

**ONTARIO
SUPERIOR COURT OF JUSTICE – COMMERCIAL LIST**

BETWEEN:

CITY OF TORONTO

Applicant

and

HARRY SHERMAN CROWE HOUSING CO-OPERATIVE INC.

Respondent

**APPLICATION RECORD
of the CITY OF TORONTO**

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**ONTARIO
SUPERIOR COURT OF JUSTICE – COMMERCIAL LIST**

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and

HARRY SHERMAN CROWE HOUSING CO-OPERATIVE INC.

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TAB 1

Court File No.



**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

BETWEEN:

CITY OF TORONTO

Applicant

and

HARRY SHERMAN CROWE HOUSING CO-OPERATIVE INC.

Respondent

(Court seal)

NOTICE OF APPLICATION

TO THE RESPONDENT

A LEGAL PROCEEDING HAS BEEN COMMENCED by the applicant. The claim made by the applicant appears on the following page.

THIS APPLICATION will come on for a hearing (*choose one of the following*)

- In person
- By telephone conference
- By video conference

On a date to be established by the Commercial List, the application will be made to a judge presiding over the Superior Court of Justice (Commercial List). The video conference particulars will be provided once the date of the Application is established:

Zoom Meeting Link:	
Meeting ID:	Passcode:

IF YOU WISH TO OPPOSE THIS APPLICATION, to receive notice of any step in the application or to be served with any documents in the application, you or an Ontario lawyer acting for you must forthwith prepare a notice of appearance in Form 38A prescribed by the Rules of Civil Procedure, serve it on the applicant's lawyer or, where the applicant does not have a lawyer, serve it on the applicant, and file it, with proof of service, in this court office, and you or your lawyer must appear at the hearing.

IF YOU WISH TO PRESENT AFFIDAVIT OR OTHER DOCUMENTARY EVIDENCE TO THE COURT OR TO EXAMINE OR CROSS-EXAMINE WITNESSES ON THE APPLICATION, you or your lawyer must, in addition to serving your notice of appearance, serve a copy of the evidence on the applicant's lawyer or, where the applicant does not have a lawyer, serve it on the applicant, and file it, with proof of service, in the court office where the application is to be heard as soon as possible, but at least four days before the hearing.

IF YOU FAIL TO APPEAR AT THE HEARING, JUDGMENT MAY BE GIVEN IN YOUR ABSENCE AND WITHOUT FURTHER NOTICE TO YOU. IF YOU WISH TO OPPOSE THIS APPLICATION BUT ARE UNABLE TO PAY LEGAL FEES, LEGAL AID MAY BE AVAILABLE TO YOU BY CONTACTING A LOCAL LEGAL AID OFFICE.

Date: 2022-OCTOBER-05

Issued by Gurwinderjit Singh Brar
Local registrar

Digitally signed by Gurwinderjit Singh Brar
Date: 2022.10.05 09:18:33 -04'00'

Commercial List/Bankruptcy Court Office
330 University Avenue, 7th Floor
Toronto, Ontario
M5G 1R7

TO: **Harry Sherman Crowe Housing Co-operative Inc.**
51 The Chimneystack Rd.
Toronto, Ontario
M3J 3L9

APPLICATION

1. The Applicant City of Toronto, in its capacity as the Service Manager, makes application for an order:

(a) appointing RSM Canada Limited as Receiver and Manager of the property, assets, and undertaking of the Respondent, Harry Sherman Crowe Housing Co-operative Inc. ("Harry Sherman" or the "housing provider" or the "Co-op"), pursuant to the enforcement provisions of the *Housing Services Act, 2011*, S.O. 2011, c. 6, Schedule 1, as amended, (the "HSA" or the "Act"), and on the terms set out in the draft order attached as Schedule "A" to the Application Record;

(b) such further or other order as to this Honourable Court may seem just.

2. The grounds for the Application are:

(a) Rule 14.05(2) of the Rules of Civil Procedure, which provides that a proceeding may be commenced by an application to the Superior Court of Justice or to a judge of that court, if a statute so authorizes.

(b) The Respondent housing provider has contravened the provisions of the HSA by, among other things:

(i) Failing to comply with the requirements of the subsection 75(1) of the Act.
It has failed to operate the housing project and govern itself in accordance

with the prescribed provincial requirements and with the local standards established by the Service Manager; and

(ii) Failing to comply with subsection 69(2) of the Act and ensure that the housing project is well managed.

(c) The Respondent housing provider has also failed to operate the housing project properly.

(d) These failures constituted triggering events, as set out in subsections 83(1) and 83(11) of the HSA.

(e) The Respondent was given written Notice, pursuant to paragraph 90(1)(a) of the Act, which set out the particulars of the triggering events and identified the steps that the housing provider was to take in order to cure the failures that gave rise to the triggering events. This Notice of Triggering Events ("NTE") was delivered on March 29, 2021.

(f) Despite having been afforded the opportunity to do so, the Respondent did not comply with the requirements set out in the NTE.

(g) The City, in its capacity as Service Manager, with the authority to help address the needs of housing providers under their jurisdiction and their members or tenants, considered what remedy would be appropriate to exercise in all the circumstances. Under

the Act, a Service Manager may apply to the Superior Court of Justice to seek the appointment of a receiver or a receiver and manager, pursuant to subsection 85(7) of the HSA.

(h) As a result of the Respondent's failures, referenced in paragraph 2(f), above, it was given written Notice, pursuant to paragraph 90(6)(a) of the Act, that the Service Manager was considering making an application to the Superior Court of Justice to seek the appointment of a receiver or a receiver manager, pursuant to subsection 85(7) of the Act, in order to remedy the triggering events that had been identified and that were continuing.

