
<td>-102%</td>
</tr>
<tr>
<td>Other revenues</td>
<td>49.3</td>
<td>14.2</td>
<td>35.1</td>
<td>247%</td>
</tr>
<tr>
<td><strong>Total revenues</strong></td>
<td>666.5</td>
<td>645.8</td>
<td>20.7</td>
<td>3%</td>
</tr>
<tr>
<td><strong>Expenses</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operating and maintenance</td>
<td>297.5</td>
<td>309.1</td>
<td>-11.6</td>
<td>-4%</td>
</tr>
<tr>
<td>Municipal taxes</td>
<td>16.5</td>
<td>14.6</td>
<td>1.8</td>
<td>13%</td>
</tr>
<tr>
<td>Depreciation</td>
<td>152.4</td>
<td>141.9</td>
<td>10.5</td>
<td>7%</td>
</tr>
<tr>
<td>Interest</td>
<td>74.1</td>
<td>71.6</td>
<td>2.5</td>
<td>3%</td>
</tr>
<tr>
<td>Rent supplement program</td>
<td>25.7</td>
<td>24.9</td>
<td>0.9</td>
<td>4%</td>
</tr>
<tr>
<td>Administration &amp; other</td>
<td>58.9</td>
<td>56.4</td>
<td>2.5</td>
<td>4%</td>
</tr>
<tr>
<td><strong>Total expenses before unrealized losses</strong></td>
<td>625.1</td>
<td>618.5</td>
<td>6.6</td>
<td>1%</td>
</tr>
<tr>
<td>Excess of revenue over expenses before unrealized losses</td>
<td>41.4</td>
<td>27.3</td>
<td>14.2</td>
<td>52%</td>
</tr>
<tr>
<td>Unrealized gain/(losses)</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
<td>0%</td>
</tr>
<tr>
<td>Excess of revenue over expenses for the year</td>
<td>41.4</td>
<td>27.3</td>
<td>14.2</td>
<td>52%</td>
</tr>
</tbody>
</table>

Total revenues in 2016 were $666.5 million, an increase of $20.7 million (or 3%) over the previous year. Other revenues that included revenue from the sale of housing projects increased by $35.1 million. This increase was offset by a decrease of $20.8 million in income from joint venture operations due to fewer closings of market units.
The share of revenues classified by broad categories is presented in Figure 1.

Figure 1

<table>
<thead>
<tr>
<th>Category</th>
<th>Share</th>
</tr>
</thead>
<tbody>
<tr>
<td>Subsidies</td>
<td>34%</td>
</tr>
<tr>
<td>Rent</td>
<td>47%</td>
</tr>
<tr>
<td>Other revenues</td>
<td>7%</td>
</tr>
<tr>
<td>Investment income</td>
<td>2%</td>
</tr>
<tr>
<td>Parking, laundry and cable fees</td>
<td>3%</td>
</tr>
<tr>
<td>Amortization of deferred capital contributions</td>
<td>7%</td>
</tr>
<tr>
<td>Rent supplement program</td>
<td>4%</td>
</tr>
<tr>
<td>Municipal taxes</td>
<td>3%</td>
</tr>
<tr>
<td>Operating and maintenance</td>
<td>48%</td>
</tr>
<tr>
<td>Investment income</td>
<td>2%</td>
</tr>
<tr>
<td>Interest</td>
<td>12%</td>
</tr>
<tr>
<td>Other revenues</td>
<td>7%</td>
</tr>
<tr>
<td>Investment income</td>
<td>2%</td>
</tr>
</tbody>
</table>

Total expenses in 2016 were $625.1 million, an increase of $6.6 million (or 1%) over the previous year. Lower utility costs on account of one-time water credits and Ontario Clean Energy Benefits led to an $11.5 million decrease in operating and maintenance expenses, which was offset by a cumulative increase of $18.1 million in all other expense categories.

The share of expenses classified by broad categories is presented in Figure 2.

