



Annual Update on TCHC Subsidiaries

Item 8A

July 26, 2023

Board of Directors

Report: TCHC:2023-48

To: Board of Directors (the “Board”)

From: Governance, Communications and Human Resources Committee (“GCHRC”)

Date: July 14, 2023

PURPOSE:

The purpose of this report is to provide the Board with an update on subsidiary governance matters.

RECOMMENDATION:

It is recommended that the Board receive this report for information.

GCHRC:

This report was received by the GCHRC on July 14, 2023.

REASONS FOR RECOMMENDATION:

A. Development Subsidiaries

Generally, the subsidiaries related to development were created for the purpose of shielding the parent from liability and/or to create joint ventures/partnerships with TCHC’s development partners. Beyond minimizing liability, having a separate entity for each development project also allows for better tracking of project costs.

To date, with respect to the development subsidiaries, only the development project associated with Don Mount Court Development Corporation

("DMCDC") is completed and DMCDC has been dissolved as of February 2, 2021.

Regent Park Development 2 Corporation ("RPDC2")

At its April 27, 2021 meeting, the Board of Directors approved the creation of a subsidiary corporation with a mandate to enter into a partnership with a subsidiary of Tridel Builders Inc. ("Tridel"), whose partnership will undertake the development, financing and construction of the market condominium buildings in Phases 4-5 of Regent Park and related planning, development and community engagement activities.

In accordance with the City's Shareholder Direction, TCHC has consulted the City Manager regarding the business purpose and financing this proposed subsidiary prior to its creation of any subsidiary. Meetings with City staff, in relation to this matter have taken place and approval has been obtained to proceed with the creation of this subsidiary. RPDC2 has not yet been incorporated to date, however an external legal firm has been retained to assist with the incorporation of the subsidiary.

B. Non-Development Subsidiaries

Access Housing Connections Inc. ("AHCI")

The City of Toronto assumed operational functions of AHCI and TCHC is in the process of dissolving the remaining shell company.

Pursuant to section 237 of the Ontario Business Corporations Act ("OBCA"), shareholder approval is required to authorize a company's dissolution by unanimous written consent or by special resolution (two thirds majority). A special resolution of AHCI's sole shareholder (TCHC) was passed and executed on December 11, 2017. A special resolution of AHCI's Board was passed and executed on November 24, 2017.

Pursuant to the Shareholder Direction between TCHC and the City of Toronto, TCHC requires the City of Toronto's approval to dissolve AHCI. A letter dated February 15, 2018 requesting City of Toronto approval to dissolve AHCI was submitted to the City Manager's Office and approved by City Council on June 26, 2018.

The dissolution process to file Articles of Dissolution with the Ministry of Government Services has commenced with the intention to pursue this

process in 2023 as outstanding matters related to the transfer have been resolved with the City of Toronto. TCHC's Finance Division has reconciled outstanding accounts payable with the City of Toronto with respect to AHCI, and then in turn, will prepare the final financial statements.

Toronto Affordable Housing Fund ("TAHF")

TCHC continues to work with the City of Toronto's Housing Secretariat to transfer the delivery and administration of the home-ownership loans related to the City of Toronto's affordable ownership program to the City of Toronto. On April 30, 2029, TCHC must relinquish these mortgages back to the City of Toronto. Containing all such activities in a subsidiary is deemed desirable, to make this future transfer back to the City of Toronto as effective and efficient as possible.

Regent Park Energy Inc. ("RPEI") and Toronto Community Housing Enterprises Inc. ("TCHEI")

TCHC is evaluating strategic options for the community energy system at Regent Park. Different options were reviewed including the merger of RPEI and TCHEI, creating one entity reporting up to the parent company, TCHC.

Pursuant to section 177(1) of the OBCA, an amalgamation of this type requires the Directors of each amalgamating corporation to adopt a resolution approving the amalgamation, which was executed on November 21, 2017.

