

TO:	CHAIR AND MEMBERS STRATEGIC PRIORITIES AND POLICY COMMITTEE MEETING ON JULY 25, 2016
FROM:	ART ZUIDEMA CITY MANAGER AND CHAIR, HOUSING DEVELOPMENT CORPORATION, LONDON
SUBJECT:	HOUSING DEVELOPMENT CORPORATION, LONDON NUMBER AND COMPOSITION OF DIRECTORS FOR THE CORPORATION

RECOMMENDATION

That on the recommendation of the City Manager, the attached by-law (Attachment "A") BE INTRODUCED at the Municipal Council meeting to be held July 26, 2016 to:

- a) to ratify and confirm the Special Resolution of the Shareholder of Housing Development Corporation, London attached as Schedule "1" to the By-law to amend the size of the Board of the Housing Development Corporation, London (HDC) from three (3) members to five (5) members; and,
- b) to authorize the Mayor and the City Clerk to execute the Special Resolution of the Shareholder of Housing Development Corporation, London attached as Schedule "1" to the by-law.

PREVIOUS REPORTS PERTINENT TO THIS MATTER
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June 9, 2016 – Strategic Priorities and Policy Committee – Item #4
 October 26, 2015 – Strategic Priorities and Policy Committee – Item #8
 August 27, 2015 – Strategic Priorities and Policy Committee Item #5

BACKGROUND

Purpose of this Report:

This report recommends that the number of directors of the Housing Development Corporation, London (HDC) be increased from three (3) to five (5) and that the terms be staggered to ensure continuity.

Justification and Authority:

The Housing Development Corporation, London (HDC) is a municipal services corporation with share capital incorporated under the *Business Corporations Act, R.S.O. 1990, c.B.16*. HDC is managed by a Board of Directors appointed by The City of London as the sole shareholder.

On September 2, 2014, Municipal Council passed by-law A-7193-339 which: "ii) nominated and authorized Art Zuidema, Sandra Datars Bere, and Martin Hayward to act as incorporators of Housing Development Corporation, London and authorized them to execute any documents or take any actions necessary to incorporate and set up the corporation."

The report to the Strategic and Priorities and Policy Committee (SPPC) of October 26, 2015 indicated "the initial HDC Board is charged with the management and supervision of the start-up of the corporation...This interim board will remain in place until the corporate set-up is complete and the Council has selected and appointed the new directors."

By Special Resolution of the Shareholder for the Number and Election of Directors, Municipal Council established the current number of directors at three (3) and elected Arthur Zuidema, Martin Philip Hayward and Sandra Elaine Datars Bere as directors of the corporation in accordance with the HDC Business Case, which recommended the appointment of three (3) members of the Civic Administration as the initial directors to oversee the management and general operation of the corporation during the start-up period.

Consistent with the HDC Business Case, the Articles of Incorporation provide for a minimum of three (3) and maximum of seven (7) directors so that, as needed, the Municipal Council, as the shareholder, may increase the number of directors to seven (7) and elect new directors.

The revised proposed size of five (5) members provides an initial structure to support HDC and its governance committees, noting that through future recommendations, the Board and Municipal Council may consider additional members within the prescribed maximum.

Related Resolution of the Current HDC Board:

At its meeting of March 10, 2016, the HDC Board unanimously resolved that, “the initial number of board members of the First Board be recommended to the Shareholder as five (5), rotating in three (3) year renewable terms.”

It was further recommended that structure of the Board provide for Classes of Director to allow for the future staggering of board membership and ensure continuity and stability of the governance structure.

SUBMITTED BY:	RECOMMENDED BY:
CATHY SAUNDERS, CITY CLERK	ART ZUIDEMA CITY MANAGER

c. HDC Board

Attachment “A” Bylaw

APPENDIX "A"

Bill No.
2016

By-law No. A.-

A by-law to ratify and confirm the Special Resolution of the Shareholder of Housing Development Corporation, London.

WHEREAS Housing Development Corporation, London is a corporation incorporated under the *Business Corporations Act* R.S.O. 1990, c.B.16;

AND WHEREAS subsection 104(1)(b) of the *Business Corporations Act* provides that a resolution in writing dealing with all matters required by this Act 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 this Act 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 5(3) of the *Municipal Act, 2001* provides that a municipal power shall be exercised by by-law;

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;

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

1. The Special Resolution of the Shareholder of Housing Development Corporation, London, regarding the number and composition of the Board of Directors for the corporation attached as Schedule "1" is ratified and confirmed.
2. The Mayor and the City Clerk are authorized to execute the Special Resolution of the Shareholder ratified and confirmed under section 1 of this by-law.
3. This by-law comes into force on the day it is passed.

PASSED in Open Council on the 26th day of July, 2016.

Matt Brown
Mayor

Catharine Saunders
City Clerk

First reading - July 26, 2016
Second reading – July 26, 2016
Third reading - July 26, 2016

SCHEDULE "1"

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

WHEREAS subsection 104(1)(b) of the *Business Corporations Act* (Ontario) (the "Act") provides that a resolution in writing dealing with all matters required by the Act 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 Act relating to that meeting of shareholders;

The following special resolution, signed by the sole shareholder of the Corporation entitled to vote thereon, is hereby passed pursuant to the provisions of the Act:

COMPOSITION OF BOARD OF DIRECTORS

WHEREAS the articles of the Corporation provide that the Corporation shall have a minimum of 3 directors and a maximum of 7 directors;

NOW THEREFORE BE IT RESOLVED AS A SPECIAL RESOLUTION THAT:

1. The composition of the Board of Directors of the Corporation be set at five (5) citizen-at-large members and be structured in three (3) classes consisting of a Class 1 (2 members), Class 2 (2 members) and Class 3 (1 member) for renewable three (3) year terms and structured in such a manner as to provide for future staggering of board member replacement

DATED this _____ day of _____, 2016.

The Corporation of the City of London

By: _____

Name: Matt Brown

Title: Mayor

By: _____

Name: Catharine Saunders

Title: City Clerk