



Staff Report

Administration – Chief Administrative Officer

Report To: Committee of the Whole
Meeting Date: April 20, 2021
Report Number: FAF.21.038
Title: Town of The Blue Mountains and The Blue Mountains Attainable Housing Corporation Relationship Structure Overview
Prepared by: Shawn Everitt, Chief Administrative Officer

A. Recommendations

THAT Council receive Staff Report FAF.21.038, entitled “Town of The Blue Mountains and The Blue Mountains Attainable Housing Corporation Relationship Structure Overview”;

AND THAT Council receive Staff Report FAF.21.038 as information to better understand the relationship that was established in 2014 between The Blue Mountains Attainable Housing Corporation and the Town of The Blue Mountains;

AND THAT Council receive the Robins Appleby Barristers and Solicitors Memorandum commissioned by The Blue Mountains Attainable Housing Corporation;

AND THAT Council approve the revised Memorandum of Understanding between the Town of The Blue Mountains and The Blue Mountains Attainable Housing Corporation as amended and attached to this report to reflect the approved The Blue Mountains Attainable Housing Corporation budget and additional staff resources.

B. Overview

This report outlines the relationship structure between the Town of The Blue Mountains and The Blue Mountains Attainable Housing Corporation. Council directed staff to prepare this report at the February 8, 2021 meeting of Council.

C. Background

Since the establishment of The Blue Mountains Attainable Housing Corporation, the distinction between the two entities, the Town and The Blue Mountains Attainable Housing Corporation, as being separate entities has been critically important. However, optically, this distinction may often not be as apparent to those following the work being completed by The Blue Mountains Attainable Housing Corporation Board and staff. The governance structure for The Blue Mountains Attainable Housing Corporation is set out in their By-law No.1 (Attachment 1).

During the first few years, The Blue Mountains Attainable Housing Corporation focused much of their effort on the Secondary Suite Grant Program and the Down Payment Assistance Program. These programs had limited participation, therefore, over the past 2 plus years the focus has shifted to include the more robust overall vision of an actual build of its own to increase the range, types and available stock of attainable housing.

It is the opinion of Town staff, that this shift in focus occurred after the benefit of public consultation and receiving public feedback collected from a very successful community engagement process that utilized a two session Attainable Housing Visioning Workshop process in 2019.

These workshop sessions generated a level of excitement and momentum that identified the short-term and medium-term goals that were outlined in a presentation to Grey County on September 19, 2019 (Attachment 2) to be achieved through a 5-year development target:

- 100 – 200 rental units built and occupied between 2019-2022, which will target working families, including service and tourism employees, as well as Seniors; and
- 50 home ownership units built and occupied between 2021-2023, which will target working families, including service employees and the working population.

With the benefit of the information provided through the workshop, the Town proactively made the significant investment of purchasing the former Foodland site (171 King Street) as a potential location for an attainable housing project.

The Blue Mountains Attainable Housing Corporation Conceptual Business Model 2019 provides an overview of the history of The Blue Mountains Attainable Housing Corporation is available on their website at www.thebluemountainshousing.ca. Excerpts have been pulled directly for use within this report.

In January 2014, The Blue Mountains Attainable Housing Corporation was established as a not-for-profit corporation with majority control held by the Town of The Blue Mountains. The focus of The Blue Mountains Attainable Housing Corporation was to augment the supply of healthy and sustainable ownership housing units within The Blue Mountains. The goal of The Blue Mountains Attainable Housing Corporation was to provide housing for moderate income working individuals and families locked out of the housing market. The Blue Mountains Attainable Housing Corporation was created to expand rental and home ownership opportunities and create choice within The Blue Mountains' housing market so that more working families and individuals could live where they work, and retirees could remain in the community in which they had worked.

The Blue Mountains Attainable Housing Corporation Board is comprised of nine (9) directors, two (2) of whom are sitting members of Council. The remaining directors are committed volunteers, each bringing their own expertise, experience, and passion to addressing the affordability of housing to foster a sustainable community. In March 2020, The Blue Mountains Attainable Housing Corporation Board hired their first employee, Sharon McCormick, an experienced attainable housing professional as Executive Director. Ms. McCormick's experience

includes serving as the inaugural Executive Director of Attainable Homes Calgary Corporation, and Executive Director at Highbanks Society, which provides affordable housing for young single mothers.

