

Report to Strategic Priorities and Policy Committee

To: Chair and Members
Strategic Priorities and Policy Committee
From: Lynne Livingstone, City Manager
Subject: London & Middlesex Community Housing Inc. Meeting of the Shareholder – Resolutions Regarding Board Composition
Date: April 6, 2021

Recommendation

That, on the recommendation of the City Manager, the following actions be taken with respect to London & Middlesex Community Housing Inc.:

- a) the attached “Terms of Reference Board of Directors London & Middlesex Community Housing Inc.” (Appendix “A”), BE ADOPTED;
- b) the attached proposed by-law (Appendix “B”) being “A by-law to ratify and confirm the Special Resolution to the Shareholder of London & Middlesex Community Housing Inc. to provide for a new Board composition”, BE INTRODUCED at the Municipal Council Meeting to be held on April 13, 2021;
- c) the proposed. “Recruitment Process for Director Appointments”, attached as Appendix “C”, BE ADOPTED; and,
- d) Two (2) members of the Interim Board of Directors BE APPOINTED as Directors for a period not to exceed one year to provide for support for board and organizational continuity, stability, and knowledge transfer.

Executive Summary

The purpose of this report is to bring forward, in response to Municipal Council’s direction, the necessary documentation to action the recommendations set out in the London & Middlesex Community Housing Inc. report dated December 16, 2020.

Linkage to the Corporate Strategic Plan

Strengthening our Community – Increase affordable and quality housing options and reduce the number of individuals and families experiencing chronic homelessness or at risk of becoming homeless.

Analysis

1.0 Background Information

1.1 Previous Reports Related to this Matter

March 4, 2019 – Strategic Priorities and Policy Committee – Agenda Item #2.2
April 8, 2019 – Strategic Priorities and Policy Committee – Agenda Items #4.3 and #4.4
June 24, 2019 – Strategic Priorities and Policy Committee – Agenda Item # 3.2
August 26, 2019 – Strategic Priorities and Policy Committee – Agenda Item #2.2
September 16, 2019 – Strategic Priorities and Policy Committee – Agenda Item #4.1
March 31, 2020 – Strategic Priorities and Policy Committee – Agenda Item #2.1
April 7, 2020 – Strategic Priorities and Policy Committee – Agenda Item # 2.1
December 16, 2020 – Strategic Priorities and Policy Committee – Agenda Item. #3.2

1.2 Board Composition History

At its meeting held on April 21, 2020, the Municipal Council resolved:

“That, on the recommendation of the City Manager, with concurrence of the Managing Director, Housing, Social Services and Dearness Home the following actions be taken with respect to London & Middlesex Community Housing Inc.:

- a) the “Terms of Reference Interim Board of Directors London & Middlesex Community Housing Inc.” as appended to the staff report dated April 7, 2020, BE ADOPTED;
- b) the proposed by-law as appended to the staff report dated April 7, 2020, being “A by-law to ratify and confirm the Special Resolution to the Shareholder of London & Middlesex Community Housing Inc. to amend the Board composition to provide for an Interim Board of Directors”, BE INTRODUCED at the Municipal Council Meeting to be held on April 21, 2020; and,
- c) the ~~attached~~ proposed revised by-law BE INTRODUCED at the Municipal Council meeting to be held on April 21, 2020 to ratify and confirm the Resolutions of the Shareholder of London & Middlesex Community Housing Inc.”

At its meeting held April 4, 2020, the Municipal Council resolved:

“That on the recommendation of the Managing Director, Housing, Social Services and Dearness Home and concurrently the Board, London and Middlesex Community Housing (LMCH), the following actions be taken with respect to the governance requirements of the LMCH:

- a) the staff report dated March 31, 2020 entitled “Governance Requirements and Recommendations – London and Middlesex Community Housing”, BE RECEIVED;
- b) the Managing Director, Housing and Social Services and Dearness Home BE DIRECTED to bring forward for consideration to the Municipal Council Meeting to be held on April 7, 2020, a recommended slate of Board Members of the LMCH; and,
- c) the City Clerk BE DIRECTED to make the necessary arrangements to hold a meeting of the Shareholders of the LMCH at a Special Strategic Priorities and Policy Committee meeting on April 7, 2020, following the Municipal Council Meeting held that date, to consider and approve the Municipal Council’s recommended slate of Board Members of the LMCH.”

