

Report to Strategic Priorities and Policy Committee

To: Chair and Members
Strategic Priorities and Policy Committee

From: Scott Mathers, MPA, P.Eng.
**Deputy City Manager, Planning and Economic
Development**

Subject: Special Meeting of the Shareholder of the Housing
Development Corporation, London

Date: February 6, 2024

Recommendation

That, on the recommendation of the Deputy City Manager, Planning and Economic Development, the attached proposed by-laws attached as Appendix A and Appendix B **BE INTRODUCED** at the Municipal Council meeting to be held on February 13, 2024, to:

- i. to ratify and confirm the special resolution of the sole shareholder of the Housing Development Corporation, London to authorize the Housing Development Corporation, London to make application for Articles of Amendment to change the number of directors to a minimum of one (1) and a maximum of ten (10);
- ii. to ratify and confirm the special resolution of the sole shareholder of the Housing Development Corporation, London to address certain corporate deficiencies and outstanding corporate matters, specifically to ratify, confirm and approve the following:
 - a. ratify, confirm, and approve that Stephen Joseph Giustizia has never been elected as a director of the Corporation;
 - b. To ratify, confirm and approve the resignations of directors set out in the special resolution;
 - c. To ratify, confirm and approve that Craig Cooper was elected as a director of the Corporation on May 6, 2020; and
 - d. Ratify, confirm, and approve all resignations and/or removals by the shareholder of the Corporation, and past appointments and elections of directors of the Corporation made by the shareholder of the Corporation.

Executive Summary

On January 12, 2021, Municipal Council of The Corporation of the City of London resolved to have Civic Administration undertake all actions required to support the dissolution of the Housing Development Corporation, London. As part of that process, certain corporate deficiencies and outstanding corporate matters were identified and are proposed to be addressed through two special resolutions of the sole shareholder, The Corporation of the City of London.

Linkage to the Corporate Strategic Plan

Council and staff continue to recognize the importance of actions to support housing, as reflected in the 2023-2027 - Strategic Plan for the City of London. Specifically, the efforts described in this report address the following Areas of Focus, including:

Housing and Homelessness

Outcome 2 - London has a robust community system of health, homelessness, housing stability services, policies, procedures, and by-laws in place to support individuals and families at risk of or experiencing homelessness or in precarious housing consistent with Council's recognition of the health and homelessness emergency.

Expected Result – 2.1 Decreased number of Londoners at risk of or experiencing homelessness.

Strategies:

c. Improve the collection, sharing, and use of data across the homeless prevention system.

e. Implement a program of continuous review of policies, procedures, and by-laws to create accountability and opportunities for balanced and compassionate solutions to homelessness.

Well-Run City

Outcome 1 – The City of London is trusted, open, and accountable in service of the community.

Expected Result – Londoners have trust and confidence in their municipal government.

Strategy:

b. Increase transparency and accountability in decision making, financial expenditures, and the delivery of municipal programs and services.

Analysis

1.0 Background Information

1.1 Previous Reports Related to this Matter

- August 26, 2019 – Strategic Priorities and Policy Committee – City of London Service Review: Review of Service Delivery for Housing
- September 16, 2019 – Strategic Priorities and Policy Committee – City of London Housing Service Review: Proposed Action Plan
- April 28, 2020 – Strategic Priorities and Policy Committee – Governance Requirements and Recommendations – Housing Development Corporation, London
- June 9, 2020 – Strategic Priorities and Policy Committee – Housing Development Corporation, London – 2019 Annual Meeting of the Shareholder Annual Resolutions
- December 16, 2020 – Strategic Priorities and Policy Committee – Governance Functional Review – Housing Development Corporation, London (HDC)

2.0 Discussions, Key Issues and Considerations

On August 27, 2019, Municipal Council resolved that Civic Administration be directed to “examine the development of affordable housing, consistent with the City’s Service Manager legislated responsibility and report back on a recommended course of action.” On December 16, 2020, the Strategic Priorities and Policy Committee received a report titled “Governance Functional Review – Housing Development Corporation, London (HDC)”. On January 13, 2021, Municipal Council resolved to direct Civic Administration to bring forward the necessary bylaws and documentation to dissolve the Housing Development Corporation (“HDC”). Civic Administration has worked to integrate the affordable housing portfolio into the Corporation of the City of London’s structure with the creation of the Municipal Housing Development division.