Pursuant to the Shareholder Direction between TCHC and the City of Toronto, TCHC does not require City of Toronto approval prior to amalgamating any subsidiaries; however, TCHC notified the City of Toronto of its intent to amalgamate. A letter dated February 15, 2018 notifying the City of Toronto of the amalgamation was submitted to the City Manager's Office.

The amalgamation of RPEI and TCHEI is subject to the strategic options under review with respect to RPEI and TCHEI.

Subsidiaries and Joint Ventures/Partnerships Organization Chart

Appended as Attachment 1 is an organization chart illustrating the remaining subsidiaries and partnerships that are to be dissolved once operational activities have been concluded. The majority of these subsidiaries are

related to revitalization, thus the subsidiaries and partnerships will be dissolved with the completion of development activities.

SIGNATURE:

“Darragh Meagher”

Darragh Meagher
General Counsel & Corporate Secretary

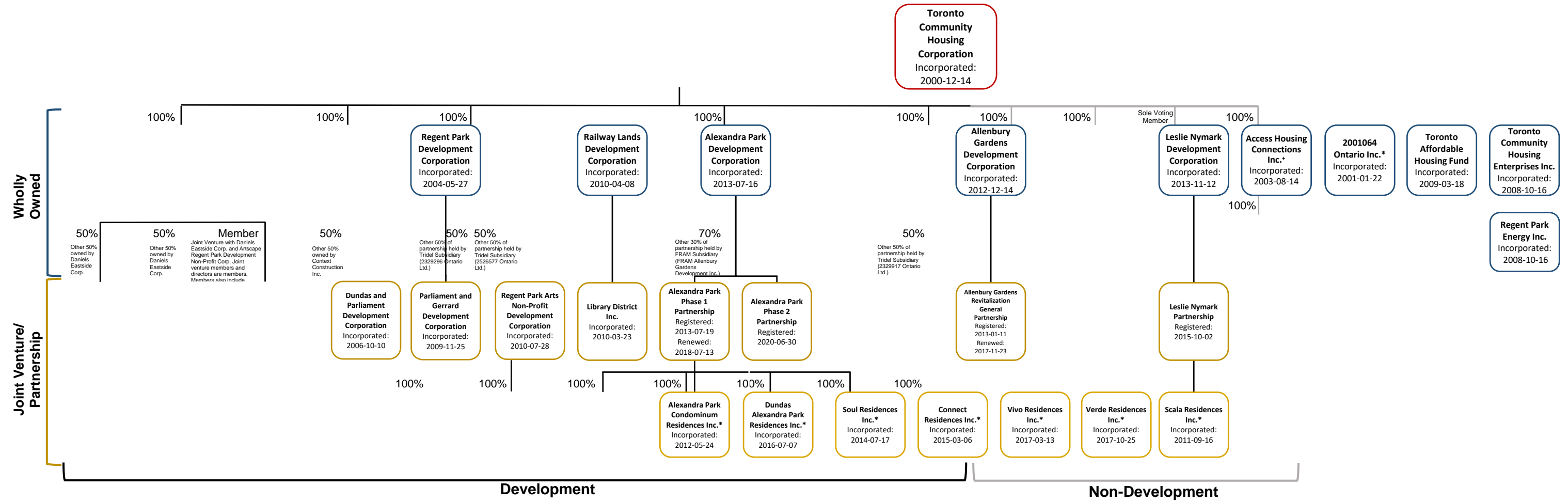
ATTACHMENT:

1. Toronto Community Housing Corporation Subsidiaries and Joint Ventures/Partnerships Organization Chart

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Toronto Community Housing Corporation Subsidiaries and Joint Ventures/Partnerships Organization Chart



Dissolved Entities

- Innoserv Inc. (2014-05-06)
- Housing Services Inc. (2018-02-05)
- Don Mount Court Development Corporation (2021-02-09)

Legend

- + = To be wound up
- * = Title Nominees