At its meeting of August 27, 2019, the Municipal Council, in response to a report on the review of service delivery for housing, directed the Civic Administration to “determine next steps and actions based on the analysis and potential courses of action identified in the KPMG report dated August 12, 2019, with respect to the review of service delivery for housing” and “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”.

At its meeting of September 17, 2019, the Municipal Council, resolved:

“That on the recommendation of the Managing Director, Corporate Services and City Treasurer, Chief Financial Officer and Managing Director, Housing, Social Services and Dearness Home, the following actions be taken with respect to the City of London Housing Service Review:

- a) the staff report dated September 16, 2019, and the subsequent updated report, BE RECEIVED;

- b) Option 3 identified in the reports, noted in a) above, BE APPROVED;
- c) the Civic Administration BE DIRECTED to take all necessary steps to implement the above-noted Option 3;
- d) the Civic Administration BE DIRECTED to report quarterly to Municipal Council with a status and progress update on the implementation of Option 3;
- e) the City Clerk BE DIRECTED to make the necessary arrangements to bring forward the appropriate by-laws to implement actions identified in Option 3; and
- f) the Civic Administration BE DIRECTED to report back to Corporate Services Committee on the feasibility of using the same approach taken for affordable housing to reduce the effective tax rate for London Middlesex Community Housing (LMCH) buildings to be equivalent to the residential tax rate, including any amendments that may be necessary to the Municipal Housing Facilities By-law to do so;

it being noted that the Strategic Priorities and Policy Committee received communications dated September 12, 2019 from D. Astolfi and J. Atkinson, and received verbal delegations and the attached submissions from the Housing Development Corporation and the London & Middlesex Community Housing. (4.1/18/SPPC) (2019-S11)”

In response to this above-noted direction, the Municipal Council at its meeting of September 17, 2019 enacted By-law No. A.-7892-266 being “A by-law to discharge the current Board members of the London & Middlesex Community Housing” and enacted By-law No. A.-7891-265, being “A by-law to appoint an interim director of the London & Middlesex Community Housing”.

2.0 Discussion and Considerations

As noted above, the Municipal Council has directed that the Civic Administration bring forward the necessary documentation to action the recommendations contained in the London & Middlesex Community Housing Inc. (LMCH) Board of Directors letter dated December 16, 2020.

The following summarizes the recommendations of the LMCH Board of Directors:

1. That the spectrum of qualifications for Board members be revised to include the following:
 - i) Knowledge of the field of social housing, including the legislative and regulatory environment governing social housing.
 - ii) Financial and legal knowledge.
 - iii) Experience in asset management, building sciences, construction and land development.
 - iv) Property management.
 - v) Community development.
 - vi) Labour relations
 - vii) Lived experience
 - viii) Corporate governance, including strategic planning, human resources.
 - ix) Tenant support for individuals with unique needs (e.g. mental health, addictions, accessibility, violence, trauma, etc.)
2. The Board composition be revised as follows:
 - i) Two (2) members of London Municipal Council.
 - ii) One (1) member of Middlesex County Council
 - iii) Four (4) members of the community-at-large.
 - iv) Two (2) tenants of the London and Middlesex Community Housing

3. The term of the board be revised as follows:
 - i) The Board of Directors shall consist of nine (9) directors, six (6) of which shall be composed of various classes of directors, the fourth class shall consist of three (3) directors, two (2) of which shall serve as the representatives of London Municipal Council and one (1) which shall serve as the representative of Middlesex County Council.
 - ii) The term of the Elected Officials will coincide with the term of Council
 - iii) Community and Tenant directors will serve staggered terms with a maximum reappointment of eight (8) consecutive years. Reappointments for additional terms may be submitted to Municipal Council for consideration.
 - iv) Directors shall serve until their successors are appointed.
4. Two (2) of the Interim Board of Directors be appointed as first class of directors for a period to not exceed one year.
5. The following appointment process be established:
 - i) a sub-committee of the board of directors be established to assist with the recruitment and nomination process. This sub-committee should be comprised of members of the board, members of LMCH Administration and community members. This sub-committee would then submit nominations to Municipal Council for consideration.
 - ii) The recruitment and nomination process should be informed by foundational principles (e.g. anti-racism and anti-oppression, inclusion and participation, good governance, leadership and accountability), the Shareholders Agreement, as well as the Board Terms of Reference which outlines the authority and responsibility requirements and general duties of the board.
 - iii) LMCH should assist the City in reaching out to the community seeking applications during the recruitment process.
 - iv) A comprehensive orientation and training program should be developed and include such items as the Board Code of Conduct, Board's Terms of Reference and procedures for the holding of meetings.