Civic Administration is currently working to bring forward the necessary by-laws to dissolve HDC. Certain corporate deficiencies and outstanding corporate matters must be addressed prior to dissolution.

The Articles of Incorporation currently require a minimum of three directors.

Since May 6, 2020, HDC has been operating with one director, Craig Cooper. The City, as sole shareholder of HDC, is asked to pass a special resolution to authorize HDC to make application for Articles of Amendment to change the number of directors to a minimum of one (1) and a maximum of ten (10). The special resolution also authorizes and directs any director or officer of the Corporation to execute and deliver the Articles of Amendment and provides that upon the Articles of Amendment becoming effective, the articles of HDC are amended accordingly.

The City is also asked to pass a second special resolution of the sole shareholder in order to ratify and confirm certain corporate matters:

- i. To ratify, confirm and approve that Stephen Joseph Giustizia has never been elected as a director of the Corporation;
- ii. To ratify, confirm and approve that Craig Cooper was elected as a director of the Corporation on May 6, 2020;
- iii. To ratify, confirm and approve the following director resignations:

Director	Date of Resignation
Dick Brouwer	September 17, 2019
Larry Hazel	September 17, 2019
Vivian Lui	September 17, 2019
Daniel Ross	September 17, 2019
Louise Stevens	September 17, 2019
Sandra Elaine Datars Bere	May 6, 2020

- iv. To ratify, confirm and approve all resignations and/or removals by the shareholder of the Corporation, and past appointments and elections of directors of the Corporation made by the shareholder of the Corporation.

The special resolutions of the sole shareholder are required to correct the corporate deficiencies and outstanding corporate matters.

3.0 Next Steps

A detailed project plan including scope and activities, resources and accountabilities, and timing has been created and agreed among the affected Service Areas. These activities have been underway since mid-2023 and require both City-staff and the external resources (HDC-staff and HDC's counsel) to undertake various activities before the shareholder resolutions recommending dissolution can be presented. Many of the steps noted below are completed or in the process of being finalized. The approval of this report will allow Civic Administration and the HDC to undertake the necessary actions to complete the dissolution.

The following actions, although not exhaustive, need to be addressed as part of the dissolution process:

- Inventory and disposition of Housing Development Corporation assets.
- Notice to proponents and government funders of changes in organizational arrangements.
- Complete required Legal filings and GST/HST tax filings.
- Determination of the impact of land transfer tax to the City and HDC.

A follow-up report to Council is planned for by Q2 of 2024 to request direction to undertake the dissolution. This report will outline the steps to dissolution and approximate time to complete this work. The timing of the dissolution report is subject to input and action from the Canada Revenue Agency on the status of HST filings and subsequent advice from the City's auditor, KPMG, on an approach to minimize the impact of land transfer tax.

Conclusion

Municipal Council is asked to pass the attached bylaws to ratify and confirm the special resolutions of the sole shareholder of HDC to address certain corporate deficiencies and outstanding corporate matters.

**Prepared and Submitted by: Matt Feldberg, MPA CET
Director, Municipal Housing Development**

**Recommended by: Scott Mathers, MPA, P.Eng.
Deputy City Manager, Planning and Economic
Development**

Appendix 'A' – Bylaw to ratify and confirm the special resolution of the sole shareholder of the Housing Development Corporation, London

Appendix 'B' – Bylaw to ratify and confirm the special resolution of the sole shareholder of the Housing Development Corporation, London

Appendix "A"

By-law No.