Figure 2

The year ended with an excess of revenue over expenses of $41.4 million, an increase of $14.2 million (or 52%) over the prior year.
CONTACT

Todd Orvitz, Director, Corporate Policy, Strategic & Corporate Policy, 416-392-6783, todd.orvitz@toronto.ca

Adir Gupta, Director, Financial Strategies & Policy, Corporate Finance, 416-392-8071, Adir.Gupta@toronto.ca

Michael Smith, Solicitor, Legal Services Division, 416-392-7245, msmith10@toronto.ca

SIGNATURE

_____________________________________
Roberto Rossini
Deputy City Manager & Chief Financial Officer

_____________________________________
Peter Wallace
City Manager

ATTACHMENTS

Attachment 1 – Letter to the Shareholder, dated April 25, 2017, from TCHC's Board Chair and Interim President and Chief Executive Officer transmitting TCHC's 2016 Annual Review and Additional Information Reported by TCHC to the Shareholder Annually

Attachment 2 – Toronto Community Housing Corporation, 2016 Consolidated Financial Statements, December 31, 2016
Whistleblower Policy

Policy Owner: Internal Audit
Approval: Board of Directors
First Approved: May 27, 2016
Effective Date: July 1, 2016

Policy Statement

Toronto Community Housing is committed to promoting integrity, ethics, accountability, and transparency in what we do. Toronto Community Housing recognizes it is in the best interests of the organization to maintain and enhance public confidence by encouraging the reporting of wrongdoing taking place within Toronto Community Housing to designated individuals at the organization.

The purpose of this policy is to provide guidelines for reporting wrongdoing, and to provide reasonable protection from reprisal for those persons who, in good faith and with reasonable belief, report wrongdoing in accordance with this policy.

Scope

This policy applies to all employees Toronto Community Housing, whether they work on a full-time or part-time basis. This policy also applies to Directors of Toronto Community Housing as set out in this policy. This policy provides reasonable protection from reprisal for all employees and Directors of Toronto Community Housing, who in good faith report wrongdoing under this policy. Residents of Toronto Community Housing are also encouraged to report wrongdoing and are provided reasonable protection from reprisal in accordance with this policy.

This policy covers matters that are in the public interest, and for which there are no existing processes for reporting and investigation. For example, company policy and/or the collective agreement (if applicable) are generally available to address individual
complaints by employees of workplace discrimination or harassment, and these complaints will not be seen as wrongdoing under this policy in the ordinary course. The exception is Fraud which employees can report under this policy, but which may be investigated or addressed in accordance with the Fraud Prevention Policy.

Values

All Toronto Community Housing policies, including this policy, are based on our core values. Toronto Community Housing expects employees to use proper judgment and act in a way that reflects our core values and company policy. Employees should also support the high standards expected of a corporation established to deliver social housing in the City of Toronto. Toronto Community Housing is also committed to maintaining an environment where people can raise concerns about improper behavior without fear of reprisal. The effectiveness of these commitments and Toronto Community Housing’s policies, procedures, and directives, are dependent on persons being able to report suspected cases of wrongdoing without fear of reprisal for doing so.

Definitions

**Director** – Member of the Toronto Community Housing Board of Directors.

**Wrongdoing** - Refers collectively to any serious act (or failure to act) that is covered by this policy and which:

- Constitutes Fraud or Waste as defined under this policy.
- Is a violation of Toronto Community Housing policies, procedures, or directives.
- Risks the health or safety of residents, employees, or visitors to our sites.
- Is unlawful under any municipal, provincial or federal laws.
- Knowingly directs or counsels another person to engage in such acts.
- Is designed or intended to conceal conduct prohibited under this policy.

**Fraud** - A dishonest act that results in actual loss or risk of loss, deception, misappropriation of resources, or the manipulation of data to the advantage or disadvantage of a person or entity. Fraud includes any misuse, or attempt to misuse, (i) one’s position in the company and/or (ii) a company asset for personal gain or purposes unrelated to company business. Fraud includes corruption which is defined as the offering, giving or soliciting, or accepting of an inducement or reward that may improperly influence the action of a person or entity.
For more information, including examples of Fraud or Corruption, please see the Fraud Prevention Policy.

