

STAFF REPORT: Office of The Chief Administrative Officer



REPORT TO: Council
MEETING DATE: December 17, 2012
REPORT NO.: CAO.12.09
SUBJECT: **Creating the Non-Profit "TBM Housing Corporation"**
PREPARED BY: Troy Speck
Chief Administrative Officer

A. Recommendations

THAT Council receive Report CAO.12.09 entitled "Creating the Non-Profit 'TBM Housing Corporation'" for their information purposes;

THAT Council direct Staff to advertise and hold a public meeting for the purposes of consulting the public regarding the proposal to establish the TBM Housing Corporation, and report back to Council;

THAT Council direct Staff to draft a policy on asset transfer from the Town, to the TBM Housing Corporation including, without limiting the foregoing, the making of grants, loans and transfer of land;

AND THAT Council approve, in principle, the draft Letters Patent and By-Laws No. 1 and No. 2 of the TBM Attainable Housing Corporation, for submission for incorporation as a corporation without share capital, subject to receipt of feedback from a public consultation and subsequent report to Council.

B. Background

At its April 11, 2012 meeting, Council received report BMHC.12.01, in which the Town's Housing Committee outlined a proposed business plan for creating a non-profit housing corporation, whose object would be to achieve more attainable housing in The Blue Mountains. A copy of the report and business plan is attached to this report as schedule "A".

Essentially, because the high cost of land is one of the key driving factors in the high price of housing within the community, the business plan concept calls for creating a land-lease arrangement, whereby for a non-profit corporation would have ownership of land, and would enter into an agreement with a prospective home-owner, allowing the home owner to build a home or purchase an existing home on the land owned by the non-profit corporation, and pay a monthly lease to the corporation in an amount that

would be less than what they would pay for a mortgage, were the homeowner to purchase land instead. The non-profit corporation would have the ability to own land, and would obtain land through grant/donation or purchase. In the event of the need to obtain land by purchase, the non-profit corporation would request from the Town sufficient funds to purchase the land, to be paid by the Town from its reserves. The Town would recoup these funds via receipt of the monthly lease payments from the home-owner, providing a rate return to the Town higher than it currently enjoys on its reserve funds.

At the April 11, 2012 meeting, Council resolved as follows:

THAT Council receive report BMHC.12.01, Delivery of Attainable Housing through the establishment of a Not-for-Profit Housing Corporation,

THAT Council adopt the Housing Committee's Strategic and Business Plan as the basis for the operation of a not-for-profit housing corporation,

THAT Council direct staff and the Housing Committee to provide a short term option for attainable housing in The Town of Blue Mountains by establishing a Not-for-Profit Housing Corporation in accordance with the Housing Committee's Strategic and Business Plan following these principles:

- 1. The Housing Corporation shall be a not-for-profit corporation wholly owned by the Corporation of the Town of The Blue Mountains**
- 2. The Not-for-Profit Housing Corporation shall act independently from the Corporation of the Town of The Blue Mountains to create attainable ownership housing units.**
- 3. The Corporation of the Town of The Blue Mountains shall provide start-up funding up to \$25,000 in 2012, and up to \$10,000 in each of 2013, 2014 and 2015.**
- 4. The Corporation of the Town of The Blue Mountains shall work with the Not-for-Profit Housing Corporation to implement the sustainable funding method described in the business plan.**
- 5. Staff shall work with the Not-for-Profit Corporation to advertise for applicants to fill the four directors' positions allocated to members of the general community and prepare a report to allow Council to select and appoint said directors.**

Since that time, members of the Housing Committee and the Town CAO have been working with legal counsel to draft: a) Letters Patent to submit to the Province to incorporate the non-profit corporation; b) By-Law # 1, which will become the governing by-law of the non-profit corporation; and c) By-Law # 2, the corporation's borrowing by-

law. Drafts of these documents have been completed and legal counsel advise they are ready for submission. Copies of the documents are attached to this report.

C. Analysis

Authority

Per consultation with legal counsel acting for the Town, municipal legislation provides as follows:

Section 203(1) of the Municipal Act, 2001 permits the Town to establish corporations, nominate or authorize persons to act as incorporators, directors, officers or members of a corporation and to exercise any power as a member of a corporation.

Section 203(3) of the Municipal Act, 2001 requires the corporation and its officers to comply with such requirements as may be prescribed by provincial regulations.

Ontario Regulation 599/06 governs the establishment and operations of such corporations. The following commentary relates only to those sections of this regulation which apply to the corporation proposed to be established.

1. Section 3 provides that the corporation may only be established if the service or thing provided by the corporation is one that the Town could provide. Section 11 of the Municipal Act, 2001 permits the Town to pass by-laws respecting “economic development services” which would include the provision of residential housing.
2. Section 4 of Regulation 599/06 provides for a similar requirement dealing with the appointment of directors, officers or members.
3. Section 5(2) recognizes the right of the Town to provide assistance or make grants to the corporation under sections 106 and 107 Of the Municipal Act, 2001.
4. Section 6 requires a business case study to be adopted. The resolution passed with respect to the April 11, 2012 report to Council adopted the Housing Committee’s Strategic and Business Plan.
5. Section 7 requires the Town to adopt and maintain policies on the transfer of assets to the corporation before any assets are transferred. Accordingly, such a policy needs to be adopted before the transfer of any assets (ex. loan, grant, land) to the corporation. It is therefore recommended that staff be directed to develop such a policy for Council review and approval.
6. Section 8 provides that the Town shall consult with the public before establishing the corporation. It is therefore recommended that Council direct Staff to advertise and hold a public meeting for the purposes of consulting the public regarding the proposal to establish the TBM Housing Corporation, and report back to Council.

7. Section 19 provides that the directors and officers of the corporation shall be deemed to be “members” for the purpose of the Municipal Conflict of Interest Act.
8. Section 21 provides that a corporation is not a local board but deems the corporation to be a local board for the purposes of:
 - (a) Section 270(2) of the Municipal Act, 2001, which requires a local board (the corporation) to adopt and maintain policies dealing with its sale and other disposition of land, its hiring of employees and its procurement of goods and services.
 - (b) The Environmental Assessment Act (does not apply to the operations of the corporation)
 - (c) The Municipal Conflict of Interest Act; and
 - (d) Subsection 56.2(3) of the Capital Investments Plan Act, 1993 (does not apply to the operations of the corporation)

Process for establishing the Corporation and its Board

Once filed with the province, the attached Letters Patent would create the TBM Attainable Housing Corporation, a not-for-profit corporation whose objects are “To augment the supply of healthy, affordable and sustainable ownership housing units in The Town of The Blue Mountains which are affordable to a larger portion of the population”.

The seven applicants identified on the Letters Patent include 2 members of Council, 3 members of the Housing Committee, and 2 lawyers from the law firm assisting with the incorporation. These seven individuals will serve as the “first directors” of the corporation for the purposes of making application for incorporation, and will remain in place only until the first meeting of the members of the corporation, at which time the corporation’s first operating board of directors will be selected.

By-Law # 1 is essentially the procedural by-law of the non-profit corporation, identifying such things as appointment and removal of directors of the corporation, duties and qualifications of directors, and process at meetings. The by-law identifies that the corporation’s board of directors will consist of 7 directors, 2 of whom shall be members of the Town’s Council. The by-law also identifies 2 types of membership in the corporation: 1) Municipal Member; and 2) regular Members. There is only one Municipal Member, being the Town of The Blue Mountains, and the Municipal Member is entitled to 45 votes at all meetings of members (ex: annual general meeting). With a maximum of 20 regular Members having voting rights (including Directors), this ensures that the Town will have at least 2/3 of the votes at any meeting of the Members (ex. for election of directors, amendments to corporate by-laws, etc.), though not a majority vote at meetings of the corporation’s Board.

Moving forward, following incorporation there will be an advertisement for volunteers to sit on the new corporation's Board. Directors will be selected at a meeting of the membership of the corporation, which will essentially be the "first directors" listed on the Letters Patent, and a representative of the Town Council who will attend, bearing direction from Council.

Once established, the Board of the corporation will work to accomplish the mandate of the corporation, as outlined above and in the business plan presented to Council.

D. The Blue Mountains' Strategic Plan

Strategic Action 4.2 in the Town's 2005 Strategic Plan is to "Develop an action plan to support the provision of affordable housing".

Within "The Blue Mountains Sustainable Path" document, under the theme of "Built Environment and Housing for All", one of the goals identified is to: "Encourage a mix of housing types and uses accommodating the need for attainable housing for families and seniors".