Mandate

The Blue Mountains Attainable Housing Corporation's mandate is to facilitate the supply of suitable, adequate, attainable, and sustainable ownership and rental units within the Town of The Blue Mountains that are accessible to a larger portion of the population, in a financially prudent manner that supports economic development and workforce development. This is done by:

- Providing financial assistance for the purchase of a home
- Providing grants for the creation of secondary suites
- Developing attainable housing for rent or ownership for the benefit of future residents

Town staff see the partnership with The Blue Mountains Attainable Housing Corporation as an evolving one that recently benefited from establishing a formal Memorandum of Understanding (MOU) approved by The Blue Mountains Attainable Housing Corporation Board at the September 3, 2020 Board meeting. Town staff see the relationship with The Blue Mountains Attainable Housing Corporation as an evolving one that recently benefited from establishing a formal Memorandum of Understanding (MOU) approved by The Blue Mountains Attainable Housing Corporation Board at the September 3, 2020 Board meeting.

Town staff brought forward staff report FAF.20.161 (Attachment 3) at the October 6, 2020 Committee of the Whole meeting and the following resolution passed at the October 19, 2020 meeting of Council:

THAT Council receive Staff Report FAF.20.161, entitled "Memorandum of Understanding Between the Town of The Blue Mountains. And the Blue Mountains Attainable Housing Corporation";

AND THAT Council authorize the Mayor and Clerk to execute the Memorandum of Understanding between The Corporation of the Town of The Blue Mountains and the Blue Mountains Attainable Housing Corporation substantially in the form attached to the staff report, with the addition of a clause regarding the limitation of legal liability by the Town.

The Memorandum of Understanding (MOU) that was approved by Council, and subsequently executed, is included as (Attachment 4). The MOU Sections 9 – 12 outline how the Town and The Blue Mountains Attainable Housing Corporation (BMAHC) will share specific services:

9. The Town and BMAHC agree on the provision of services that are listed in this Agreement and more particularly described in the schedules attached hereto.
 - Schedule A: Human Resources Support

- Schedule B: Financial Services Support
 - Schedule C: Information Technology Support
 - Schedule D: Insurance and Risk Management Support
 - Schedule E: Marketing and Communication Support
 - Schedule F: Corporate Training Support
 - Schedule G: Legal Services Support
 - Schedule H: Planning and Development Support
10. BMAHC and the Town acknowledge that the Town can provide those staff services as set out in the Schedules attached hereto within existing Town staff and equipment at no cost to the BMAHC.
11. The parties agree that no costs will be charged to BMAHC, unless the cost has been approved in writing by BMAHC prior to any expenditure by the Town.
12. Town will deliver to BMAHC tracking of staff time for support services provided on an annual basis on the anniversary of this Agreement to adjust the appropriate services respectively.

The Memorandum of Understanding (MOU) has recently been reviewed by Town staff and the Executive Director of The Blue Mountains Attainable Housing Corporation. The revised MOU has been attached to this report (Attachment 5) for review and consideration and the recommendation contained in this report is recommending its approval by Council.

Relationship Structure

An organizational structure identifying how the Town and The Blue Mountains Attainable Housing Corporation work collaboratively yet remain two (2) distinct and separate entities, is included as Attachment 6 to this report.

In December 2013, By-law No.1 (Attachment 1), a by-law relating generally to the conduct of the affairs of The Blue Mountains Attainable Housing Corporation, was enacted. This by-law was established to define and guide how The Blue Mountains Attainable Housing Corporation functions and makes decisions.

When it was founded in 2014, The Blue Mountains Attainable Housing Corporation Board structure included two (2) representatives from Council and five (5) volunteer members of the community and representatives of community stakeholder groups with a maximum of up to seven (7) Directors.

The Blue Mountains Attainable Housing Corporation Directors

By-law No.1 Section 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.