**Reprisal** - Actions taken against another person as a direct result or in retaliation for making a report under this policy, being suspected of making a report under this policy, or participating in an investigation under this policy. Reprisal includes harassment, discrimination, intimidation, dismissal, suspension, demotion, discipline, termination, suspension, coercion, discipline, imposition of another penalty, or, in the case of an employee, any other action which adversely affects their working conditions. Reprisal includes a threat to take any such actions and knowingly directing or counselling of another person to engage in reprisal.

**Waste** - Any other gross mismanagement, theft, falsification, misappropriation, or misuse of Toronto Community Housing facilities, resources, and/or assets, either deliberate or by negligence, which is not covered under the Fraud Prevention Policy.

**Whistleblower** - An employee, Director, or resident who, in good faith and with reasonable belief that wrongdoing has occurred, makes a report under this policy.

**Compliance with this Policy**

Toronto Community Housing will not tolerate wrongdoing or reprisals against anyone who report wrongdoing, and all employees have a duty to report suspected wrongdoing. No employee or Director will take any action in reprisal against a Whistleblower for making, or being suspected of making, a report of wrongdoing under this policy. No employee or Director will take any action in reprisal against any person who participates in an investigation under this policy.

An employee who is found to have engaged in reprisal prohibited by this policy shall be the subject of discipline, up to and including dismissal for cause. Reprisal by a Director shall be treated in the same manner as a violation of the Code of Conduct for Directors. Conduct prohibited by this policy which is contrary to legislation, including that of a criminal nature, may be addressed or reported accordingly.

An employee who knowingly makes a false or misleading report under this policy, or who knowingly makes a false or misleading statement in an investigation under this policy, may be the subject of discipline, up to and including dismissal for cause.
Employees and other persons are expected to co-operate fully in an investigation under this policy. Employees who are contacted by the media regarding an investigation under this policy must refer all inquiries to the media relations team in the Strategic Communications Unit. Please see the Media and Issues Protocol.

Policy Details

Reporting Wrongdoing

Any employee who suspects or has knowledge of any occurrence of Fraud, shall immediately notify his/her manager or the Chief Internal Auditor’s Office, or report to the ethics hotline. An employee who suspects or has knowledge of any other type of wrongdoing will immediately notify his/her manager or report to the ethics hotline. A resident who suspects or has knowledge of wrongdoing shall notify the Chief Internal Auditor.

Implementation

An employee who believes they are the subject of a Reprisal will notify the Vice-President of Human Resources immediately. Where a manager or supervisor is informed of, or becomes aware of, a reprisal, the manager or supervisor will notify the Vice-President of Human Resources immediately. If the complaint involves the Vice-President of Human Resources or a Director of the organization, the reprisal should be reported to the Chief Executive Officer.

Any allegation of a reprisal will be reviewed and may be the subject of a formal investigation. Toronto Community Housing will determine who will lead the investigation, and the divisions/persons to be consulted, based on the subject matter at issue. Investigations may be conducted by an external investigator if necessary and at the discretion of Toronto Community Housing.

The Vice-President of Human Resources will determine what, if any steps are appropriate to stop, reverse, or remedy a reprisal. For complaints involving the Vice-President of Human Resources, the Chief Executive Officer will determine what, if any steps are appropriate to stop, reverse, or remedy a reprisal. For complaints involving a Director, the Chief Executive Officer in consultation with the Board Chair (or Vice-Chair if the complaint is against the Chair) will determine what, if any steps are appropriate to stop, reverse, or remedy a reprisal.
Governing and Applicable Legislation

- Employment Standards Act
- Ontario Human Rights Code
- Occupational Health and Safety Act
- Criminal Code

Related Policies and Procedures

- Conflict of Interest Policy
- Code of Conduct
- Fraud Prevention Policy
- Board of Directors Reimbursement Policy
- Finance Policies