E. Environmental Impact

N/A

F. Budget Impact

The business plan contains a requirement of operating funds from the Town in the amount of \$25,000 in the first year of the corporation's operation (included in the 2012 budget), and \$10,000 per year for 3 years thereafter.

Any funds transferred to the corporation for the purchase of land will be paid from reserves, and so will not directly affect the Town's operating and capital budgets, or the tax levy. The business plan presented by the Town's Housing Committee projects that the Town will receive interest on the funds loaned to the corporation, in an amount equal to or greater than the interest the Town currently receives on those funds.

G. In Consultation With

John Metras, legal counsel for the Town
Bob Hamilton, legal counsel retained for the incorporation
George Cornfield, member, ToBM Housing Committee
Bruce Taylor, member, ToBM Housing Committee
John McGee, member, ToBM Housing Committee
Robert Cummings, Director of Finance & IT

H. Attached

1. Report BMHC.12.01
2. Draft "Letters Patent" for TBM Attainable Housing Corporation, a corporation without share capital
3. Draft By-Law # 1 and By-Law # 2 for the proposed TBM Attainable Housing Corporation

Respectfully submitted,

Troy Speck, B.A., LL.B.
Chief Administrative Officer

For more information, please contact
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COMMITTEE REPORT: The Blue Mountains Housing Committee



REPORT TO: Council
MEETING DATE: April 11, 2012
REPORT NO.: BMHC.12.01
SUBJECT: Delivery of Attainable Housing Through the establishment of a Not-for-Profit Housing Corporation
PREPARED BY: Bruce Taylor, Chair
The Blue Mountains Housing Committee

1. Schedule A
BMHC.12.01 &
Business Plan

A. Recommendations

THAT Council receive report BMHC.12.01, Delivery of Attainable Housing through the establishment of a Not-for-Profit Housing Corporation,

THAT Council adopt the Housing Committee's Strategic and Business Plan as the basis for the operation of a not-for-profit housing corporation,

THAT Council direct staff and the Housing Committee to provide a short term option for attainable housing in The Town of Blue Mountains by establishing a Not-for-Profit Housing Corporation in accordance with the Housing Committee's Strategic and Business Plan following these principles

- 1. The Housing Corporation shall be a not-for-profit corporation wholly owned by the Corporation of the Town of The Blue Mountains**
- 2. The Not-for-Profit Housing Corporation shall act independently from the Corporation of the Town of The Blue Mountains to create attainable ownership housing units.**
- 3. The Corporation of the Town of The Blue Mountains shall provide start-up funding up to \$25,000 in 2012, and up to \$10,000 in each of 2013, 2014 and 2015.**
- 4. The Corporation of the Town of The Blue Mountains shall work with the Not-for-Profit Housing Corporation to implement the sustainable funding method described in the business plan.**

THAT Council direct staff to advertise for applicants to fill the four directors' positions allocated to members of the general community and prepare a report to allow Council to select and appoint said directors.

B. Background

In 2004 The Blue Mountains' Council adopted staff report SRC.04.04 Community Affordable Housing Committee Terms of Reference Housing Committee (Appendix A). Its mandate was to investigate information and resources for implementation of affordable housing practices and construction within The Blue Mountains and make recommendations to Council with regard to same.

Currently, The Housing Committee is comprised of

Chair	Bruce Taylor
Members	Bill Chapman, George Cornfield, Pam Leeb, Carolyn Letourneau, John McGee, Rob Potter
Councillors	Bob Gamble, Michael Martin
Staff Resource	Shawn Postma

In 2010 the Housing Committee reported to council that a model based on a community land trust was its recommendation and independently the Housing Needs Study also recommended the same model. Council authorized a report on community land trusts as a housing delivery vehicle. This report from Mr. David Tang of the firm of Gowlings, Lafleur, Henderson was received by council as part of staff report SPS.11.7 in July of 2011(Appendix B) and it recommended a not-for-profit corporation as the preferred delivery vehicle for attainable housing.

As the Housing Committee prepared to move from study to implementation it was determined that the Terms of Reference for the housing committee needed to be updated. Staff Report SPS.11.6 dated May 17, 2011 provided the background information and a recommendation to replace the Terms of Reference which now included a mandate to provide a long term plan as well as an initial 5 year business plan for a housing corporation. (See Appendix C: SPS.11.6 Housing Committee Terms of Reference).

Affordable and attainable housing has been a collective concern for many years as it is an important part of the social and economic health of the Town of The Blue Mountains. The Housing Committee has reviewed the Town commissioned studies for direction as it prepared the attached Strategic and Business Plan.

The “**Blue Mountains Strategic Plan**” provides an overall vision and mission statement for the Town that offers a healthy and supportive lifestyle to a diverse range of residents, businesses and visitors” with a specific action to “Develop an action plan to support the provision of affordable housing”

The “**Blue Mountains Sustainable Path**” document was endorsed by Council in June 2010. The Sustainable Path provides a 50-year local action plan developed by the community for the community. The Plan identifies an overall vision as well as themes, goals & objectives, and strategies & actions in the areas of the environment, the economy and the community. *Built Environment and Housing For All* is a strong theme within the Plan that identifies a need to encourage a mix of housing types and uses accommodating the need for attainable housing. The Plan identifies the work of the Housing Committee as a Town priority with focus on increasing the attainable housing stock. Housing affordability is identified as a key issue in the community with actions required to assess various housing options and programs. The proposed Strategic and Business Plan provides one program in our work to providing attainable housing.

The “**Blue Mountains Red Hot & Blue**” document was endorsed by Council in September 2010. Red Hot & Blue provides a plan for economic prosperity in The Blue

Mountains. In developing this Plan, housing affordability and diversity was one of the most commonly cited issues in interviews with The Blue Mountains stakeholders and residents. One of the core principles within the plan identifies a need to build strong communities which include attainable housing, and that attainable housing across all age groups is necessary for the future prosperity of our community.

The “**Housing Needs Study**” was received by Council and works off of the themes identified in the documents above. The Housing Needs Study provides additional direction and recommends a housing strategy be created following these overriding principles

- Initiatives be largely focused in Thornbury
- Any strategy must work within the capabilities of TBM
- Any strategy should leverage the skills of the private sector
- The strategy preserve the uniqueness of the community
- The strategy must include public education on the importance of attainable housing

It goes on to recommend that Council

- Establish a housing delivery structure
- Establish funding mechanisms
- Establish housing programmes
- Create a 5 year work programme

In January of 2011 a new Housing Committee was established by the newly elected Council. The Committee set three goals to be brought back to Council for consideration:

1. Determine a Vision,
2. Set a Strategic Plan, and
3. Develop a business plan to support both the Vision and Strategic Plan.

The following is a summary of the Strategic and Business Plan developed by the Housing Committee:

Purpose / Mission

To augment the supply of healthy and sustainable ownership housing units over the next twenty years in The Town of Blue Mountains which are affordable to a larger portion of the population.

Vision

Address the goals of the Sustainable Path and meet in large part the overriding principles of the housing strategy called for in the 2010 Housing Needs Study.

Goals /Objectives

1. To create a self sustaining Housing Corporation.
2. To supply twenty attainable ownership housing units by 2020

Business Model

Provide a variety of housing types by establishing housing units built by private sector partners on land owned by the Not-for-Profit Housing Corporation and leased to the home owners. It is anticipated that the Not-for-Profit Housing Corporation would be self sustaining providing between twenty and twenty five units to the targeted groups.

The targeted groups will be defined through a set of eligibility criteria as established by Not-for-Profit Housing Corporation. Eligibility criteria may be based on some or all of the following: income, assets, home must be a primary residence, applicant being a current TBM resident, applicant having employment within TBM. The intent of these criteria is to establish a minimum set of criteria that all applicants must meet to be considered for the programme, with the Not-for-Profit Housing Corporation making the final determination on successful applicants. Legal Counsel has been obtained to identify what types of eligibility criteria the Not-for-Profit Housing Corporation may and may not establish without infringing the Human Rights Code.

Funding and Budget

It is anticipated that a private-sector partner would be recruited to provide the capital necessary for construction; therefore there will not be a need for a large infusion of public funds. The Not-for-Profit Housing Corporation would need start-up funding from the municipality over the next four years. The funding requirements for 2012 will cover legal costs and staff time required to set up the Corporation, establish policy and procedures, identify potential projects, and complete templates for legal contracts, leases, etc.