A by-law to ratify and confirm the special resolution of the sole shareholder of the Housing Development Corporation, London

WHEREAS the Housing Development Corporation, London is incorporated under the Business Corporations Act R.S.O. 1990, c.B.16 (the "BCA");

AND WHEREAS subsection 104(1)(b) of the BCA provides that a resolution in writing dealing with all matters required by the BCA to be dealt with at a meeting of shareholders, and signed by all the shareholders or their attorney authorized in writing entitled to vote at the meeting, satisfies all the requirements of the BCA relating to that meeting of shareholders;

AND WHEREAS The Corporation of the City of London is the sole shareholder of Housing Development Corporation, London;

AND WHEREAS Subsection 9 of the Municipal Act, 2001 provides that a municipality has the capacity, rights, powers, and privileges of a natural person for the purpose of exercising its authority under this or any other Act; AND WHEREAS Subsection 5(3) of the Municipal Act, 2001 provides that a municipal power shall be exercised by by-law;

NOW THEREFORE the Municipal Council of The Corporation of the City of London enacts as follows:

1. The Special Resolution of the Sole Shareholder of the Housing Development Corporation, London attached as Schedule "1" is ratified and confirmed.
2. The Mayor and the City Clerk are authorized to execute the Special Resolution of the Sole Shareholder ratified and confirmed under section 1 of this by-law.
3. This by-law comes into effect on the day it is passed subject to the provisions of Part VI.1 of the *Municipal Act, 2001*.
4. Passed in Open Council on February 13, 2024, subject to the provisions of Part VI.1 of the *Municipal Act, 2001*.

Josh Morgan
Mayor

Michael Schulthess
City Clerk

Schedule "I"

SPECIAL RESOLUTION OF THE SOLE SHAREHOLDER

OF

HOUSING DEVELOPMENT CORPORATION, LONDON
(the "**Corporation**")

ARTICLES OF AMENDMENT

RESOLVED, as a special resolution, that:

1. the Corporation is authorized to make application for Articles of Amendment to change the number of directors to a minimum of one (1) and a maximum of ten (10), such Articles of Amendment being substantially in the form of the draft Articles of Amendment presented to and approved by the sole shareholder of the Corporation;
2. any director or officer of the Corporation is authorized and directed to execute and deliver the Articles of Amendment in the prescribed form to the Director appointed under the *Business Corporations Act* (Ontario) (the "**Act**"), whether under the corporate seal of the Corporation or otherwise, and to deliver all other documents and to take all necessary steps as may be desirable to give effect to the foregoing; and
3. upon Articles of Amendment becoming effective, in accordance with the provisions of the Act, the articles of the Corporation are amended accordingly.

The sole shareholder hereby agrees that the execution and delivery of a facsimile copy or electronic delivery of this resolution shall constitute delivery of an executed original and shall be binding upon the shareholder whose signature appears on the transmitted copy as if it were an original hand-written signature.

THE UNDERSIGNED, being the sole shareholder of the Corporation entitled to vote thereon, passes the foregoing resolution pursuant to the provisions of the *Business Corporations Act* (Ontario).

DATED the _____ day of _____, 202__.

**THE CORPORATION OF THE CITY
OF LONDON**

Per: _____
Name:
Title:

Per: _____
Name:
Title:

I/we have authority to bind the corporation.

Appendix “B”

By-law No.

