

Toronto Community Housing



Annual Update on TCHC Subsidiaries

Item 5

June 29, 2021

Governance, Communications and Human Resources Committee

Report: GCHRC:2021-30

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

From: General Counsel and Corporate Secretary

Date: June 9, 2021

PURPOSE:

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

RECOMMENDATION:

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

REASONS FOR RECOMMENDATION:

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.

TCHC's Finance Division is in the process of reconciling outstanding accounts payable with the City of Toronto with respect to AHCI, and then in turn will prepare final financial statements. Once this financial undertaking is complete, we can commence the process to file Articles of Dissolution with the Ministry of Government Services.

Alexandra Park Development Corporation ("APDC")

At its June 25, 2020 Annual General Meeting ("AGM"), the APDC Board of Directors approved a resolution to permit the execution of the definitive project agreements for Alexandra Park Phase II with Tridel. The agreements establish the structure of the relationship with Tridel, with outcomes measured against the Anchor Business Plan and approval milestones to ensure project control and to help manage risks to TCHC. The agreements also include management agreements for the rental replacement construction and ensure procurement of services and trades are consistent with TCHC's procurement policy.

Additional subsidiaries of APDC have been created for purposes of Alexandra Park Phase II.

Don Mount Court Development Corporation ("DMCDC")

TCHC has completed the dissolution of this subsidiary.

As noted above, pursuant to section 237 of the OBCA, shareholder approval is required to authorize dissolution by unanimous written consent or by special resolution (two thirds majority). A special resolution of DMCDC's sole shareholder (TCHC) was passed and executed on

December 11, 2017. A special resolution of the DMCDC'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 DMCDC. A letter dated February 15, 2018 requesting City of Toronto approval to dissolve DMCDC was submitted to the City Manager's Office and approved by City Council on June 26, 2018.

Articles of Dissolution have been filed with the Ministry of Government Services. TCHC received a certificate from the Ministry of Government Services certifying that the Articles of Dissolution are effective as of February 9, 2021. Post dissolution steps are underway with the Finance division to obtain a clearance certificate from Canada Revenue Agency.

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.

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 including the potential sale of RPEI. For certain commercial reasons, TCHC is proposing a merger of RPEI and TCHEI prior to any proposed sale. The merger of RPEI and TCHEI prior to a sale could be achieved by an amalgamation of RPEI into 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 guidance and an income tax analysis from PricewaterhouseCoopers ("PwC") pursuant to the *OBCA* and the *Income Tax Act* (Canada), which is in process and subject to the strategic options under review with respect to RPEI and TCHEI.

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.

TCHC will consult with the City Manager's Office on the creation of the RPDC2 subsidiary and notify the City Manager's Office with respect to the creation of the joint venture with Tridel.

Other Subsidiaries

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

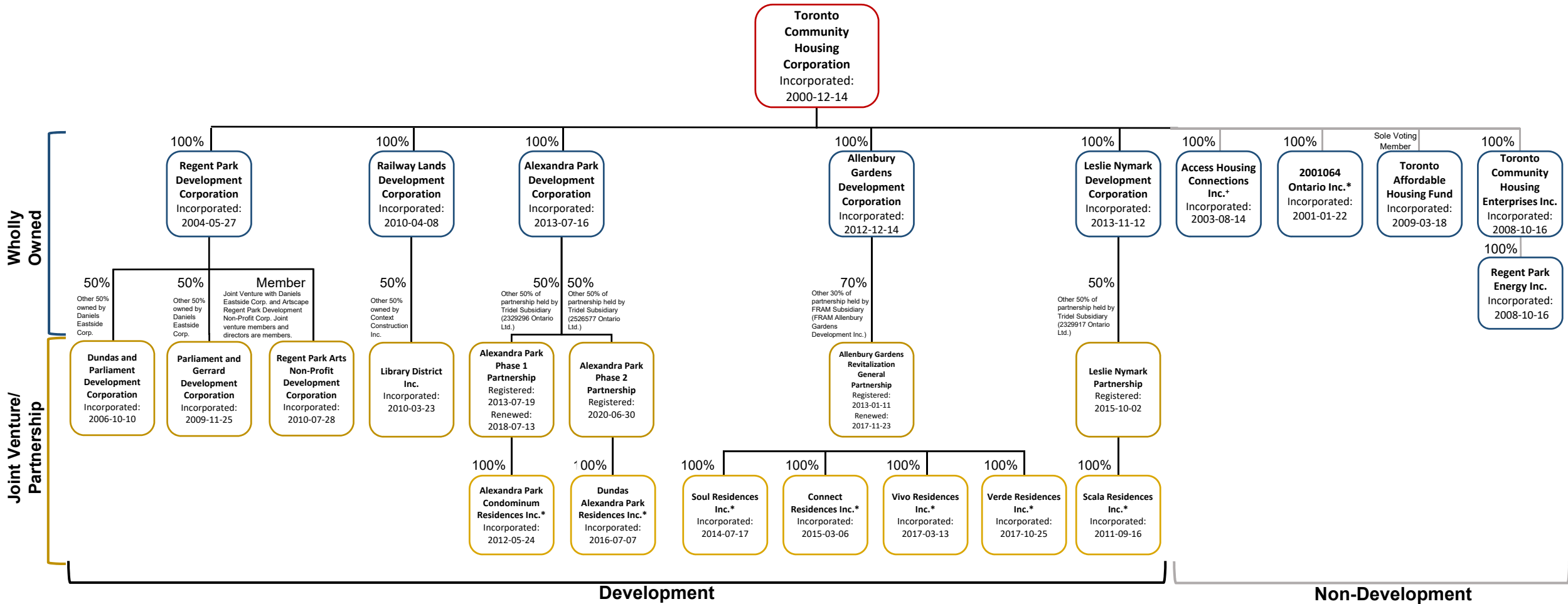
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Toronto Community Housing Corporation Subsidiaries and Joint Ventures/Partnerships Organization Chart



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 in 2021
- * = Title Nominees