The Not-for-Profit Housing Corporation would work with a model that is capable of meeting these goals and providing virtually any number of units while remaining sustainable. There are six principles upon which the model is based:

1. All costs associated with the programme are paid by the home owning participants in the programme
2. The municipality provides the initial working capital as a forgivable loan.
3. The municipality funds the capital required though interest only repayable loans to the Not-for-Profit Housing Corporation to a maximum amount set in conjunction with the finance department.
4. The programme provides short term (less than 30 years) assistance to targeted purchasers trying to find attainable housing.
5. The housing units remain attainable for a limited time and the home owner is able to accrue limited equity in the land over time.
6. All costs, the purchase price of the land, the incidental costs associated with the purchase, the cost of preparing and executing the land lease, the administrative costs of the Not-for-Profit Housing Corporation and the costs associated with the final sale of the land to the then current homeowner, are built into the value of the land for land leasing purposes.

Implementation Plan

1. Council would need to establish a Housing Authority, a not-for profit

- corporation.
2. Internal borrowing would facilitate the purchase of building lots.
 3. The newly formed Not-for-Profit Housing Corporation would put builder in contact with successful applicant and financial institution.
 4. The construction phase would have all design, approvals, construction and sale of final product by builder developer.

We believe that the Strategic and Business Plan (Appendix D) that is being presented provides clear direction to meet these strategies and actions as recommended by The TBM Strategic Plan, The Sustainable Path, Red Hot and Blue and The Housing Needs Study.

The Housing Committee's Strategic and Business Plan is intended to provide one component of the larger goal of providing attainable housing in our community. We ask you to adopt the recommendations within this report.

C. The Blue Mountains' Strategic Plan

The Housing Committee's Strategic and Business Plan for Attainable Housing specifically addresses the action item "Develop an action plan to support the provision of affordable housing"

D. Environmental Impacts

Utilizing existing serviced lots will address the PPS goal of intensification, make efficient use of existing water and wastewater infrastructure and provide energy efficient housing for young working families and seniors.

E. Financial Impact

Included in the 2012 budget is Project 1-810-8008 for the setting up of a Not-for-Profit Housing Corporation and acquisition of land or buildings which budgets \$25,000 in 2012 and \$50,000 in each of 2013, 2014 and 2015 for a total of \$175,000. The current business plan seeks funding of \$25,000 in 2012 and \$10,000 in each of 2013, 2014 and 2015 for a net reduction of \$120,000 over the next 4 years.

Internal borrowing provided for in this business plan does not impact the budget directly but will provide an improved rate of return on the Town's GIC investments.

F. In Consultation With

Troy Speck, Town of The Blue Mountains CAO
Robert Cummings, Director of Finance & IT Services
Town of The Blue Mountains Senior Management Team
Grey County Housing Department
John Metras, Municipal Solicitor

David Tang, Gowling, LaFleur, Henderson LLP
Local Builder
TD Canada Trust
Canada Mortgage and Housing Corporation (CMHC)
Beaver Valley Outreach (BVO)

G. Attached

Appendix D: Town of Blue Mountains Housing Committee Strategic and
Business Plan – March 30, 2102

Respectfully submitted, on behalf of The Blue Mountains Housing Committee

Bruce Taylor, Chair

For more information, please contact:

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Town of Blue Mountains Attainable Housing

Business Plan

Executive Summary

In January of 2010 a new Housing Committee was established by the newly elected Council. The Committee set three goals with which to set a programme which could be brought to Council for consideration, determine a Vision, set a Strategic Plan, and now this document, a business plan to support both the Vision and Strategic Plan.

The Purpose / Mission

To augment the supply of healthy and sustainable ownership housing units over the next twenty years in The Town of Blue Mountains which are affordable to a larger portion of the population.

Vision

Address the goals of the Sustainable Path and meet in large part the overriding principles of the housing strategy called for in the 2010 Housing Needs Study.

Goals /Objectives

1. To create a self sustaining Not-for-Profit Housing Corporation.
2. To supply twenty attainable ownership housing units by 2020

Business Model

Provide a variety of housing types by establishing housing units built by private sector partners on land owned by the Not-for- Profit Housing Corporation and leased to own to the home owners. It is anticipated that the Not-for-Profit Housing Corporation would be self sustaining providing between twenty and twenty five units to the targeted groups.

The targeted groups will be defined through a set of eligibility criteria as established by Not-for- Profit Housing Corporation. Eligibility criteria may be based on some or all of the following: income, assets, home must be a primary residence, applicant being a current TBM resident, applicant having employment within TBM. The intent of these criteria is to establish a minimum set of criteria that all applicants must meet to be considered for the programme, with the Not-for-Profit Housing Corporation making the final determination on successful applicants. Legal Counsel has been obtained to identify what types of eligibility criteria the Not-for-Profit Housing Corporation may and may not establish without infringing the Human Rights Code.

Funding and Budget

It is anticipated that a private-sector partner would be recruited to provide the capital necessary for construction; therefore there will not be a need for a large infusion of public funds. The Not-for-Profit Housing Corporation would need start-up funding from the municipality over the next four years.

The Not-for-Profit Housing Corporation would work with a model that is capable of meeting these goals and providing virtually any number of units while remaining sustainable. There are six principles upon which the model is based:

1. All costs associated with the programme are paid by the home owning participants in the programme
2. The municipality provides the initial working capital as a forgivable loan.
3. The municipality funds the capital required through interest only repayable loans to the Not-for-Profit Housing Corporation to a maximum amount set in conjunction with the finance department.
4. The programme provides short term (less than 30 years) assistance to targeted purchasers trying to find attainable housing.
5. The housing units remain attainable for a limited time and the home owner is able to accrue limited equity in the land over time.
6. All costs, the purchase price of the land, the incidental costs associated with the purchase, the cost of preparing and executing the land lease, the administrative costs of the Not-for-Profit Housing Corporation and the costs associated with the final sale of the land to the then current homeowner, are built into the value of the land for land leasing to own purposes.

Implementation Plan

1. Council would need to establish a Housing Authority, a not-for profit corporation.
2. Internal borrowing would facilitate the purchase of building lots.
3. The newly formed Not-for-Profit Housing Corporation would put a builder / developer in contact with successful applicants. Developer / builder and successful applicant would enter into contractual agreement to design, provide approvals, and construct home.
4. The construction phase would have all design, approvals, construction and sale of final product by builder developer.

Town of Blue Mountains Attainable Housing

Detailed Business Plan

In January of 2010 a new Housing Committee was established by the newly elected Council.

The Committee in reviewing the strengths, weaknesses, opportunities and threats inherent with The Town of Blue Mountains entering the area of affordable and attainable housing determined the following:

Strengths

- Facilitation
- Regulation
- Planning expertise
- Community vision i.e. The Blue Mountains Sustainable Path 2010
- Current housing needs study

Weaknesses

- Building things
- Speed of response
- Public process
- Financial pressures
- Lack of legislative authority
- Multiple levels of government in affordable housing
- Property management

Opportunities

- Official Plan Review
- Zoning By-law review
- Housing Needs Study
- Strong development environment
- Education of the community

Threats

- Lack of understanding by the community
- Lack of commitment to the long term
- Other levels of government control most aspects of affordable housing

The Housing Committee in addressing this SWOT analysis have formulated a Strategic Position for a “not-for-profit housing corporation”.

The Not-for-Profit Housing Corporation would be uniquely positioned to deliver attainable housing units because of its community based leadership, the knowledge base in planning and zoning, and a municipal resources that can be utilized as a starting point for action. The responsibility for social housing in The Blue Mountains would remain as dictated by Provincial Policy, with Grey County. The Housing Committee would continue its role as the advocate for affordable housing. Social housing is not the mandate of this Corporation.

With this in mind the Committee set three goals with which to set a programme which could be brought to Council for consideration, determine a Vision, set a Strategic Plan, and now this document, a business plan to support both the Vision and Strategic Plan.

1. Determine a Purpose and a Vision

The Purpose / Mission

To augment the supply of healthy and sustainable ownership housing units in The Blue Mountains which are affordable to a larger portion of the population.

Vision

Address the goals of the Sustainable Path and meet in large part the overriding principles of the housing strategy called for in the 2010 Housing Needs Study.

2. Set a Strategic plan

Goals /Objectives

1. To create a self sustaining Not-for-Profit Housing Corporation.
2. To supply twenty attainable ownership housing units by 2020

Strategies / Action Plan

1. Establish a mechanism through the creation of a Not-for-profit Housing Corporation as the municipal housing delivery structure to deliver attainable home ownership units.
 1. The Town would form a Housing Corporation which would be incorporated as a non-profit corporation.