Commencement and Review

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<th>Revision</th>
<th>Date</th>
<th>Description of changes</th>
<th>Approval</th>
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<td>May 27, 2016</td>
<td></td>
<td>May 27, 2016</td>
</tr>
<tr>
<td>[Revision #]</td>
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<tr>
<td>Last review:</td>
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Next Scheduled Review Date: July 1, 2017
Scholarship Policy

Policy Owner: Resident and Community Services
Approval: Board of Directors
First Approved: October 29th, 2015
Effective Date: October 29th, 2015

Policy Statement
This Policy relates to the funding and awarding of scholarships for educational purposes to residents of Toronto Community Housing.

Toronto Community Housing supports improving educational and occupational training opportunities for residents and believes that scholarships are an important vehicle for accomplishing this. Toronto Community Housing greatly values and encourages contributions from external organizations to its Scholarship program funds.

The purpose of this Policy is to guide Toronto Community Housing staff in funding, awarding and administering educational scholarships, while safeguarding the organization's reputation, assets, and interests.

Definitions
Ancillary and Incidental Expenses: to non-tuition financial costs that are incurred due to undertaking a specific educational activity. Some examples of Ancillary and Incidental Expenses include the cost of books, tools, safety equipment, computers, lab fees, child care, and lost income supplement.

Apprenticeship: refers to on-the-job experiential learning and technical training within a Canadian Revenue Agency (CRA) designated Red Seal Trade program (as defined in http://www.red-seal.ca/trades/tr.1d.2s_l.3st@-eng.jsp) that leads towards a journeyperson certification in the trades (e.g., mechanic, hair stylist, carpenter, baker, painter and decorator, plumber).
Award: refers to a prize or other mark of recognition given in honour of an achievement that the recipient may use for any purpose.

Donation: means a voluntary transfer of cash, goods, services or property that is made without expectation of any benefit of any kind accruing to the donor, or to any individual or organization designated by the donor. Donations do not constitute a sponsorship since no reciprocal consideration is sought.

Naming Right: is a type of Sponsorship in which an external organization, company, enterprise, association or individual purchases the exclusive right to name an asset or venue (e.g., a Scholarship, building, meeting room, laneway, event) under specific terms. The Naming Right may be sold or exchanged for financial or other valuable consideration.

Occupational Training: refers to instruction and/or training in job-specific skills, and may include apprenticeship education and training. Herein, occupational training only includes occupations for which certifications are available from CRA-accredited institutions.

Restricted Fund: refers to a reserve of money that can only be used for specified purposes as directed or agreed to by a donor or contributor (e.g., scholarships). Contributions to a Restricted Fund may be made from the Toronto Community Housing operating budget and/or from external donors, including individuals, foundations, not-for-profit and charitable organizations, corporations and governments.

Scholarship: refers to a payment made without expectation of repayment to support a student’s education and/or occupational training, and is awarded on the basis of academic or other achievement or qualification.

Social Contracting: is a contracting arrangement with a non-governmental organization for the purpose of increasing the range and/or quality of delivery of basic social services to those in society who are in need.

Sponsorship: is a mutually beneficial business arrangement wherein an external organization or individual provides a financial or in-kind contribution of goods or services to another organization in exchange for specified marketing, promotion or other material or commercial benefits. Sponsorship is not a Donation, nor is it paid advertising. Charitable tax receipts are not provided for Sponsorship contributions.

Values

Equity and diversity: Toronto Community Housing is committed to ensuring that an equity and diversity lens is applied to its Scholarship processes.
Accessibility: Toronto Community Housing will ensure that all qualified applicants will have the opportunity to access and make Scholarship applications to Toronto Community Housing.

Openness and transparency: Toronto Community Housing will make information about its Scholarship programs, and evaluation processes and criteria publicly accessible.

Responsiveness: Toronto Community Housing will engage residents to assess how well its Scholarship program meets current, new and emerging needs.

