



Report of the Chief Administrative Officer

Housing York Inc. – Corporate Governance and Mandate Review

1. Recommendations

1. Council receive the Final Governance Report for Housing York Inc. (Attachment 1), and the Final Mandate Report for Housing York Inc. (Attachment 2), both authored by consultant Dr. Richard LeBlanc and dated September 25, 2023
2. Staff be directed to:
 - a. Regional Clerk and Regional Solicitor review recommended governance and mandate revisions, in consultation with the HYI Board
 - b. Review business and administrative improvements outlined in this report, and
 - c. Report back to the HYI Board and Regional Council on the next steps to implement Dr. Leblanc's recommendations.

2. Purpose

On January 12, 2023, Council endorsed a mandate review and governance assessment of Housing York Inc. (HYI) as described in the report of the former Chief Administrative Officer entitled, [Review of York Region's Corporations](#).

York Region retained external consultant Dr. Richard Leblanc from Boardexpert.com to undertake this review. This report provides Council with a summary of the review and Dr. Leblanc's findings and recommendations for HYI mandate and governance updates, enhancements and best practices.

The governance assessment portion of the consultant review was intended to assess HYI's governance approach and structure to provide best practices advice to Council as the Shareholder. The mandate assessment was intended to confirm the purpose of HYI's work and recommend any mandate changes, expansions, or reductions. Dr. Leblanc's Final Governance

and Final Mandate reports (the “Governance and Mandate Reports”) may be found as Attachments 1 and 2, respectively.

Key Points:

- As sole shareholder of the wholly owned corporation HYI, the Regional Municipality of York has authority to do several things including appointing directors and amending or repealing Articles of Arrangement and Shareholder Direction for HYI
- HYI was established over 20 years ago and would benefit from a mandate review and governance assessment
- The consultant recommended revisions to HYI’s current mandate and proposed various governance enhancements and best practices such as development of an Enterprise Risk Management Framework, conducting regular reviews of HYI mandate every four years, and enhancing Board Director orientation and education
- Regional staff need to review the consultant’s recommendations and report back to Regional Council and HYI Board with details on potential approach and resource needs to implement consultant recommendations

3. Background

Housing York Inc. was established in 2003

Housing York Inc. (HYI) is the Regional Municipality of York’s housing corporation, operating under the *Ontario Business Corporations Act* and the *Housing Services Act, 2011*. HYI was formed in 2003 through amalgamation of the York Regional Housing Corporation and the Region of York Housing Corporation.

Since formation of HYI in 2003, there have been many changes affecting community housing delivery including Provincial policy directions, new legislation, changes to funding models and increasing service delivery expectations from York Region’s residents and business.

HYI works closely with York Region’s Community and Health Services Department and Housing Services Branch as well as community agencies to provide services to HYI tenants. HYI uses Regional staff to deliver core support functions such as finance, legal, real estate, human resources, and communications. A property management services agreement with York Region provides employee resources to HYI for these support functions.

York Region’s Role as sole shareholder of HYI

The Regional Municipality of York is the sole shareholder of the wholly owned corporation HYI. As sole shareholder, the Regional Municipality of York has the authority to do several things

including appointing directors and amending the Articles of Arrangement and Shareholder Direction of HYI.

HYI is governed by a Council-appointed Board of Directors and is operated as a local housing corporation in accordance with the requirements of the *Housing Services Act, 2011*. Currently there is no private sector or other public sector representation on HYI's Board of Directors.

4. Analysis

The governance and mandate review engaged the HYI Board and York Region staff

The former Chief Administrative Officer (CAO) retained external consultant Dr. Leblanc (the "consultant") to undertake the review described in this report. Dr. Leblanc is President of Boardexpert.com Inc. and is an independent advisor with expertise in corporate governance. He has advised and assessed over 150 boards of directors, including public sector boards in highly regulated industries. Dr. Leblanc is a Fellow Certified Management Consultant (Canada), Barrister & Solicitor (Ontario), and Professor of Governance, Law & Ethics (York University).

The review of HYI's corporate governance and mandate engaged over 40 key stakeholders and included:

- review of 36 documents related to governance and mandate of HYI including: Annual Reports; Business Plans and Budgets; By-laws, policies and guidelines; constating and other legal documents; [Housing Services Act, 2011, S.O. 2011, c. 6, Sched. 1](#), Articles of Arrangement; Amended and Restated Shareholder Direction, June 30, 2022; various risk, compliance and audit documents
- York Region staff responses to 75 questions posed by the consultant
- interviews with the Chair and Vice-Chair of HYI Board of Directors, HYI Officers, and senior York Region management
- presentation of consultant's preliminary findings and draft recommendations to the September 21, 2023 HYI Board meeting for discussion, consideration, and feedback

The consultant recommended revising HYI's current mandate and proposed various governance enhancements and best practices

The consultant's Governance and Mandate Reports made recommendations related to potential mandate revision and improving governance and other administrative best practices. These recommendations are outlined in the tables below with references to further details in the attached consultant reports.