2. Through the Official Plan Review process promote housing policies to facilitate growth in attainable home ownership.
 3. The Town would continue to lobby for the passage of an “Inclusionary” Legislative Bill with the County and Province.
2. Establish a funding mechanism to support the Not-for-profit Housing Corporation.
 1. Establish the ability of the Not-for-Profit Housing Corporation to receive municipal capital, and/or land, private land and/or cash donations.
 2. Establish the ability of the Not-for-Profit Housing Corporation to sell land under its control.
 3. Ensure that funds are included in subsequent municipal budgets to fund operations of the Not-for-Profit Housing Corporation.
 3. Use communications to gain community acceptance of attainable initiatives.
 1. Develop a communication plan for attainable housing in general and specific project proposals.
 4. Use the public/private partnership model to deliver units.
 1. Work with local builders and developers.
 5. Establish an exit mechanism to enable the Not-for-profit Corporation to wrap up its operations in an orderly way.

3. Establish a Business plan to support Strategic Plan

Purpose of TBM Attainable Housing Business Plan

The purpose of this plan is to identify and outline the steps to be taken to establish, over a five-year period, a housing program in the Town of The Blue Mountains. This plan attempts to meet the mandate set by The Blue Mountains Council in adopting the Committee's Terms of Reference (May 25, 2011) and the Town's Strategic Plan. As well, it attempts to address community visions and objectives gathered through various studies in the past two years.

Introduction

The Blue Mountains is a municipal corporation with a full-time population of about 10,000 and part-time/seasonal population of about 8,000. Over the past 30 years, the Town has become a popular destination for active retirees, those looking to spend their retirement years in a smaller community that offers a wide range of recreational opportunities.

Managing growth has been a challenge for the municipality over the past three decades. The mix of small-town lifestyle and recreational amenities appeals to retirees and, in lesser numbers, to young families. Private development interests have been eager to take advantage of market demand for housing. The Town has seen substantial growth since the late 1970s.

Most of this growth and most of the market demand has been for housing in the medium- to high-end range. Prices for older housing stock have been pushed dramatically upward during this growth period, and Town policies promoted lower-density residential development to preserve the town's character.

As a result, very little lower-cost housing is available. Virtually no development of significance has taken place to serve this market.

The Not-for-Profit Housing Corporation is seen as a short term solution (25 – 30 years) to solve this need for lower cost housing in The Town of Blue Mountain while the Province, County and Municipality address the issue of “inclusionary housing” which will make this programme redundant over the course of time. This is a short term programme to fill a niche need.

Business Model

Provide a variety of housing types by establishing housing units built by private sector partners on land owned by the Not-for-Profit Housing Corporation and leased to own to the home owners. It is anticipated that the Not-for-Profit Housing Corporation would be self sustaining providing between twenty and twenty five units to the targeted groups.

Developers / builders would be sought to build specified housing for target market, for their profit without the cost of land as part of the purchase price.

Developer / builder and successful applicant would enter into contractual agreement to design, provide approvals, and construct home.

Organizational Structure

Type of Organization

The Town would form a Not-for-Profit Housing Corporation which would be incorporated as a non-profit corporation. The incorporation process takes several months so it is suggested that this begin immediately so that the new corporation can be in place early in 2012.

The Not-for-Profit Housing Corporation's main purpose would be oversight of a municipal housing program as further defined for The Town of Blue Mountains.

Legal advice would be required in setting up this new corporation. It is anticipated that independent legal counsel would be retained to provide this assistance.

Since the Not-for-Profit Housing Corporation's purpose does not involve social housing, it is not expected that an agreement with Grey County will be necessary. The Committee does have the assurance of support from the County's Director of Housing.

Location of Corporation

It is anticipated that the Not-for-Profit Housing Corporation would be located at New Town Hall location, 32 Mill Street, P.O. Box 310, Thornbury, ON N0H 2P0

Governance

(Governance is the set of processes, customs, policies, laws, and institutions affecting the way a non-profit corporation is directed, administered or controlled.)

The structure and governance of the Not-for-Profit Housing Corporation including membership would follow the recently enacted Ontario Provincial Bill 65, Not-for-Profit Corporations Act, 2010.

The Committee recommends that the regulations and policies contain an adequate degree of flexibility to allow this new corporation to be able to deal with unforeseen issues. Over time, the regulations and policies could be refined as needed.

Recommended Profile of Board of Directors for Not-for-Profit Housing Corporation

The Committee recommends that the Not-for-Profit Housing Corporation be administered by a Board of Directors which should include a mix of council

members and community residents as well as a representative of Beaver Valley Outreach, an organization which serves local families. A Board of seven members could, for example, include two members of Town Council, four members of the general community and one representative of Beaver Valley Outreach.

It is also recommended that at least one of the Town's representatives on Grey County Council should be appointed to the Board of Directors to ensure liaison with the County.

Linkages and Partnerships

Public Sector: Town of Blue Mountains, Grey County

Non-Profit Sector: charitable foundations, fraternal or service organizations, faith based organizations

Private Sector: developers, builders, financial institutions, local industries such as tourism, agricultural

Continued existence of Housing Committee

The existing Housing Committee would continue to function as a liaison with Grey county housing authority and advocacy group for affordable housing action in The Blue Mountains.

Market Analysis – Marketing Plan

Identifying the Need

The Town has undertaken various studies to look at present situations and develop a community vision for the future.

These include:

- The Blue Mountains Sustainable Path (2010)
- Red Hot and Blue - Economic Development for The Blue Mountains (2010)
- The Blue Mountains Community Improvement Plan (2010)
- The Blue Mountains Housing Needs Study (2010)

In each of these studies, the need for more attainable housing was clearly identified as a challenge that needs to be met to assure the long-term social, economic, cultural and recreational health of the community. The Housing Study, for example, noted that young families, even those with average incomes, find it difficult to either rent or buy even a modest home in The Blue

Mountains. Many of the young people who grow up in The Blue Mountains are forced to move to other communities to buy or rent their first home as adults. Young entrepreneurs interested in starting a new business are discouraged by the cost of a home here in combination with the financial challenges of starting a new business.

Likewise, existing residents who have completed their careers and are moving into the retirement years no longer have need of larger homes in which they raised families. They also would like to move into smaller more modest homes within the Town more suitable to their current lifestyles.

This lack has further impacts on community institutions and services such as schools, transportation, recreation programs for both youth and seniors alike.

It should be noted that affordable housing is a broad term which encompasses a range of housing types. It includes both low-cost market housing for homeowners and renters, and non-market housing available at subsidised rates. Providing affordable housing in a community means that families and individuals of all income levels and lifestyles can find suitable and adequate places to live without spending a disproportionate percentage of their income on housing. It can be seen from the TBM Housing Needs Study (2010) the need for a wide variety of affordable housing in TBM, however this business plan addresses the immediate need to take action on attainable housing for targeted groups without infringing the Human Rights Code.

The targeted groups will be defined through a set of eligibility criteria as established by Not-for-Profit Housing Corporation. Eligibility criteria may be based on some or all of the following: income, assets, home must be a primary residence, applicant being a current TBM resident, applicant having employment within TBM. The intent of these criteria is to establish a minimum set of criteria that all applicants must meet to be considered for the programme, with the Not-for-Profit Housing Corporation making the final determination on successful applicants. Legal Counsel has been obtained to identify what types of eligibility criteria the Not-for-Profit Housing Corporation may and may not establish without infringing the Human Rights Code.

Selection Criteria for Purchase of Attainable Homes in TBM

The Not-for-Profit Housing Corporation board would establish the criteria consistent with the vision for the target group for participation in the programme.

Community Relations

An extensive effort must be made to have the Community understand that the Attainable Housing programme is not social housing. Social housing responsibility remains with Grey County.

The Not-for-Profit Housing Corporation will provide attainable accommodation for the above mentioned target group which meet the selection criteria, only to maintain a good social balance in our community.

Project Concept for delivering Attainable Homes to Target Markets

Additional Goals of the Attainable Housing Strategy

1. Inclusivity not segregation
2. Diversity of housing types
3. Diversity of income groups
4. Reduce the cost of purchasing a home in TBM to become attainable for target markets through the leasing of land

Management Plan

1. Staffing of the Not-for-Profit Housing Corporation

This business plan is for five years and therefore it is covering an early stage of development of an attainable housing programme for TBM, therefore staffing and or staff time requirements may be several hours a week in additional to any committee meeting time.