Scope
In Scope
- Student tuition and course fees, and Ancillary and Incidental Expenses;
- All accredited post-secondary academic education, vocational, and apprenticeship education and training programs;
- Public and private institutions;
- Financial and in-kind Scholarship contributions;
- Sponsorship contributions, including Naming Rights; and,
- Scholarship funding and sources.

Out of Scope
- Funding not related to the pursuit of educational opportunities; and,
- Awards.

This Policy applies to all Toronto Community Housing staff.

Policy Details
Solicitation of Scholarship Funds
Toronto Community Housing will consider and pursue opportunities to acquire funds specifically for the purpose of awarding scholarships.
Sources of funding may include, but are not limited to, donations, grants, sponsorships, scholarship naming rights, social contracting, and special fundraising events. Fund contributors may be public, private or not-for-profit sector organizations.

Charitable tax receipts will be issued for donations, when permissible under the Income Tax Act.

External organizations may also contribute in-kind to Toronto Community Housing scholarships. Such in-kind contributions may include such things as laptop computers, and equipment or tools for apprenticeships.

Sponsorships are governed by the Sponsorship Policy and the Sponsorship Procedure.

Scholarship Programs

Toronto Community Housing may develop and manage a number of distinct scholarship programs, each with its own specific purposes and/or target recipient group (in accordance with the Ontario Human Rights Code). External organizations may also offer funds for a specific purpose that may be combined with the general pool of scholarship funds, or result in the creation of new Toronto Community Housing scholarship programs.

Scholarship Agreement Terms

All financial and in-kind contributions from external organizations to Toronto Community Housing scholarships must be in writing or by contract.

Toronto Community Housing maintains appropriate procedures and processes to review Scholarship programs and agreements, and to ensure that the respective parties are adhering to the terms of the written agreements.

Fund Investment and Disbursement

Toronto Community Housing will establish a Restricted Fund solely for the purpose of holding all funds intended for scholarship. Some funds may be earmarked for specific scholarships, while other funds may not.

Each individual scholarship program may have varying rules regarding the investment and disbursement of its funds.
**Scholarship Recipient Selection**

Toronto Community Housing's Scholarship Procedure guides scholarship application and selection processes, including provisions for a selection committee with participation by residents.

**Fund Accountabilities**

If it is found that the scholarship funds are not being used for the purpose that they were intended, Toronto Community Housing reserves the right to revoke any of the funds. The Scholarship Review Committee will make the final decision for all actions related to misuse of funds.

**Criteria for Accepting Scholarship Opportunities**

Whether Toronto Community Housing is pursuing scholarship opportunities and funding or is considering offers, the specific scholarship purpose must be aligned with Toronto Community Housing’s values and strategic objectives, and must be feasible to implement without undue burden on Toronto Community Housing.

Toronto Community Housing will consider all reasonable scholarship opportunities and qualified proposals, but has no obligation to accept any of them. Toronto Community Housing reserves the right to refuse any proposal for any reason, including but not limited to, those submitted by third parties whose activities are perceived to be incompatible with the values and strategic objectives of Toronto Community Housing, or from parties whose reputation could, in Toronto Community Housing’s sole opinion, prove detrimental to Toronto Community Housing’s image.

**Accountability and Governance**

The Scholarship Procedure outlines an accountability and governance system related to this Policy.

**Compliance and Monitoring**

Annually, all scholarship agreements will be reported to the Board of Directors, including any disbursements made. Failure to comply with the Scholarship Policy may result in disciplinary action.
Governing and Applicable Legislation

This Policy is effective upon approval by the Toronto Community Housing Board of Directors and applies to all new scholarship activities after approval.

While it is desired that scholarship arrangements that pre-date this Policy will be grandparented in and become subject to this Policy as of 12-months from the date this Policy is activated, existing multi-year scholarship agreements and other arrangements will be honoured, if appropriate.