3.0 Financial Impact/Considerations

None

Conclusion

In response to Municipal Council's direction, the following is recommended:

- the proposed "Terms of Reference Board of Directors London & Middlesex Community Housing Inc.", attached as Appendix "A", to this report, be adopted;
- the proposed by-law attached as Appendix "B" to this report to amend the current Board composition to reflect that outlined above be enacted; and
- the proposed "Recruitment Process for Director Appointments" attached as Appendix "C" to this report, be adopted.

Prepared by: Cathy Saunders, City Clerk
Recommended by: Lynne Livingstone, City Manager

APPENDIX “A”

TERMS OF REFERENCE BOARD OF DIRECTORS LONDON & MIDDLESEX COMMUNITY HOUSING INC.

AUTHORITY & RESPONSIBILITY

Board Members as a collective and as individuals are responsible for the oversight and management responsibilities of London & Middlesex Community Housing Inc. (LMCH) as defined by the Shareholder Agreement.

REQUIREMENTS

Board Members, as individuals and as a collective, in discharging their duties/responsibilities will act in an open and honest manner and in the best interest of the Corporation, exercising care, due diligence and professionalism.

GENERAL DUTIES

The duties of Board Members (as individuals and as a Board) include:

- Overseeing the establishment, implementation and review of Strategic Plans setting out LMCH’s values, mission, vision and strategic objectives;
- Board governance with LMCH remaining compliant and dynamic in terms of how it functions, its structure and supporting processes;
- As an Employer, overseeing the management and direction of all labour and employee matters, including the establishment, implementation and review of work place policy, related policy programs and processes;
- Overseeing the establishment, implementation and review from time to time financial plans, multi-year and annual budgets, including the reporting and monitoring of same, evidencing fiscal accountability, sustainability and fiduciary compliance;
- Overseeing the establishment, implementation and review from time to time of Tenants related policies, policy programs and processes, including the reporting and monitoring of same, ensuring Tenants are provided with a healthy, safe, supportive and sustainable environment and LMCH assets are used for the intended purpose;
- Overseeing the establishment, implementation and review of a corporate risk management program, including related policies, policy programs and processes;
- Overseeing the establish, implementation and review of a corporate communication strategy, including related policies, policy programs and processes;
- Overseeing the establishment, implementation and review of a corporate technology strategy, including related policies, policy programs and processes supporting informed relationship and decision-making;
- Overseeing the development and approval of annual reports and the communication publication of same;
- Overseeing the development and building of community partnerships supporting housing stability and preventing homelessness; and,

EVALUATION

The Board shall complete, on an annual basis, an evaluation of the performance of the Board and its Members, as part of the Board Evaluation Process (Board Evaluation Policy).

REVIEW DATE

The Board, on an annual basis, shall complete a review of its performance consistent with the Board Evaluation Policy, with such review being completed by the Governance Committee. The review and any changes resulting from same are subject to the approval of the Board.

DOCUMENT CONTROL

The Board Member – Role Description shall be consistent and reflective of the Shareholder Declaration/Service Agreement and LMCH By-law No. 2. The latter documents are to be consulted for greater detail/clarification.

APPENDIX “B”

Bill No.
2021

A by-law to ratify and confirm the Special Resolution to the Shareholder of London & Middlesex Community Housing Inc. to provide for a new Board composition.