2. Partnership Agreements

To be determined – future inclusionary housing, possible funding from Province through Grey County.

Financial Plan

Funding and Budget

Since it is anticipated that a private-sector partner would provide the capital necessary for construction, the Committee does not believe there will be a need for financial subsidy from public funds.

The Not-for-Profit Housing Corporation would need start up funding

from the municipality over the next four years.

The goal is that the Not-for-Profit Housing Corporation would become a self-sustaining corporation, with funds obtained from sale, lease or rental of properties and or donations being used to fund operations. At the wrap up of the Not-for-Profit Housing Corporation the working capital accumulated from the lease to own land after the last lot has been added to the property inventory could be used to repay the municipality for the initial capital transferred to it.

It is anticipated that the funding requirements for 2012 will cover legal costs and staff time required to set up the Corporation, identify potential projects, and complete template legal contracts, leases, and so on. A maximum of \$25,000 will be needed in 2012. Funding in 2013, 2014 and 2015 should not exceed \$10,000 each year.

Funding Model for the Not-for-Profit Housing Corporation

The goals of the yet to be established Not-for-Profit Housing Corporation are:

- to create a self sustaining Not-for-Profit housing corporation
- to supply twenty attainable ownership housing units by 2020

The Not-for-Profit Housing Corporation would work with a model that is capable of meeting these goals and providing virtually any number of units while remaining sustainable. There are six principles upon which the model is based:

1. All costs associated with the programme are paid by the home owning participants in the programme.
2. The municipality provides the initial working capital as a forgivable loan.
3. The municipality funds the capital required though interest only repayable loans to the Not-for-Profit Housing Corporation to a maximum amount set in conjunction with the finance department.
4. The programme provides short term (less than 30 years) assistance to targeted purchasers trying to find attainable housing.
5. The housing units remain attainable for a limited time and the home owner is able to accrue limited equity in the land over time.
6. All costs, the purchase price of the land, the incidental costs associated with the purchase, the cost of preparing and executing the land lease to own, the administrative costs of the Not-for-Profit Housing Corporation and the costs associated with the final sale of the land to the then current homeowner, are built into the value of the land for land leasing purposes.

The lease to own cost would cover the interest paid on the loan plus taxes due on the land portion. The lease to own cost paid by the home owner to the Not-for-Profit Housing Corporation would be fixed for a five year term and reset every five years based on the town's current interest rate. The taxes due on the land portion would be adjusted yearly.

The home owner has the obligation to purchase the land for the initial principal of the loan at the end of the lease to own agreement. The home owner also has the right to purchase the land for the initial principal of the loan at any time after a set period, estimated to be ten years but to be established by the Not-for-Profit Housing Corporation.

Implementation Plan

Municipal Approvals Phase

- Establish a Not-for-Profit Housing Corporation
 - Committee to work with staff and independent legal counsel to prepare articles of incorporation
- Prior to setting up the Corporation, the Town would need to pass a by-law and/or policies which cover:
 - A clear statement of the Corporation's purpose, goals and mission
 - A clear statement outlining the authority and responsibilities of the Corporation
 - Funding and revenue streams
 - Land transfer conditions

Development Phase

- Land acquisition
- The size and scope of the first project will be determined by the funding available and the recruiting of a private sector partner

- Legal agreements
- Not-for-Profit Housing Corporation would put home builder / developers in contact with successful applicants

Construction Phase

- All design, approvals and construction sale of final product by builder developer.

Long Term Governance Phase

- Sustainability of the Not-for-Profit Housing Corporation
- Adaptability to changing economic times
- Adaptability to changing demographics
- Ensuring success of programme and minimizing abuse

Form 2
Corporations
Act

Formule 2
Loi sur les
personnes
morales

**APPLICATION FOR INCORPORATION OF A CORPORATION WITHOUT SHARE CAPITAL
REQUÊTE EN CONSTITUTION D'UNE PERSONNE MORALE SANS CAPITAL-ACTIONS**

1. The name of the corporation is: (Set out in BLOCK CAPITAL LETTERS)

Dénomination sociale de la société : (Écrire en LETTRES MAJUSCULES SEULEMENT)

T	B	M		A	T	T	A	I	N	A	B	L	E		H	O	U	S	I	N	G		C	O	R	P	O	R	A
T	I	O	N																										

2. The address of the head office of the corporation is:

Adresse du siège social:

32 Mill Street, P.O. Box 310

(Street & Number or R.R. Number & if Multi-Office Building give Room No.)

(Rue et numéro ou numéro de la R.R. et, s'il s'agit d'un édifice à bureaux, numéro du bureau)

Thornbury

Ontario N 0 H 2 P 0

(Name of Municipality or Post Office)

(Postal Code)

(Nom de la municipalité ou du bureau de poste)

(Code postal)

3. The applicants who are to be the first directors of the corporation are:

Requérants appelés à devenir les premiers administrateurs de la personne morale :

First name, middle names and
surname

Address for service, giving Street & No. or R.R. No., Municipality, Prov-
ince, Country and Postal Code

Prénom, autres Prénoms et nom
de famille

Domicile élu, y compris la rue et le numéro, le numéro de la R.R. ou le
nom de la municipalité, la province, le pays et le code postal

Ellen Louise Anderson

32 Mill Street, P.O. Box 310
Thornbury, Ontario, Canada N0H 2P0

George Harold Cornfield

32 Mill Street, P.O. Box 310
Thornbury, Ontario, Canada N0H 2P0

Joseph John Halos

32 Mill Street, P.O. Box 310
Thornbury, Ontario, Canada N0H 2P0

John David McGee

32 Mill Street, P.O. Box 310
Thornbury, Ontario, Canada N0H 2P0

Continued -

3. The applicants who are to be the first directors of the corporation are:

First name, middle names and
surname

Address for service, giving Street & No. or RR No.,
Municipality, Province, Country and Postal Code

Bruce Dale Taylor	32 Mill Street, P.O. Box 310 Thornbury, Ontario, Canada N0H 2P0
Sean Michael Hanna Ainley	32 Mill Street, P.O. Box 310 Thornbury, Ontario, Canada N0H 2P0
Robert James Hamilton	32 Mill Street, P.O. Box 310 Thornbury, Ontario, Canada N0H 2P0

4. The objects for which the corporation is incorporated are:
Objets pour lesquels la personne morale est constituée:

To augment the supply of healthy, affordable and sustainable ownership housing units in The Town of The Blue Mountains which are affordable to a larger portion of the population.

5. The special provisions are:
Dispositions particulières:

The corporation shall be carried on without the purpose of gain for its members, and any profits or other accretions to the corporation shall be used in promoting its objects.

La personne morale doit exercer ses activités sans rechercher de gain pécuniaire pour ses membres, et tout bénéfice ou tout accroissement de l'actif de la personne morale doit être utilisé pour promouvoir ses objets.

Upon the dissolution of the Corporation and after the payments of all debts and liabilities, its remaining property shall be distributed or disposed of to the Town of The Blue Mountains.

The directors of the Corporation shall serve as such without remuneration, and no director shall directly or indirectly receive any profit from his or her position as such; provided that a director may be paid reasonable expenses incurred by him or her in the performance of his or her duties.

The number of directors which shall form a quorum for the transaction of business shall be five (5) directors of whom one (1) shall be any one of the Mayor, Deputy Mayor or any Councillor of The Town of The Blue Mountains.

The Corporation may do all such things as are incidental or conducive to the attainment of the objects and in particular:

- (a) to acquire, accept, solicit or receive, by purchase, lease, loan, contract, donation, legacy, gift, grant, bequest or otherwise any kind of real or personal property including money; and to enter into and carry out agreements, contracts and undertakings incidental thereto;
- (b) to hold, manage, sell or convert any of the real or personal property from time to time owned by the Corporation, and to invest and reinvest any principal in such manner as may from time to time be determined by the directors;
- (c) to acquire by purchase, lease, devise, gift and other title, and to hold, any real property necessary for the carrying on of its undertaking and for the purpose of drawing revenue therefrom, and to sell, lease, mortgage, dispose of and convey the same or any part thereof as may be considered advisable;
- (d) to demand, receive, sue for, recover and compel the payment of all sums of money that may become due and payable to the Corporation, and to apply the said sums for the objects and purposes of the Corporation, and generally to sue and be sued; and
- (e) to acquire, accept, solicit or receive any gift of real or personal property, either as an annual or other contribution or as an addition to the fund or funds of the Corporation.

