



## Housing Services Program Directives

### Program Directive No. 004

### Subject: Local Standards

1. Conflict of Interest
2. Minimum Number of Board of Director Meetings
3. Remuneration of Board Members
4. Property Management
5. Leases
6. Multi-Year Financial Plans

The Program Directives in this notice are to be implemented by the housing providers administered by the Region of Halton under the following programs.

<input checked="" type="checkbox"/>	Provincially Prescribed Non-Profit and Co-operative Housing Programs, including Public Housing
<input type="checkbox"/>	Federal Non-Profit Housing Programs
<input type="checkbox"/>	Rent Supplement
<input type="checkbox"/>	Halton Access to Community Housing (HATCH)

#### Effective Date:

Immediately

#### Authority:

*Housing Services Act, 2011 s. 75 (2), O. Reg. 367/11 s. 100*

#### Background

The *Social Housing Reform Act, 2000* (SHRA) has been repealed and replaced with the *Housing Services Act, 2011* (HSA) effective January 1, 2012.

In cases where local flexibility is granted to municipalities under the HSA, Directive 11-01 provided housing providers with direction as to the immediate changes required or to maintain the status quo. Housing providers were advised that Halton Region, as the Service Manager, would be developing local rules and standards under the HSA, where appropriate, in consultation with providers where possible.

The Regional Municipality of Halton

The HSA allows Service Managers to develop local rules relating to conflict of interest; minimum number of board meetings; remuneration; property management; leases and multi-year financial plans.

The following local rules have been established for the purposes of O. Reg. 367/11 s. 100 – Limits of Local Standards. These standards have been developed in consultation with the Halton Housing Liaison Committee.

## Directions:

### 1. Conflict of Interest

The following sets out Halton Region's requirements regarding housing provider reporting and monitoring of conflict of interest.

#### Who does it apply to?

Conflict of interest provisions apply to any director, officer, agent or employee of a housing provider. A conflict may exist if any of the above people:

- Have business or personal interests that are in conflict with the interests of the housing provider.
- Personally receives or have a relative or business associate who receives a gain, benefit, advantage or privilege, directly or indirectly.

#### Required practices to avoid conflicts

Housing providers shall avoid any situations where there is a potential or actual conflict of interest. In keeping with the best practices outlined in model sector by-laws, the following are key to avoid/prevent conflicts:

- At every board meeting conflict of interest should be a standing item on the agenda.
- All board members, officers, employees and agents of the housing provider should be made aware of the housing provider's conflict of interest policy/by-law when they join the organization and annually thereafter.
- Board members are required to sign off as having understood and acknowledged receipt of the conflict of interest policy/by-law.
- Establish purchasing by-laws that give clear standards for how goods and services are acquired.
- Housing providers should follow their purchasing policies/by-laws and where required, include a clause in contracts and/or purchase orders that permits the housing provider to terminate the contract if a conflict of interest is determined to exist by the Service Manager.



## Process

1. Anyone who may be in conflict (actual or perceived) must notify the Board of Directors prior to the start of the next regularly scheduled Board meeting.
2. Where a conflict exists the individual must excuse themselves from any discussion/decision making in which the conflict would be relevant.
3. The Board of Directors must resolve the conflict no later than the second regularly scheduled Board meeting.
4. Records pertaining to the conflict of interest will be retained by the housing provider including:
  - Original notice of conflict
  - Resolution of the conflict
  - All correspondence related to the conflict
  - Minutes of any meeting of the Board (or sub-committee) pertaining to the conflict
5. The Board of Directors, or delegate, is required to notify the Service Manager in writing of every potential or actual conflict of interest. The notice must include:
  - A description of the potential or actual conflict of interest
  - The housing providers recommendation on how the conflict of interest should be handled
6. When a potential or actual conflict of interest is reported to the Service Manager, the following steps will occur:
  - The Housing Programs Administrator will review the material provided from the housing provider.
  - The Housing Programs Administrator may require additional information on steps taken by the housing provider to avoid the potential or actual conflict of interest.
  - The Commissioner, Social and Community Services or his/her delegate will make the final decision regarding how the housing provider must treat the conflict of interest. The Commissioner's decision will be provided in writing to the Chair of the Board of Directors.