Scholarships must comply with all applicable legislation, including but not limited to:

- *Ontario Human Rights Code*
- *Income Tax Act*
- *Ontario College of Trades and Apprenticeship Act, 2009*
- *Ontario College of Applied Arts and Technology Act, 2002*
- *Ministry of Training, Colleges and Universities Act*

Related Policies and Procedures

- Employee Conflict of Interest Policy
- Employee Code of Conduct
- Sponsorship Policy and Procedure
- Scholarship Procedure

Commencement and Review

Toronto Community Housing may revise this Policy in writing from time to time, subject to approval by the Board.

<table>
<thead>
<tr>
<th>Revision</th>
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<th>Description of changes</th>
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<tr>
<td>First approval:</td>
<td>October 29th, 2015</td>
<td>New</td>
<td>Board of Directors</td>
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<td>Revision #</td>
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Next Scheduled Review Date: October 2017
Scholarship Procedure

Procedure Owner: Resident and Community Services
Approval: Executive Leadership Team
First Approved: May 12th, 2015
Effective Date: October 29th, 2015

Purpose
The purpose of this procedure is to set out the actions to be taken by Toronto Community Housing to implement the Scholarship Policy.

Scope
This procedure applies to all Toronto Community Housing staff who:

- receive requests from or initiate discussions with external organizations to establish new scholarship programs;
- manage any aspect of soliciting, considering, promoting, negotiating, or facilitating Toronto Community Housing scholarship programs;
- manage any aspect of acquiring or distributing Toronto Community Housing Scholarship funds; and/or,
- are responsible for the financial management and/or investment of Toronto Community Housing scholarship funds.

Definitions
Ancillary and Incidental Expenses: the non-tuition financial costs that are incurred due to undertaking a specific educational activity. Some examples of ancillary and incidental expenses include the cost of books, tools, safety equipment, computer, lab fees, child care, and lost income supplement.

Apprenticeship: on-the-job experiential learning and technical training within a Canadian Revenue Agency (CRA) designated Red Seal Trade program (as defined in http://www.red-seal.ca/trades/tr.1d.2s_l.3st@-eng.jsp) that leads towards a journeyperson certification in the trades (e.g., mechanic, hair stylist, carpenter, baker, painter and decorator, plumber).
Donation: a voluntary transfer of cash, goods, services or property that is made without expectation of any benefit of any kind accruing to the donor, or to any individual or organization designated by the donor. Donations do not constitute a sponsorship since no reciprocal consideration is sought. Donations generally qualify for a charitable tax receipt under the *Income Tax Act*.

Occupational Training: refers to instruction and/or training in job-specific skills, and may include apprenticeship education and training. Herein, occupational training only includes occupations for which certifications are available from CRA-accredited institutions.

Scholarship: a payment made without expectation of repayment to support a student’s education and/or occupational training, and is awarded on the basis of academic or other achievement or qualification.

Sponsorship: a mutually beneficial business arrangement wherein an external organization or individual provides a financial or in-kind contribution of goods or services to another organization in exchange for specified marketing, promotion or other material or commercial benefits. Sponsorship is not a donation, nor is it paid advertising. Charitable tax receipts are not provided for sponsorship contributions.

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Procedure Details

**Roles and Responsibilities**

**Resident & Community Services Division** is the lead for coordinating and establishing enterprise excellence for Scholarship activities within Toronto Community Housing. Roles and responsibilities include:

- as the policy owner, reviewing and updating the Scholarship Policy and Scholarship Procedure to ensure new best practices are incorporated, and that the procedure is aligned with other internal processes;
- approving new scholarship agreements in accordance with the *Approvals* section below;
- developing performance metrics for monitoring activities of each scholarship program;
- working with business units to identify or maximize scholarship opportunities;
- assisting business units with management of contributions to Toronto Community Housing scholarships, including proposals and agreements...
for new scholarship programs, and with concurrent compliance with Toronto Community Housing’s Sponsorship Policy, as needed;

- working with business units to review and evaluate potential new scholarship program agreements and activities, including cost-benefit analysis and risk assessment;
- tracking and recording scholarship contributions, agreements, activities and disbursements in a central database;
- reporting scholarship programs and disbursements to the Toronto Community Housing Executive Leadership Team;
- monitoring application and selection process for scholarship recipients, terms and conditions for scholarship acceptance, and appeals processes to ensure transparency and fairness;
- Reporting on all active scholarship agreements to the Executive Leadership Team and Board of Directors.