On October 19, 2017, The Blue Mountains Attainable Housing Corporation Board, by way of resolution, voted to increase the composition of The Blue Mountains Attainable Housing Corporation Board of Directors from seven (7) to nine (9).

Voting and Decision Making

Voting at regular meetings of The Blue Mountains Attainable Housing Corporation Board are based on typical majority voting, where each Director of The Blue Mountains Attainable Housing Corporation Board has a single vote. The voting results are based on achieving a majority, and a tie vote is considered a lost vote.

Voting at regular meetings of The Blue Mountains Attainable Housing Corporation Board are not based on a weighted voting structure. Each of the Blue Mountains Attainable Housing Corporation Board member's vote counts equally during the voting process. Therefore, The Blue Mountains Attainable Housing Corporation Board operates as its own entity as decisions are not controlled by the municipality.

Current Municipal Members

1. Mayor Soever
2. Councillor Sampson (Chair)

Current Blue Mountains Attainable Housing Corporation Directors

1. Carey Eagleson (Treasurer)
2. Janet Findlay
3. Patrick A. Gourlay
4. Gavin H. Leitch
5. Carolyn Letourneau
6. Andrew Seigwart
7. Michael Shaffer

Meeting of The Blue Mountains Attainable Housing Corporation Membership

Like any Corporation, there are decisions that can only be made by the shareholders, or in this case the members. Only for meetings where the full General Membership of The Blue Mountains Attainable Housing Corporation is required, such as the Annual General Meeting, does a weighted vote come into effect and must be used when a vote of the General Membership is being considered.

The Blue Mountains Attainable Housing Corporation has two classifications of Membership that are identified in By-law No.1. Municipal Membership is limited to one (1) member, being the Town of The Blue Mountains. The Municipal Member has a weighted vote of 45, and The Blue Mountains Attainable Housing Corporation allows for a maximum of 20 Members, each having one vote per Member. As the total maximum number of votes is 65 votes, the Municipal Member carries 69% of the vote and is a 2/3 controlling vote.

At meetings of the General Membership of The Blue Mountains Attainable Housing Corporation such as the Annual General Meeting, the weighted vote is used on matters that are considered by the Membership.

Current Blue Mountains Attainable Housing Corporation General Members

1. Rob Sampson (Chair)
2. Carey Eagleson (Treasurer)
3. Janet Findlay
4. Patrick A. Gurlay
5. Gavin H. Leitch
6. Carolyn Letourneau
7. Andrew Seigwart
8. Michael Shaffer
9. Mayor Alar Soever

Town staff have been advised that The Blue Mountains Attainable Housing Corporation Board has initiated an internal process with its Directors to review the current governance model and The Blue Mountains Attainable Housing Corporation By-laws and Legal documents to ensure that all requirements are in place, and to consider any modifications that may be required to reflect the current focus, mandate, and needs of The Blue Mountains Attainable Housing Corporation to be successful as it matures into its next phase of providing new stock and types of attainable housing to the Town of The Blue Mountains. Any changes would have to be approved at a Membership meeting where the Town has the controlling vote.

D. Analysis

The March 26, 2021 Memorandum that was prepared by Robins Appleby Barrister and Solicitors (Attachment 7) as commissioned by The Blue Mountains Attainable Housing Corporation is extremely helpful to understanding the relationship between the Town and The Blue Mountains Attainable Housing Corporation. The purpose of this Memorandum was to provide an overview of the existing Governance and Structure along with the relationship structure between the Town and The Blue Mountains Attainable Housing Corporation. One key aspect, that has been the subject of debate within the community, is whether the separation between the Town and The Blue Mountains Attainable Housing Corporation is clear enough and whether the "Corporate Veil" has been "pierced" or is in jeopardy of being "pierced" as the two entities move toward further consideration of the Gateway Project and as other opportunities arise.

The initial structure of the Attainable Housing Corporation that was established in 2013 and has been continued to be utilized was reviewed by the Robins Appleby Team and it was confirmed that the structure being utilized was consistent within the options that Robins Appleby's would have considered as an appropriate structure.