A by-law to ratify and confirm the special resolution of the sole shareholder of the Housing Development Corporation, London

WHEREAS the Housing Development Corporation, London is incorporated under the Business Corporations Act R.S.O. 1990, c.B.16 (the “BCA”);

AND WHEREAS subsection 104(1)(b) of the BCA provides that a resolution in writing dealing with all matters required by the BCA to be dealt with at a meeting of shareholders, and signed by all the shareholders or their attorney authorized in writing entitled to vote at the meeting, satisfies all the requirements of the BCA relating to that meeting of shareholders;

AND WHEREAS The Corporation of the City of London is the sole shareholder of Housing Development Corporation, London;

AND WHEREAS Subsection 9 of the Municipal Act, 2001 provides that a municipality has the capacity, rights, powers, and privileges of a natural person for the purpose of exercising its authority under this or any other Act; AND WHEREAS Subsection 5(3) of the Municipal Act, 2001 provides that a municipal power shall be exercised by by-law;

NOW THEREFORE the Municipal Council of The Corporation of the City of London enacts as follows:

1. The Special Resolution of the Sole Shareholder of the Housing Development Corporation, London attached as Schedule “1” is ratified and confirmed.
2. The Mayor and the City Clerk are authorized to execute the Special Resolution of the Sole Shareholder ratified and confirmed under section 1 of this by-law.
3. This by-law comes into effect on the day it is passed subject to the provisions of Part VI.1 of the *Municipal Act, 2001*.
4. Passed in Open Council on February 13, 2024, subject to the provisions of Part VI.1 of the *Municipal Act, 2001*

Josh Morgan
Mayor

Michael Schulthess
City Clerk

Schedule "I"

SPECIAL RESOLUTIONS OF THE SOLE SHAREHOLDER

OF

**HOUSING DEVELOPMENT CORPORATION, LONDON
(the "Corporation")**

CONFIRMATION OF NUMBER OF DIRECTORS

WHEREAS the articles of the Corporation provide for a minimum of one (1) director and a maximum of ten (10) directors.

RESOLVED that, until changed by special resolution of the shareholder(s), the number of directors of the Corporation within the minimum and maximum number of directors provided in the articles shall be one (1).

CONFIRMATION OF DIRECTORS

WHEREAS:

- A. On review of the corporate records of the Corporation, it was noted that there were certain corporate deficiencies and outstanding corporate matters which were not approved and/or passed in compliance with the Corporation's Articles, by-laws and/or the *Business Corporations Act* (Ontario).
- B. It is hereby ratified, confirmed, and approved that Stephen Joseph Giustizia was inadvertently added to the records of the Ministry of Public and Business Service Delivery of Ontario as a director of the Corporation effective October 26, 2015.

RESOLVED that:

- 1. It is hereby ratified, confirmed, and approved that Stephen Joseph Giustizia has never been elected as a director of the Corporation;
- 2. The following director resignations are hereby ratified, confirmed, and approved, as follows:

Director	Date of Resignation
Dick Brouwer	September 17, 2019
Larry Hazel	September 17, 2019
Vivian Lui	September 17, 2019
Daniel Ross	September 17, 2019
Louise Stevens	September 17, 2019
Sandra Elaine Datars Bere	May 6, 2020

- 3. It is further ratified, confirmed, and approved that, effective as of the date hereof, the current director of the Corporation is Craig Cooper, who was elected as a director of the Corporation on May 6, 2020.
- 4. All resignations and/or removals by the shareholder of the Corporation, and past appointments and elections of directors of the Corporation made by the shareholder of the Corporation, and whether this information is properly reflected in the minutes of any meeting or resolutions of the directors or shareholder, be and the same are hereby ratified, confirmed, and approved.

The sole shareholder hereby agrees that the execution and delivery of a facsimile copy or electronic delivery of these resolutions shall constitute delivery of an executed original and shall be binding upon the shareholder whose signature appears on the transmitted copy as if it were an original hand-written signature.

[SIGNATURE PAGE FOLLOWS]

THE UNDERSIGNED, being the sole shareholder of the Corporation entitled to vote thereon, passes the foregoing resolution pursuant to the provisions of the *Business Corporations Act* (Ontario).

DATED the _____ day of _____, 202__.

**THE CORPORATION OF THE CITY
OF LONDON**

Per: _____
Name:
Title:

Per: _____
Name:
Title:

I/we have authority to bind the corporation.