Table 1
Summary of Consultant’s Mandate Recommendations

Item	Consultant Recommendation	To be considered by:
Explore Innovative Housing Delivery Options that Leverage Private Sector Expertise	Attachment 1 Governance Report: Recommendation #1, page 6 (see note 1)	Regional Council for approval (as Shareholder)
Review Mandate every 4 Years	Attachment 2 Mandate Report: Recommendation #2, page 5	Regional Council for approval (as Shareholder)

Note 1: Further details are outlined in Attachment 2 Mandate Report for Housing York Inc. on pages 5 and 6 regarding HYI’s Draft Revised Mandate and Expansion.

York Region currently builds purpose-built market rental units in our communities at a ratio of 70% subsidized units to 30% market-based units. These units are then turned over to HYI to manage and operate.

HYI’s current mandate includes the provision, operation, maintenance, and construction of housing accommodation, including rent-geared-to-income programs and housing for persons having special needs. The mandate is purposely broad to permit exploration of service delivery options so long as those comply with the requirements of the *Housing Services Act, 2011*. Any mandate revision as recommended by the consultant represents an incremental expansion to HYI’s existing objectives. There are options for implementing any mandate expansion which would be within the scope of the *Housing Services Act, 2011*.

Table 2
Summary of Consultant’s Governance Best Practice Recommendations

Item	Consultant Recommendation	To be considered by:
Develop Position Descriptions	Attachment 1 Governance Report: Recommendation #2, page 8	Regional staff and HYI Officers to review and report back, as required
Recruitment of Independent Directors	Attachment 1 Governance Report: Recommendation #3, pages 8, 9 and 10	Regional staff and HYI Officers to review and report back on implementation options
Develop an Enterprise Risk Management Framework	Attachment 1 Governance Report: Recommendation #4, page 10	Regional staff and HYI Officers to review and report back on implementation options
In Private Sessions	Attachment 1 Governance Report: Recommendation #5, pages 11 and 12	Regional staff and HYI Officers to review and report back on implementation options
Director Orientation and Education	Attachment 1 Governance Report: Recommendation #6, pages 12 and 13	Regional staff and HYI Officers to review and report back on implementation options
Tailored Conflict of Interest Policy	Attachment 1 Governance Report: Recommendation #7, pages 13 and 14	Regional staff and HYI Officers to review and report back
Annual Strategy and Governance Session	Attachment 1 Governance Report: Recommendation #8, pages 14 and 15	Regional staff and HYI Officers to review and report back on implementation options
Adopt a formal Whistle-Blowing Policy and Program	Attachment 1 Governance Report: Recommendation #9, page 15	Regional and HYI Officers to review and report back
Board Self-Assessment	Attachment 1 Governance Report: Recommendation #10, pages 15 and 16	HYI Board in conjunction with HYI Officers to assess and determine implementation options

Table 3

Summary of Consultant’s Administrative Best Practice Recommendations

Item	Consultant Recommendation	To be considered by:
Annual Report Enhancements	Attachment 2 Mandate Report: Recommendation #3, page 5	HYI Officers to review and consider implementation options
Increase Visibility of HYI Mandate	Attachment 2 Mandate Report: Recommendation #4, page 5	HYI Officers to review and consider implementation options

In the course of further review and future implementation of these recommendations staff may refine suggested improvements, where necessary, to better integrate with existing practices, operational processes, and activities of HYI.

5. Financial Considerations

Financial impacts to execute any mandate and governance updates recommended by the consultant would be contingent on advice from internal and, where needed, specialized external legal counsel. Financial and risk considerations for any potential revision of HYI’s responsibilities and operations would also need to be determined as part of future steps.

Should independent board members be approved as part of governance changes, compensation for any future independent Directors of the HYI Board will need to be determined through subsequent research of compensation practices. This analysis would be part of any future work to assess implementation options.

6. Local Impact

Effective and efficient planning and delivery of housing services supports our current York Region residents as well as additional population growth anticipated as outlined in the Provincial Growth Plan, Regional and local Official Plans.

7. Conclusion and Next Steps

It is a good practice to review and improve corporate mandates and board governance of the Regional Municipality of York's wholly owned corporations.

As directed by Regional Council, next steps in the HYI Governance and Mandate Review would be for Regional staff in conjunction with HYI Officers to review consultant's recommendations (summarized in Tables 1, 2 and 3 of this report) and bring back options for potential implementation to the HYI Board and Regional Council, as required.

Any mandate expansion would need to be compliant with the *Housing Services Act, 2011* and the *Ontario Business Corporations Act*. Upon any decision to revise HYI's mandate, HYI Officers, in conjunction with Regional staff, would develop a draft framework with financial and risk considerations for expanding HYI's responsibilities and operations that would best serve the specific housing needs for York Region. Results of this work would then be brought forward to a future HYI Board meeting and subsequently Council as the shareholder.

For more information on this report, please contact Erin Mahoney, Chief Administrative Officer at 1-877-464-9675 ext. 71200. Accessible formats or communication supports are available upon request.



Approved for Submission: **Erin Mahoney**
Chief Administrative Officer

January 25, 2024
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Attachment 1 – Governance Report for Housing York Inc.
Attachment 2 – Mandate Report for Housing York Inc.