Resident & Community Services Division will also do periodic reviews of all scholarship agreements and activities to ensure compliance with these procedures and other internal processes.

**Lead business units** within Toronto Community Housing are responsible for:

- confirming that scholarship programs and activities align with Toronto Community Housing’s vision, mission, and values;
- ensuring that all scholarship activities and executed scholarship program agreements comply with the Scholarship Policy and this procedure and that staff abide by the provisions;
- ensuring that scholarship activities are in compliance with Toronto Community Housing’s Conflict of Interest Policy. To the extent that any real, potential or apparent conflict of interest is identified, the business unit should immediately report the conflict to the Vice President, Resident & Community Services Division;
- identifying or proposing new opportunities for funding scholarships, including estimated value and other benefits and potential costs to Toronto Community Housing;
- evaluating the impact of scholarship activities, according to established criteria and metrics;
- leading all necessary consultations with internal stakeholders who are directly or indirectly affected by the scholarship agreement;
obtaining all necessary internal approvals;
identifying the risks related to any scholarship opportunity;
preparing all scholarship documentation and reports and providing this information to the Resident & Community Services Division;
working with Strategic Communications to prepare any communications plans for scholarship opportunities (as required); and,
negotiating, executing, activating and implementing scholarship agreements.

Legal Services Division is responsible for:
working with Human Resources to assist in assessing and, when necessary, prescribing appropriate responses to any real, potential or apparent conflicts of interest reported by Toronto Community Housing employees;
assisting in identifying any risks related to fairness, openness and transparency in the scholarship process and evaluation criteria;
identifying any corporate legal risks;
assisting with negotiations with external parties for new scholarship programs, as required; and,
drafting and reviewing scholarship agreements and any other related legal documents.

Finance Division is responsible for:
approving new scholarship program agreements in accordance with the Approvals section below;
assisting business units in calculating the cost-benefit analysis and return on investment, as required;
direct payment to scholarship recipients for ancillary and incidental expenses, when required;
identifying any corporate financial risks;
direct payment of scholarship funds to the student's education or training institution; and,
managing, investing and reporting on both pooled scholarship funds and earmarked scholarship funds.
Human Resources Division is responsible for:

- working with Legal Services to assist in assessing and, when necessary, prescribing appropriate responses to any real, potential or apparent conflicts of interest reported by Toronto Community Housing employees.

Strategic Communications Division is responsible for:

- Advising on available communication assets, marketing benefits, and stakeholder relations opportunities for scholarship activities;
- Ensuring any new scholarship program is set up as part of the Toronto Community Housing brand; and,
- Developing communications plans (as required) with business units.

Scholarship Review Committee

A Scholarship Review Committee (“the Committee”) will be established with representation from: Resident & Community Services Division (Chair), Strategic Communications, Legal Services, Development Division and Finance Division. The lead business unit and other stakeholders directly or indirectly affected may be asked to participate as needed.

Terms of Reference

The Committee will review and approve all proposed new scholarship programs and opportunities. Scholarship opportunities involving only in-kind contributions may proceed to the Committee on a case by case basis and at the discretion of the Committee Chair.

The Committee will ensure consistency in Toronto Community Housing’s scholarship agreements and activities, and in particular, confirm and approve:

1. The scope and criteria of the scholarship opportunity;
2. Suitability of scholarship opportunity, in terms of alignment with Toronto Community Housing’s strategic objectives and mandate, fairness to Toronto Community Housing communities, and potential overlap with pre-existing Toronto Community Housing scholarships;
3. Feasibility of implementation and cost-benefit of the opportunity; and,
4. Evaluation of Return-on-Investment and analysis of other benefits associated with the scholarship activity for Toronto Community Housing.