## Conflict of Interest By-law/Policy

Housing providers are required to have Conflict of Interest By-law/Policy in place that incorporates the requirements of this Program Directive. Sample by-laws/policies may be available from the Ontario Non-Profit Housing Association (ONPHA) and the Co-operative Housing Federation (CHF) to assist you in the development and or updating of your by-law/policy.



## 2. Minimum Number of Board Meetings

The following sets Halton Region's requirement for the minimum number of Board Meetings required each year (does not include Annual General Meeting/AGM). There are two different standards for housing providers depending on the number of units.

### **Housing Providers with less than 100 units (<100 units)**

The Board of Directors of a housing provider with less than 100 units is required to meet a minimum of 4 times each year.

### **Housing Providers with 100 or more units (>=100 units)**

The Board of Directors of a housing provider with 100 or more units is required to meet a minimum of 6 times each year.

## 3. Remuneration of Board Members

The following sets out Halton Region's requirements for the expenses and remuneration of directors.

### **Expenses and Remuneration**

A housing provider shall not pay remuneration to a director other than for amounts to reimburse the director for reasonable expenses incurred in the performance of the director's duties.

### **Employment of a Director**

A housing provider must obtain Service Manager approval if they wish to employ a director under one of the following conditions:

1. The director resides in the housing provider's housing project and is employed by the housing provider on a part-time or temporary basis; or
2. The director does not reside in the housing provider's housing project and is employed by the housing provider to carry out functions of a non-supervisory and non-managerial nature and the housing provider has,
  - five or fewer directors and no other director is employed by the housing provider to carry out the same functions, or
  - more than five directors and not more than one-fifth of the directors are employed by the housing provider to carry out the same functions.

A housing provider may pay reasonable remuneration to a director employed in accordance with the above in respect of his or her employment functions.

*Note:* In the case of a housing co-operative, where permitted by by-law, a Director may be paid for "on-call" work for the time specified in the by-law.

## 4. Hiring of Employees and Retaining a Property Management Company

The following sets out Halton Region's requirements for the hiring of employees and retention of a property management company.

### **Required Policy/Procedure**

Housing providers are required to follow this Directive in conjunction with their purchasing by-law/policy in the selection of a property management company or in the hiring of staff.

Housing providers are encouraged to develop and implement a written policy with documented procedures on the hiring of its employees or retaining of persons to provide property management services. This policy would outline the Board's approved management model that clearly sets out how the property will be managed.

Where the provider hires direct staff they must ensure that there are human resource policies in place to address:

- Hiring
- Discipline
- Benefits including sick time/vacation
- Record keeping
- Termination
- Regular performance reviews
- Workplace harassment/safety

### **Open and Competitive Process**

A housing provider must follow open and competitive practices in hiring its employees, subject to the provisions of any collective bargaining agreement to which the housing provider is a party, and in retaining persons to provide property management services for its housing projects.

A housing provider is not required to follow open and competitive practices in retaining persons to provide property management services if the Service Manager is satisfied that open and competitive practices are not appropriate in the circumstances in order for the housing provider to obtain a reasonable level of property management services at a reasonable cost.

### **Property Management Contract**

A contract for property management services for a housing project must be in writing and must satisfy the following requirements:

1. The term of the contract must not exceed three years.
2. The contract must not be automatically renewable. Upon approval by the Service Manager, the term of the contract may be extended twice for a 1-year term, for a maximum term of 5 years.



3. The contract must be capable of termination by the housing provider on 60 days written notice any time during the term of the contract and on 30 days written notice if the termination is for breach of the contract, unless the parties to the contract agree to shorter notice periods.
4. The contract must specifically identify and describe the nature of the goods and services provided under the contract and the consideration to be paid by the housing provider.
5. The contract must be non-assignable.

Every corporation providing management services for a housing project shall give notice to the housing provider of the housing project of any change in control of the corporation.

### **Term Extension**

Upon recommendation to the Service Manager by a housing provider, approval may be granted for two, one-year term extensions (to a maximum five-year contract term). The original contract must have language that supports the possibility of an extension for this to be considered.