6. The names and address for service of the applicants:

Nom et prénoms et domicile élu des requérants :

First name, middle names and surname Prénom, autres Prénoms et nom de famille	Address for service, giving Street & No. or R.R. No., Municipality, Province, Country and Postal Code Domicile élu, y compris la rue et le numéro, le numéro de la R.R. ou le nom de la municipalité, la province, le pays et le code postal
Ellen Louise Anderson	32 Mill Street, P.O. Box 310 Thornbury, ON N0H 2P0
George Harold Cornfield	32 Mill Street, P.O. Box 310 Thornbury, ON N0H 2P0
Joseph John Halos	32 Mill Street, P.O. Box 310 Thornbury, ON N0H 2P0
John David McGee	32 Mill Street, P.O. Box 310 Thornbury, ON N0H 2P0
Bruce Dale Taylor	32 Mill Street, P.O. Box 310 Thornbury, ON N0H 2P0

This application is executed in duplicate.

La présente requête est faite en double exemplaire.

Signatures of applicants
Signature des requérants

Ellen Louise Anderson

George Harold Cornfield

Joseph John Halos

John David McGee

Bruce Dale Taylor

Sean Michael Hanna Ainley

Robert James Hamilton

Continued -

6. The names and address for services of the applicants:

First name, middle names and
surname

Address for service, giving Street & No. or RR No.,
Municipality, Province, Country and Postal Code

Sean Michael Hanna Ainley	32 Mill Street, P.O. Box 310 Thornbury, Ontario, Canada N0H 2P0
Robert James Hamilton	32 Mill Street, P.O. Box 310 Thornbury, Ontario, Canada N0H 2P0

BY-LAW NO. 1

A by-law relating generally to the conduct
of the affairs of

TBM ATTAINABLE HOUSING CORPORATION

BE IT ENACTED and it is hereby enacted as a by-law of TBM ATTAINABLE HOUSING CORPORATION (hereinafter called the "Corporation") as follows:

INTERPRETATION

1. ***Interpretation.*** In this by-law and all other by-laws of the Corporation, unless the context otherwise specifies or requires:
 - (a) “**Act**” means the *Corporations Act*, R.S.O. 1990, c. C.38 as from time to time amended and every statute that may be substituted therefor and, in the case of such substitution, any references in the by-laws of the Corporation to provisions of the Act shall be read as references to the substituted provisions therefor in the new statute or statutes;
 - (b) “**Regulations**” means the Regulations made under the Act as from time to time amended and every regulation that may be substituted therefor and, in the case of such substitution, any references in the by-laws of the Corporation to provisions of the Regulations shall be read as references to the substituted provisions therefor in the new regulations;
 - (c) “**by-law**” means any by-law of the Corporation from time to time in force and effect;
 - (d) all terms which are contained in the by-laws of the Corporation and which are defined in the Act or the Regulations made thereunder shall have the meanings given to such terms in the Act or such Regulations; and
 - (e) words importing the singular number only shall include the plural and *vice versa* and words importing a specific gender shall include the other genders and the word “person” shall include bodies corporate, corporations, companies, partnerships, syndicates, trusts and any number of aggregate of persons; and
 - (f) the headings used in the by-laws are inserted for reference purposes only and are not to be considered or taken into account in construing the terms and provisions thereof or to be deemed in any way to clarify, modify or explain the effect of any such terms or provisions.

OBJECTS

2. ***Objects.*** The Objects of the Corporation are:

To augment the supply of healthy, affordable and sustainable ownership housing units in The Town of The Blue Mountains which are affordable to a larger portion of the population.

HEAD OFFICE

3. ***Head office.*** The head office of the Corporation shall be in the Town of The Blue Mountains, in the Province of Ontario (subject to change by special resolution) and at such place within the town in Ontario where the head office is from time to time situate as the directors of the Corporation may from time to time by resolution fix.

SEAL

4. ***Seal.*** The Corporation does not have and will not be required to use a seal.

DIRECTORS

5. ***Duties and number.*** The Board of Directors shall consist of seven (7) directors, two (2) of whom shall be any one of the Mayor, Deputy Mayor or any Councillor of The Town of The Blue Mountains. The affairs of the Corporation shall be managed by the Board of Directors who may be known and referred to as directors, trustees or governors and who may exercise all such powers and do all such acts and things as may be exercised or done by the Corporation that are not by the by-laws or any special resolution of the Corporation or by statute expressly directed or required to be done in some other manner.
6. ***Qualifications.*** Every director shall be eighteen (18) or more years of age and, subject to section 286 of the Act, shall be a member of the Corporation or shall become a member of the Corporation within ten (10) days after election or appointment as a director.
7. ***Term of office and vacancies.*** The directors' term of office (subject to the provisions, if any, of the letters patent and any supplementary letters patent of the Corporation and of the by-laws) shall be from the date of the meeting at which they are elected or appointed until the annual meeting next following or until their successors are elected or appointed. So long as there is a quorum of directors in office, any vacancy occurring in the Board of Directors may be filled for the remainder of the term by the directors then in office, if they shall see fit to do so; otherwise such vacancy shall be filled at the next annual meeting of the members at which the directors for the ensuing year are elected, but if there is not a quorum of directors, the remaining directors shall forthwith call a meeting of the members to fill the vacancy, and, in default or if there are no directors then in office, the meeting may be called by any member. If the number of directors is increased between the terms, a vacancy or vacancies, to the number of authorized increase shall thereby be deemed to have occurred, which may be filled in the manner above provided.
8. ***Vacation of office.*** The office of a director shall be vacated: (a) if he does not within ten (10) days after his election or appointment as a director become a member, or if he ceases to be a member of the Corporation; or (b) if he becomes bankrupt or

suspends payment of his debts generally or compounds with his creditors or makes an authorized assignment or is declared insolvent; or (c) if he is found to be a mentally incompetent person or becomes of unsound mind; or (d) if by notice in writing to the Corporation he resigns his office which resignation shall be effective at the time it is received by the Corporation or at the time specified in the notice, whichever is later; or (e) if he dies; or (f) if he is removed from office by the members in accordance with paragraph 9.

9. ***Election and removal.*** Directors shall be elected yearly by the members in general meeting on a show of hands unless a poll is demanded and if a poll is demanded such election shall be by ballot. The whole Board of Directors shall retire at the general meeting at which the yearly election of directors is to be made but, subject to the provisions of this by-law, shall be eligible for re-election; provided always that the members of the Corporation may, by resolution passed by at least two-thirds (2/3) of the votes cast at a general meeting of which notice specifying the intention to pass such resolution has been given, remove any director before the expiration of his term of office and may, by a majority of the votes cast at that meeting, elect any person in his stead for the remainder of his term.

MEETINGS OF DIRECTORS

10. ***Place of meeting.*** Meetings of the Board of Directors may be held either at the head office or at any place within or outside Ontario.
11. ***Notice.*** A meeting of the Board of Directors may be convened by the President, a Vice-President who is a director or any two directors at any time and the Secretary, when directed or authorized by any of such officers or any two directors, shall convene a meeting of directors. The notice of any meeting convened as aforesaid need not specify the purpose of or the business to be transacted at the meeting. Notice of any such meeting shall be made in writing, sent via regular mail, facsimile or other electronic communication means, including but not limited to e-mail, stating the day, hour and place of meeting and the general nature of the business to be transacted shall be given by serving such notice on each director not less than ten (10) days (exclusive of the day of mailing and of the day for which notice is given) before the date of the meeting; provided always that a director may in any manner and at any time waive notice of a meeting of directors and attendance of a director at a meeting of directors shall constitute a waiver of notice of the meeting except where a director attends a meeting for the express purpose of objecting to the transaction of any business; provided further that meetings of directors may be held at any time without notice if all the directors are present (except where a director attends a meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting is not lawfully called) or if all of the absent directors waive notice before or after the date of such meetings.

If the first meeting of the Board of Directors following the election of directors by the members is held immediately thereafter, then for such meeting or for a meeting of the Board of Directors at which a director is appointed to fill a vacancy in the Board, no notice shall be necessary to the newly elected or appointed directors or director in

order to legally constitute the meeting, provided that a quorum of the directors is present.

12. **Regular meetings.** The Board of Directors may appoint a day or days in any month or months for regular meetings of the Board of Directors at a place or hour to be named by the Board of Directors and a copy of any resolution of the Board of Directors fixing the place and time of regular meetings of the Board of Directors shall be sent to each director forthwith after being passed, but no further notice shall be required for any such regular meetings.
13. **Quorum.** The number of directors which shall form a quorum for the transaction of business shall be that which is set out in the letters patent, supplementary letters patent or a special resolution of the Corporation. Notwithstanding any vacancy among the directors, a quorum of directors may exercise all the powers of directors.
14. **Voting.** Questions arising at any meeting of directors shall be decided by a majority of votes.