The Committee will also determine whether or not there is a need to engage external expertise to help with the scholarship opportunity.

The Resident and Community Services Division will call a Committee meeting on an as-needed basis as scholarship opportunities are proposed. The Committee may also meet and vote by proxy so as to remain responsive to new scholarship opportunities.

The Scholarship Review Committee may investigate any reported or suspected misuse of scholarship funds and determine what actions, if any, will be applied. Toronto Community Housing reserves the right to treat each disciplinary case individually, based on the facts and circumstances of the situation.

**Criteria for Accepting Scholarship Funds and Opportunities**

The following criteria shall be evaluated by the business unit, with collaboration by other internal stakeholders, as required:

1. Alignment with Toronto Community Housing's vision, mission, and values:
   - The scholarship funding, agreement, and activities do not result in any real, potential or apparent conflict of interest.
   - The scholarship funding, agreement, and activities do not have an adverse impact on Toronto Community Housing's corporate values, reputation, assets, operations, and interests.
   - Toronto Community Housing's existing contractual relationships, including any exclusive agreements, must not conflict with the proposed scholarship agreement.

2. Feasibility of implementation:
   - Toronto Community Housing is capable of implementing the scholarship agreement and activities in terms of operational logistics, timing and resources required.
   - The timing of the new scholarship activity shall not interfere with other existing or planned Toronto Community Housing communication campaigns, programs or activities.
Business units should also develop more specific criteria related to the nature of the scholarship opportunity, such as: credibility, relevance, leveraging potential, and experience of external contributor. Also, business units may want to ensure scholarship alignment and “fit” with: business need, brand, target audience, customer experience, budget constraints, etc.

**Criteria for Selecting Scholarship Recipients**

Criteria for selecting Toronto Community Housing scholarship recipients will vary by scholarship program, and may include, but are not limited to, the following:

- proof of meeting the scholarship requirements (e.g., acceptance into an eligible program and institution);
- prior academic performance;
- performance on tests designed to measure ability and aptitude for educational work;
- recommendations from instructors and any others who have knowledge of the applicant’s capabilities;
- additional biographical information regarding an applicant’s career, academic and other relevant experiences;
- financial need;
- applicant’s motivation, character, ability, or potential;
- applicant’s place of residence;
- past or proposed course of study; and,
- evidence of a particular talent or skill.

Preference may be given to applicants of a particular sex, gender, sexual orientation, race, ethnic background, religion, and age group as long as this preference is in compliance with all relevant legislation (e.g., *Ontario Human Rights Code*).

**Scholarship Agreement Approvals**

The Scholarship Review Committee is the highest level of approval.

**Compliance and Monitoring**
a) Monitoring and Evaluation

It is the responsibility of the lead business unit to review the scholarship activities to ensure that the respective parties are adhering to the terms of the written agreement.

Annually, the lead business unit will prepare a report that will be submitted to the Resident and Community Services Division for inclusion in a central database for scholarship activities and will inform an annual report for Toronto Community Housing Board of Directors.

b) Documentation for Reporting

Scholarship documentation will be consolidated in a central database by Resident and Community Services Division, and will be used to inform reporting to the Executive Leadership Team and/or Board of Directors.

Resident and Community Services will report semi-annually to the Executive Leadership Team and annually to the Board of Directors on all active scholarship agreements.

c) Compliance

Failure to comply with the Scholarship Procedure may result in disciplinary action.

Other Related Policies/Procedures

- Sponsorship Policy and Procedure
- Gift Distribution to Residents Procedure
- Conflict of Interest Policy
- Ontario Human Rights Code
- Employee Code of Conduct
- Scholarship Policy
## Commencement and Review

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<td>New – approved in principle by the Executive Leadership Team. Finalized with no changes when the Scholarship Policy was approved by the board on October, 29th, 2015</td>
<td>Executive Leadership Team</td>
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