The presentation by John Fox of Robins Appleby Barrister and Solicitors can be viewed on the following website:

<https://www.thebluemountainshousing.ca/sites/thebluemountainshousing.ca/files/2021-04/B-1-1-Presentation.pdf>

The current relationship between the Town and The Blue Mountains Attainable Housing Corporation is guided by the current Memorandum of Understanding (MOU). As noted earlier, the MOU has been reviewed and modifications have been recommended to Council for consideration.

It is important to highlight that Town staff have been successful in developing relationships that are supported through other Memorandums of Understanding (MOUs) that assist community stakeholders with specific services that the Town can provide. To date, Council have approved MOUs with The Blue Mountains Public Library and the North East Grey Medical Clinic.

While Town staff and The Blue Mountains Attainable Housing Corporation Executive Director were working on the development of an additional schedule (Schedule I) to the current, approved MOU, The Blue Mountains Attainable Housing Corporation Executive Director identified the intent to propose a new staff position of "Administrative Assistant" during The Blue Mountains Attainable Housing Corporation 2021 budget process. At that time, Town staff suggested that the duties of this new staff position should include Clerk duties in order to relieve the Town's Executive Assistant to Committees of Council of her supporting role with The Blue Mountains Attainable Housing Corporation moving forward. This discussion included the provision of the Town's Executive Assistant to Committees of Council providing up to 6 months of assistance in transitioning the new staff member to be able to provide these duties for The Blue Mountains Attainable Housing Corporation. Town staff believe this transition will produce efficiencies and assist in clarifying the distinction between the Town and The Blue Mountains Attainable Housing Corporation. Maintaining a clear and defined line between the Town and The Blue Mountains Attainable Housing Corporation and identifying them as two separate entities will also assist in reducing some confusion some in the community. This distinction should also assist with managing ongoing concerns raised by members of the public and when processing Freedom of Information (FOI) requests related to The Blue Mountains Attainable Housing Corporation specifically.

Regular Reporting of Corporation Activities to Council

With the benefit of staff completing the review of the structure between The Blue Mountains Attainable Housing Corporation and the Town it has been identified that the reporting of activities of The Blue Mountains Attainable Housing Corporation to the Town should be on the basis of sharing of information, Council is not in the position to approve decisions or activities of the Corporation unless it is relating to funding that is sourced by the Town such as an

Operating Loan as an example. The reporting requirements will be established through the formal agreement outlining the Terms and Conditions.

While drafting this report, staff took the opportunity to review the reporting requirements of the Attainable Housing Corporation with the Chair of the Board for The Blue Mountains Attainable Housing Corporation with the following points being verified:

Blue Mountains Attainable Housing Corporation Board Meeting Minutes:

- Blue Mountains Attainable Housing Corporation has agreed that its Board meetings are public and recorded. It has also agreed that it will forward its Board minutes to Council for information purposes only. As The Blue Mountains Attainable Housing Corporation is a separate legal entity and the Town exercises its control by means of its majority membership, it can and should only receive Board minutes for information purposes. There is no reason for Council approval of the minutes.

Blue Mountains Attainable Housing Corporation Financial Information:

- As The Blue Mountains Attainable Housing Corporation is a separate legal entity and the Town exercises its control by means of its majority membership, the receipt of The Blue Mountains Attainable Housing Corporation's financial information can only be via a legal debtor creditor reporting relationship. Council can insist on that reporting relationship as it is a lender (it will be incorporated into the revised loan agreement). Again, this information must be received for information purposes only, however if certain borrowing covenants are not being met, the Town could direct The Blue Mountains Attainable Housing Corporation to remedy such default if it were to occur.

Attainable Housing Gateway Site Project Process

The Attainable Housing Gateway Site Project will require the relationship between The Blue Mountains Attainable Housing Corporation and the Town to be very clear and defined to ensure any future planning process can proceed efficiently and with the utmost transparency.

The request has been made by The Blue Mountains Attainable Housing Corporation for the Town to lead the planning process for the Zoning By law and Official Plan Amendment request. This request is appropriate as the Town is currently the owner of the subject lands.