REMUNERATION OF DIRECTORS

15. **Remuneration of directors.** The directors shall serve without remuneration and no director shall directly or indirectly receive any profit from his position as such; provided that a director may be reimbursed for reasonable expenses incurred by him in the performance of his duties.

SUBMISSION OF CONTRACTS OR TRANSACTIONS TO MEMBERS FOR APPROVAL

16. **Submission of contracts or transactions to members for approval.** The Board of Directors in its discretion may submit any contract, act or transaction for approval or ratification at any annual meeting of the members or at any general meeting of the members called for the purpose of considering the same and, subject to the provisions of section 71 of the Act, any such contract, act or transaction that shall be approved or ratified or confirmed by a resolution passed by a majority of the votes cast at any such meeting (unless any different or additional requirement is imposed by the Act or by the Corporation's letters patent or supplementary letters patent or any other by-law) shall be as valid and as binding upon the Corporation and upon all the members as though it had been approved, ratified or confirmed by every member of the Corporation.

FOR THE PROTECTION OF DIRECTORS AND OFFICERS

17. **Conflict of interest.** In supplement of and not by way of limitation upon any rights conferred upon directors by section 71 of the Act, it is declared that no director shall be disqualified by his office from, or vacate his office by reason of, holding any office or place of profit under the Corporation or under any corporation in which the Corporation shall be a shareholder or by reason of being otherwise in any way directly or indirectly interested or contracting with the Corporation either as vendor, purchaser or otherwise or being concerned in any contract or arrangement made or

proposed to be entered into with the Corporation in which he is in any way directly or indirectly interested either as vendor, purchaser or otherwise nor shall any director be liable to account to the Corporation or any of its members or creditors for any profit arising from any such office or place of profit; and, subject to the provisions of section 71 of the Act, no contract or arrangement entered into by or on behalf of the Corporation in which any director shall be in any way directly or indirectly interested shall be avoided or voidable and no director shall be liable to account to the Corporation or any of its members or creditors for any profit realized by or from any such contract or arrangement by reason of any fiduciary relationship. A director who is in any way directly or indirectly interested in a proposed contract with the Corporation shall make the disclosure required by the Act. Except as provided by the Act, no such director shall vote on any resolution to approve such contract.

18. ***For the protection of directors and officers.*** Except as otherwise provided in the Act, no director or officer for the time being of the Corporation shall be liable for the acts, receipts, neglects or defaults of any other director or officer or employee or for joining in any receipt or act for conformity or for any loss, damage or expense happening to the Corporation through the insufficiency or deficiency of title to any property acquired by the Corporation or for or on behalf of the Corporation or for the insufficiency or deficiency of any security in or upon which any of the moneys of or belonging to the Corporation shall be placed out or invested or for any loss or damage arising from the bankruptcy, insolvency or tortious act of any person including any person with whom or which any moneys, securities or effects shall be lodged or deposited or for any loss, conversion, misapplication or misappropriation of or any damage resulting from any dealings with any moneys, securities or other assets belonging to the Corporation or for any other loss, damage or misfortune whatever which may happen in the execution of the duties of his respective office or trust or in relation thereto unless the same shall happen by or through his own wilful neglect or default. The directors for the time being of the Corporation shall not be under any duty or responsibility in respect of any contract, act or transaction whether or not made, done or entered into in the name or on behalf of the Corporation, except such as shall have been submitted to and authorized or approved by the Board of Directors. If any director or officer of the Corporation shall be employed by or shall perform services for the Corporation otherwise than as a director or officer or shall have an interest in a person that is employed by or performs services for the Corporation, the fact of his being a director or officer of the Corporation shall not disentitle such director or officer or such person, as the case may be, from receiving proper remuneration for such services.

INDEMNITIES TO DIRECTORS AND OTHERS

19. ***Indemnities to directors.*** Every director of the Corporation, heirs, executors and administrators, and *estate* and effects, respectively, may, with the consent of the Corporation, given at any meeting of the members, from time to time and at all times, be indemnified and saved harmless out of the funds of the Corporation, from and against.
- (a) all costs, charges and expenses whatsoever that he sustains or incurs in or about any action, suit or proceeding is brought, commenced or prosecuted against him for or in

respect of any act, deed, matter or thing whatsoever, made, done or permitted by him, in or about the execution of the duties of his office; and

- (b) all other costs, charges and expenses which he sustains or incurs in or about or in relation to the affairs thereof, except such costs, charges or expenses as are occasioned by his own wilful neglect or default.

The Corporation shall also indemnify any director in such other circumstances as the Act or law permits or requires. Nothing in this by-law shall limit the right of any person entitled to indemnity to claim indemnity apart from the provisions of this by-law to the extent permitted by the Act or law.

OFFICERS

- 20. ***Appointment.*** The Board of Directors shall annually or oftener as may be required elect a President and shall appoint a Secretary and if deemed advisable may appoint annually or oftener as may be required one or more Vice-President and a Treasurer. Notwithstanding the foregoing, each incumbent officer shall continue in office until the earlier of (i) his resignation, (ii) the appointment of his successor, (iii) his ceasing to be a director or member of the Corporation if such is a necessary qualification of his appointment, and (iv) the meeting at which the directors annually appoint the officers of the Corporation. A director may be appointed to any office of the Corporation but, subject to section 291 of the Act, none of the said officers except the President need be a director or member of the Corporation. Two or more of the aforesaid offices may be held by the same person. In case and whenever the same person holds the offices of Secretary and Treasurer he may but need not be known as the Secretary-Treasurer. The Board of Directors may from time to time appoint such other officers and agents as it shall deem necessary who shall have such authority and shall perform such duties as may from time to time be prescribed by the Board of Directors.
- 21. ***Remuneration and removal of officers.*** The Officers shall serve as such without remuneration and no officer shall directly or indirectly receive any profit from his/her position as such, provided that officers may be paid reasonable expenses incurred by them in the performance of their duties. All officers, in the absence of agreement to the contrary, shall be subject to removal by resolution of the Board of Directors at any time, with or without cause.
- 22. ***Powers and duties.*** All officers shall sign such contracts, documents or instruments in writing as require their respective signatures and shall respectively have and perform all powers and duties incident to their respective offices and such other powers and duties respectively as may from time to time be assigned to them by the Board of Directors; subject, however, to any special resolution of the Corporation.
- 23. ***President.*** The President shall be the chief executive officer of the Corporation unless otherwise determined by special resolution of the Corporation or resolution of the Board of Directors. He shall, subject to any special resolution of the Corporation, when present, preside at all meetings of the Board of Directors, and members of the Corporation.

24. ***Vice-President.*** The Vice-President or, if more than one, the Vice-Presidents in order of seniority, shall be vested with all the powers and shall perform all the duties of the President in the absence or inability or refusal to act of the President.
25. ***Secretary.*** The Secretary shall give or cause to be given notices for all meetings of the Board of Directors and members when directed to do so and have charge of the minute books of the Corporation and of the documents and registers referred to in section 300 of the Act.
26. ***Treasurer.*** Subject to the provisions of any resolution of the Board of Directors, the Treasurer shall have the care and custody of all the funds and securities of the Corporation and shall deposit the same in the name of the Corporation in such bank or banks or with such depository or depositaries as the Board of Directors may direct. He shall keep or cause to be kept the books of account and accounting records referred to in section 302 of the Act. He may be required to give such bond for the faithful performance of his duties as the Board of Directors in their uncontrolled discretion may require but no director shall be liable for failure to require any bond or for the insufficiency of any bond or for any loss by reason of the failure of the Corporation to receive any indemnity thereby provided.
27. ***Vacancies.*** If the office of any officer of the Corporation shall be or become vacant by reason of death, resignation, disqualification or otherwise, the directors shall, in the case of the President, elect a person to fill such vacancy and in the case of the Secretary appoint a person to fill such vacancy, and may, in the case of any other office, appoint a person to fill such vacancy.

MEMBERS

28. ***Class of Membership.*** There shall be two (2) classes of membership: Municipal Member and Members (collectively referred to as “members”).

I. MUNICIPAL MEMBER

- a. There shall be only one Municipal Member and it shall be The Town of The Blue Mountains
- b. The Municipal Member shall have voting rights and shall be entitled to forty-five (45) votes at all meetings of members.