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## 5. Leases and Occupancy Agreements

### Background

O. Reg. 367/11 s. 96 (1) prescribes that households are required to sign a lease or occupancy agreement prior to receipt of RGI assistance. S. 96 (2) prescribes that the household shall be informed of the amount of rent/housing charge that would be payable if the household did not receive RGI assistance.

The following sets out Halton Region's requirements for leases and occupancy agreements incorporating the prescribed and local requirements.

### Requirements

Every housing provider and every household that rents or occupies a rent-geared-to-income (RGI) unit in the housing provider's housing project shall enter into a lease or, in the case of a co-operative housing unit, an occupancy agreement that meets the following requirements:

1. In the case of a lease, the term of the lease must not exceed one year.
2. The lease or occupancy agreement must specify the amount of rent that would be payable if the unit were a market unit, the amount of geared-to-income rent payable for one month by the household as determined by the Service Manager, and all other charges that the housing provider may impose under the HSA or the *Residential Tenancies Act, 2006*.
3. The lease or occupancy agreement must,
  - restrict the occupancy of the unit to the members of the household at the time the lease or agreement is entered into and any additional persons whose occupation of the unit is agreed to subsequently by the housing provider,
  - require the household to advise the housing provider of any persons who cease to occupy the unit or commence to occupy the unit after the lease or agreement is executed,
  - prohibit the assignment of the lease or the agreement, as the case may be, and prohibit the household from renting or subletting the unit to any person, and
  - Include rules for the temporary accommodation of guests in RGI units (guest policy).
4. The lease or occupancy agreement must provide that the amount of the geared-to-income rent payable by the household for the unit is subject to change if the household's financial circumstances change to such an extent that the Service Manager determines that the amount of the geared-to-income rent payable by the household should change or that the household is no longer eligible for rent-geared-to-income assistance.



5. The lease or occupancy agreement must be executed by every individual,
- whose income is taken into consideration in determining the amount of rent payable by the household, or
  - who is a primary member of the household and at least 16 years of age.
6. The housing provider cannot refuse to enter into a lease/occupancy agreement if the household is unable to pay the charges at signing, other than rent/housing charge, if the household agrees to a payment schedule. For non-profit housing co-operatives, please refer to O. Reg. 367/11 s. 97 for allowable fees and charges.
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## 6. Multi-Year Financial Plans

The following sets out Halton Region's requirements for Multi-year financial plans.

### 5-year capital plan

Housing providers are required to submit a Board of Director's approved and updated 5-year capital plan annually with their Subsidy Request (3-months prior to new fiscal year) to Halton Region.

Note: Where required by by-law, the plan must be approved by the members of a housing co-operative.

The capital budget must show:

- the proposed capital expense(s)
- the proposed source of funds, and
- the impact of the proposed expenses on the current and future operating budgets (e.g. the plan demonstrates that the provider understands the impact that certain capital expenditures will have on the operating budget, such as on-going maintenance costs.)

The capital budget will be reviewed in conjunction with the annual subsidy request.

### Providers in a Deficit position at year-end

Housing providers who are in a deficit position at year-end are required to submit a Deficit Reduction Plan with their Annual Information Return (AIR) submission (if there are not sufficient accumulated surpluses to cover the deficit). The Deficit Reduction Plan must be approved by the Board and outline:

- the steps to be taken to reduce the deficit
- the timeframe in which this will be achieved, and
- the processes implemented to ensure the ongoing viability of the project.

Providers will be required to respond to any questions arising from their Deficit Reduction Plan.

Section 83 of the HSA outlines the triggering events under which a Service Manager may take additional actions to ensure the ongoing viability of the project. Section 83 (10) states:

"The housing provider incurs an accumulated deficit that is, in the opinion of the service manager, substantial and excessive."

If the deficit is deemed by Halton Region to be substantial and excessive, remedies may be sought under section 85 of the HSA, assuming that section 84 has been satisfied.

Further requirements may be communicated in future Program Directives or in an amendment to the existing Program Directive.



If you have any questions or require clarification on any of these directions, please contact your Housing Programs Administrator.

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Sheldon Wolfson  
Commissioner, Social and Community Services Department

Replaces: Directives 04-04/04-05
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Revised: n/a