The Town is committed to leading the overall planning process that will consider amendments to the Town's Official Plan that are specific to 171 King Street and for the Attainable Housing Gateway Project. Town staff also recommend that this be a key priority of the Town as it is supported through the Town's Corporate Strategic Plan.

E. Strategic Priorities

1. Communication and Engagement

We will enhance communications and engagement between Town Staff, Town residents and stakeholders

2. Organizational Excellence

We will continually seek out ways to improve the internal organization of Town Staff and the management of Town assets.

3. Community

We will protect and enhance the community feel and the character of the Town, while ensuring the responsible use of resources and restoration of nature.

4. Quality of Life

We will foster a high quality of life for full-time and part-time residents of all ages and stages, while welcoming visitors.

F. Environmental Impacts

Increasing the range and stock of accommodation options within the Town and the region will provide a more sustainable community while also ensuring that appropriate measures and practices are utilized to limit environmental impacts.

G. Financial Impacts

None at this time.

H. In Consultation With

Ruth Prince, Director of Financial and IT Services

Sam Dinsmore, Manager of Budgets and Accounting

Nathan Westendorp, Director of Planning and Develop Services

Will Thomson, Director of Legal Services

Sharon McCormick, Executive Director of The Blue Mountain Attainable Housing Corporation

Rob Sampson, Chair of The Blue Mountains Attainable Housing Corporation

Mayor Soever

I. Public Engagement

The topic of this Staff Report has not been subject to a Public Meeting and/or a Public Information Centre as neither a Public Meeting nor a Public Information Centre are required.

However, any comments regarding this report should be submitted to Shawn Everitt at cao@thebluemountains.ca.

J. Attached

1. By-law No.1 of the Blue Mountains Attainable Housing Corporation
2. Attainable Housing Presentation to Grey County September 19, 2019
3. Staff Report FAF.20.161
4. TBM and BMAHC Memorandum of Understanding
5. Draft Memorandum of Understanding – Including Schedule I
6. Organizational Structure (Town and BMAHC)
7. Robins Appleby Barristers and Solicitors Memorandum dated March 26, 2021
8. The Blue Mountains Attainable Housing Corporation Business Model

Respectfully submitted,

Shawn Everitt
Chief Administrative Officer

For more information, please contact:
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Report Approval Details

Document Title:	Town of The Blue Mountains and The BM Attainable Housing Corporation Relationship Structure FAF.21.038.docx
Attachments:	<ul style="list-style-type: none">- Att 1 - By-law No. 1 of the Blue Mountains Attainable Housing Corporation.pdf- Att 2 - Attainable Housing Presentation to Grey County September 19 2019.pdf- Att 3 - Staff Report FAF.20.161.pdf- Att 4 - TBM and BMAHC Memorandum of Understanding.pdf- Att 5 - Draft Memorandum of Understanding - Including Schedule I.pdf- Att 6 - Organizational Structure (Town and BMAHC).pdf- Att 7 - Robins Appleby Barristers and Solicitors Memorandum dated March 26 2021.pdf- Att 8 - BMAHC Business Model.pdf
Final Approval Date:	Apr 9, 2021

This report and all of its attachments were approved and signed as outlined below:

Shawn Everitt - Apr 9, 2021 - 1:12 PM

Report Approval Details

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Attachments:	<ul style="list-style-type: none">- Att 1 - By-law No. 1 of the Blue Mountains Attainable Housing Corporation.pdf- Att 2 - Attainable Housing Presentation to Grey County September 19 2019.pdf- Att 3 - Staff Report FAF.20.161.pdf- Att 4 - TBM and BMAHC Memorandum of Understanding.pdf- Att 5 - Draft Memorandum of Understanding - Including Schedule I.pdf- Att 6 - Organizational Structure (Town and BMAHC).pdf- Att 7 - Robins Appleby Barristers and Solicitors Memorandum dated March 26 2021.pdf- Att 8 - BMAHC Business Model.pdf
Final Approval Date:	Apr 14, 2021

This report and all of its attachments were approved and signed as outlined below:

Shawn Everitt - Apr 14, 2021 - 10:20 AM