WHEREAS London & Middlesex Community Housing Inc. 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 London & Middlesex Community Housing Inc.;

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;

AND WHEREAS the Municipal Council deems it appropriate to amend the composition of the Board to provide for a new Board of Directors of the London & Middlesex Community Housing Inc.;

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

1. The Special Resolution of the Shareholder of London & Middlesex Community Housing Inc. regarding the number and composition of the Board of Directors for the corporation attached as Schedule “1” is confirmed and ratified.
2. The Mayor and City Clerk are authorized to execute the Special Resolution of the Shareholder confirmed and ratified under section 1 of this by-law.
3. This by-law comes into force on the 13th of April, 2021.

PASSED in Open Council on the 13th day of April, 2021.

Ed Holder
Mayor

Catharine Saunders
City Clerk

First reading – April 13, 2021
Second reading – April 13, 2021
Third reading – April 13, 2021

SCHEDULE “1”
LONDON & MIDDLESEX COMMUNITY HOUSING INC.
(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 Act:

COMPOSITION OF BOARD OF DIRECTORS

WHEREAS the articles of the Corporation provide that the Corporation shall have a nine (9) 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 nine (9) members appointed by the City of London Municipal Council as follows: two (2) members of City of London Municipal Council; one (1) member of the County of Middlesex Council; four (4) members of the community-at-large; and two (2) tenants of London Middlesex & Community Housing Inc;

2. In appointing members to the Board of Directors, consideration should be given to reflecting the diversity of the community that the London & Middlesex Community Housing Inc. serves and due regard should be given to the following qualifications of applicants to ensure that the Board collectively represents a range of relevant skills and expertise including with respect to:

- - Knowledge of the field of social housing, including the legislative and regulatory environment governing social housing
 - Financial and legal knowledge
 - Experience in asset management, building sciences, construction, land development
 - Property management
 - Community development
 - Labour relations
 - Lived experience
 - Corporate governance, including strategic planning, human resources
 - Tenant support for individuals with unique needs (e.g. mental health, addictions, accessibility, violence, trauma, etc.)

The skillsets noted above set out an inventory of the ideal skills, experiences, expertise, and leadership characteristics that will help to guide the board recruitment and move the organization forward. The listing of qualifications reflects the spectrum of desired knowledge, experience and skillsets and should not be interpreted as a listing of priorities or primacy of importance.

3. The term of appointment of Board Directors reflects staggered appointments by class in order to support board and organization continuity, stability and knowledge transfer. The Directors shall hold office until their successor is elected. The following outlines the Directors terms:

Class	Director	Term
First	One (1) community-at-large One (1) tenant of LMCH	The close of the annual meeting of the shareholders to be held in 2024 for the financial year ending December 31, 2023
Second	One (1) community-at-large One (1) tenant of LMCH	The close of the annual meeting of the shareholders to be held in 2025 for the financial year ending December 31, 2024
Third	Two (2) community-at-large	The close of the annual meeting of the shareholders to be held in 2026 for the financial year ending December 31, 2025
Fourth	Two (2) Members of City of London Municipal Council One (1) Member of County of Middlesex Council	The term of Municipal Council

Notwithstanding the Terms set out above for the period of one year from the date of appointment two (2) members of the Interim Board of Directors shall be appointed as First Class Directors.

Tenant and community-at-large directors shall serve staggered terms with a maximum number of reappointments of eight consecutive years in total. Reappointments for another term may be submitted to the Shareholder for consideration.

DATED this _____ day of _____, 2021.

The Corporation of the City of London

By: _____
Name: Ed Holder
Title: Mayor

By: _____
Name: Catharine Saunders
Title: City Clerk

APPENDIX “C”

Recruitment Process for Director Appointments

The following appointment process be established for the London & Middlesex Community Housing Inc. (LMCH):

1. Establish a sub-committee of the board of directors to assist with the recruitment and nomination process. This sub-committee should be comprised of members of the board, members of LMCH Administration and community members. This sub-committee would then submit nominations to Municipal Council for consideration.
2. The recruitment and nomination process should be informed by foundational principles (e.g. anti-racism and anti-oppression, inclusion and participation, good governance, leadership and accountability) the Shareholders Agreement as well as the Board terms of Reference which outlines the authority and responsibility requirements and general duties of the board.
3. LMCH should assist the City in reaching out to the community seeking applications during the recruitment process.
4. A comprehensive orientation and training program should be developed and include such items as the Board Code of Conduct, Board’s Terms of Reference and procedures for the holding of meetings.