II. MEMBERS

- a. All Directors shall be or become Members within 10 days of their appointment as a Director.
- b. Members shall have voting rights and shall be entitled to one vote at all meetings of members.
- c. Members shall consist of anyone whose application for admission as a member has received the approval of the Board of Directors of the Corporation.

- d. There shall be only twenty (20) Members.
29. **Resignation.** Members may resign by resignation in writing which shall be effective from acceptance thereof by the Board of Directors.
30. **Termination of Membership.** The interest of a member in the Corporation is not transferable and lapses and ceases to exist upon death or dissolution or when his period of membership expires or when he ceases to be a member by resignation or otherwise in accordance with the by-laws; provided always that the members of the Corporation may, by resolution passed by at least two-thirds (2/3) of the votes cast at a general meeting of which notice specifying the intention to pass such resolution has been given, terminate the membership of any member of the Corporation.

DUES

31. There shall be no membership fees or dues unless otherwise directed by the Board of Directors.

MEMBERS' MEETINGS

32. **Annual Meeting.** Subject to compliance with section 293 of the Act, the annual meeting of the members shall be held at any place within Ontario on such day in each year and at such time as the directors may by resolution determine or, in the absence of such determination, at the place where the head office of the Corporation is located.
33. **General Meetings.** Other meetings of the members shall be convened at any date and time and at any place within Ontario, by order of the President made on his own prerogative or upon his receipt of one of the following:
- (a) a resolution of the Board of Directors; or
 - (b) a written request signed by Members representing not less than ten per cent (10%) of the votes eligible to be voted at such a meeting.
34. **Notice.** A printed, written or typewritten notice, sent via regular mail, facsimile or other electronic communication means, including but not limited to e-mail, stating the day, hour and place of meeting and the general nature of the business to be transacted shall be given by serving such notice on each member entitled to notice of such meeting not less than ten (10) days (exclusive of the day of mailing and of the day for which notice is given) before the date of the meeting.
35. **Votes.** Every question submitted to any meeting of members shall be decided in the first instance by a show of hands.
36. **Proxies.** Votes at meetings of the members may be given either personally or by proxy. At every meeting at which he is entitled to vote:

- a. Every Member and/or person appointed by proxy to represent one or more Members and/or individual so authorized to represent a Member who is present in person shall have one (1) vote on a show of hands. Upon a poll and subject to the provisions, if any, of the letters patent or supplementary letters patent of the Corporation, every Member who is present in person or represented by an individual so authorized shall have one (1) vote and every person appointed by proxy shall have one (1) vote for each Member who is represented by such proxyholder.
- b. The Municipal Member and/or person appointed by proxy to represent the Municipal Member and/or individual so authorized to represent the Municipal Member who is present in person shall have forty-five (45) votes on a show of hands. Upon a poll and subject to the provisions, if any, of the letters patent or supplementary letters patent of the Corporation, the Municipal Member who is represented by an individual so authorized shall have forty-five (45) votes and every person appointed by proxy shall have forty-five (45) votes for the Municipal Member who is represented by such proxyholder.

A proxy shall be executed by the member or his attorney authorized in writing.

A person appointed by proxy need not be a member.

Subject to the provisions of the Act and the Regulations, a proxy may be in the following form:

The undersigned Member/Municipal Member of TBM Attainable Housing Corporation (the "Corporation") hereby appoints _____ of _____ or failing him, _____ of _____ as the proxy of the undersigned to attend and act at the _____ meeting of the members of the said Corporation to be held on the ____ day of _____, 20__, and at any adjournment or adjournments thereof in the same manner, to the same extent and with the same power as if the undersigned were present at the said meeting or such adjournment or adjournment thereof.

DATED the _____ day of _____, 20__.

Signature of Member/Municipal Member

Name of Member/Municipal Member

37. **Quorum.** A quorum at any meeting of the members (unless a greater number of members and/or *proxies* are required to be present by the Act or by the Corporation's letters patent or by any supplementary letters patent or any other by-law) shall be a minimum of two persons and/or proxies representing thirty (30) votes, entitled to be voted at the meeting. No business shall be transacted at any meeting unless the

requisite quorum be present at the time of the transaction of such business. If a quorum is not present at the time appointed for a meeting of members or within such reasonable time thereafter as the members present may determine, the persons present and entitled to vote may adjourn the meeting to a fixed time and place but may not transact any other business.

COMMITTEES

38. ***Committees.*** As necessary, at their sole discretion, the Board of Directors may encourage members of the Corporation and the community at large to volunteer for standing committees and/or *ad hoc* committees of the Corporation. Each Committee shall have at least one director of the Board as a Committee member.
39. ***Committee Duties and Powers.*** The duties and powers of each Committee shall be as determined from time to time by the Board of Directors. No Committee shall have the power to act for or on behalf of the Corporation or otherwise commit or bind the Corporation to any course of action. A Committee shall have only those powers as set out by the Board from time to time.
40. ***Committee Member Removal.*** Any committee member may be removed by resolution of the Board of Directors.

CHEQUES, DRAFTS, NOTES, ETC.

41. ***Cheques, drafts, notes, etc.*** All cheques, drafts or orders for the payment of money and all notes and acceptances and bills of exchange shall be signed by such officer or officers or person or persons, whether or not officers of the Corporation and in such manner as the Board of Directors may from time to time designate by resolution.

EXECUTION OF INSTRUMENTS

42. ***Execution of instruments.*** Subject to any special resolution of the Corporation, contracts, documents or instruments in writing requiring the signature of the Corporation may be signed by:
- (a) any one of the President or a Vice-President together with any one of the Secretary or the Treasurer;
 - (b) any two directors; or
 - (c) any one of the aforementioned officers together with any one director;

and all contracts, documents and instruments in writing so signed shall be binding upon the Corporation without any further authorization or formality. The Board of Directors shall have power from time to time by resolution to appoint any officer or officers or any person or persons on behalf of the Corporation either to sign contracts, documents and instruments in writing generally or to sign specific contracts, documents or instruments in writing.

The term “contracts, documents or instruments in writing” as used in this by-law shall include deeds, mortgages, hypothecs, charges, conveyances, transfers and

assignments of property real or personal, immovable or movable, agreements, releases, receipts and discharges for the payment of money or other obligations, conveyances, transfers and assignments of shares, share warrants, stocks, bonds, debentures or other securities and all paper writings.

ON DISSOLUTION

43. *On dissolution.* Pursuant to the Letters Patent of the Corporation, upon the Dissolution of the Corporation and after the payments of all debts and liabilities, the Corporation's remaining property shall be distributed or disposed of to The Town of The Blue Mountains.

FINANCIAL YEAR

44. *Financial year.* The financial year of the Corporation shall terminate on the 31st day of December in each year or on such other date as the directors may from time to time by resolution determine.

AMENDMENTS OF BY-LAWS

45. *Amendments of By-Laws.* The By-Laws of the Corporation may be amended by a 2/3 vote of the membership present and voting at a General Meeting of the Corporation.

Proposed amendments to the By-Laws of the Corporation shall be submitted to the Board of Directors no later than 30 days prior to the General Meeting. Copies of the proposed amendments shall be sent to all the Members of the Corporation no less than ten (10) days prior to the General Meeting.

ENACTED the day of , 201_.

BY-LAW NO. 2

A by-law respecting the borrowing of money
and the issuing of securities by

TBM ATTAINABLE HOUSING CORPORATION

BE IT ENACTED and it is hereby enacted as a by-law of TBM ATTAINABLE HOUSING CORPORATION (hereinafter called the "Corporation") as follows:

1. Without limiting the borrowing powers of the Corporation as set forth in the *Corporations Act*, R.S.O. 1990, c. C.38 (the "Act"), the Directors of the Corporation may, from time to time without the authorization of the Members:

- (a) borrow money upon the credit of the Corporation;
- (b) issue, sell or pledge securities of the Corporation; or
- (c) charge, mortgage, hypothecate or pledge all or any of the property of the Corporation, including book debts and unpaid calls, rights, powers, franchises and undertaking, to secure any securities or any money borrowed, or other debt, or any other obligation or liability of the Corporation.

The word "securities" as used in this paragraph means bonds, debentures, or other like liabilities of the Corporation whether constituting a charge on the property of the Corporation or not.

2. The Directors may, from time to time, by resolution delegate any or all of the powers referred to in paragraph 1 of this by-law to a director or one or more officers of the Corporation.

ENACTED the day of , 201_.