(i) The Notice referenced in paragraph 2(h), above, was delivered on July 14, 2022. It identified those triggering events first described in the NTE that had persisted since March 29, 2021, and described the curative actions that the housing provider had failed to take in order to address them.

(j) The Notice referenced in paragraph 2(h), above, set out the reasons why the Service Manager was considering the remedy of appointing a receiver or receiver and manager at that time:

(i) The housing provider was unable to pay its debts as they became due, it had inadequate cash on hand to pay its debts, and the housing provider's liabilities exceeded its assets;

- (ii) The housing provider had failed to address the gaps in governance, financial control, and Rent-Geared-to-Income ("RGI") administration processes that the Service Manager had identified;
 - (iii) The housing provider had not demonstrated that it implemented policies and procedures that it had submitted to the Service Manager; and
 - (iv) Triggering events that the Service Manager had identified had not been addressed and were continuing.
- (k) The Notice referenced in paragraph 2(h), above, also invited the housing provider to make written submissions in respect of the remedial action the Service Manager proposed to take, which submissions the Service Manager would consider. The housing provider was provided until September 14, 2022, to make its submissions, failing which the Service Manager would make its decision about whether to pursue the identified remedy on the basis of the information available to it.
- (l) The housing provider made no submission within the time prescribed in the Notice referenced in paragraph 2(h), above.
- (m) No submission having been received by the Service Manager, it decided, based on the information available to it, to make the within Application to seek the appointment of a receiver or receiver and manager, pursuant to paragraph 85(7) of the Act.

(n) The Service Manager delivered a Notice of Decision to the housing provider on September 23, 2022, in accordance with the provisions of subsection 90(6) of the Act.

The Service Manager shared the reasons for its decision in its Notice of Decision:

- (i) The housing provider is unable to pay its debts as they became due;
- (ii) The housing provider has failed to address the gaps in governance, financial control, and Rent-Geared-to-Income (RGI) administration processes that the Service Manager had identified;
- (iii) The housing provider had not demonstrated that it implemented any of those policies and procedures that it had submitted to the Service Manager; and
- (iv) Triggering events that the Service Manager had previously identified had not been addressed and were continuing.

(o) For these reasons, in the opinion of the Service Manager, the housing provider continues to contravene the provisions of the Act and has failed (and is failing) to operate the housing project properly. The appointment of a receiver or a receiver and manager of the property, assets, and undertaking of the Respondent pursuant to subsection 85(7) of the HSA, is appropriate and warranted.

(p) The appointment of a receiver or a receiver and manager will enable it to take

active measures towards rehabilitating the housing project by, among other things:

- (i) Reviewing and analyzing the Co-op's financial records and documents;
 - (ii) Reviewing the practices and policies of the housing provider with an eye to addressing gaps in governance, financial control, and RGI administration processes at the Co-op;
 - (iii) Taking any appropriate steps to rehabilitate the financial position of the Co-op; and
 - (iv) Taking steps to address the balance of the triggering events that have persisted at the housing provider since March 29, 2021;
- (q) Such further and other grounds as counsel may advise, and this Honourable Court permit.

3. The following documentary evidence will be used at the hearing of the application:

- (i) The affidavit of a senior member of the City of Toronto's Housing Stability Services group;
- (ii) Such further and other material as counsel may advise, and this Honourable Court may permit.

Date of issue

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Lawyers for the Applicant

B E T W E E N :

CITY OF TORONTO
(Applicant)

-and-

**HARRY SHERMAN CROWE HOUSING
CO-OPERATIVE INC.**
(Respondent)

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

Proceeding commenced at Toronto

NOTICE OF APPLICAITON

CITY SOLICITOR'S OFFICE

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Lawyers for the Applicant, City of Toronto

Schedule "A"

Draft Order

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

THE HONOURABLE) WEEKDAY, THE #
)
JUSTICE) DAY OF MONTH, 20YR
)

CITY OF TORONTO

Applicant

- and -

HARRY SHERMAN CROWE HOUSING CO-OPERATIVE INC.

Respondent

ORDER
(appointing Receiver)

THIS APPLICATION made by the Applicant for an Order pursuant to section 85(7) of the *Housing Services Act, 2011*, S.O. 2011, c. 6, Sch. 1, as amended (the "HSA") and section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended (the "CJA") appointing RSM Canada Limited as Receiver and Manager] (in such capacities, the "Receiver") without security, of all of the assets, undertakings and properties of Harry Sherman Crowe Housing Co-operative Inc. (the "Harry Sherman") acquired for, or used in relation to the operation of the housing project at 51 The Chimneystack Road on the York University Campus in the City of Toronto (the "Housing Project"), was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the affidavits of Julie Western-Set, sworn on November 10, 2022, and the Exhibits thereto and on hearing the submissions of counsel for the Applicant City of Toronto and

the Respondent Harry Sherman, and on reading the consent of RSM Canada Limited to act as the Receiver,

1.

APPOINTMENT

2. THIS COURT ORDERS that pursuant to section 85(7) of the HSA and section 101 of the CJA, RSM Canada Limited is hereby appointed as Receiver, without security, of all of the assets, undertakings and properties of the Debtor acquired for, or used in relation to a business carried on by the Debtor, including all proceeds thereof (the "Property").

RECEIVER'S POWERS

3. THIS COURT ORDERS that the Respondent, its directors, employees, members and/or agents be and are hereby restrained from issuing cheques on, withdrawing any monies from, or in any way dealing with the property of the Respondent or in which the Respondent has an interest, including but not limited to personal property, bank accounts, trust accounts and real property.

4. THIS COURT ORDERS that the Respondent shall be deemed to ratify and confirm whatever the Receiver does in the course of the receivership, so long as it is done in accordance with the HSA, the HSA's regulations, and the terms of the Receiver's appointment, and the Receiver shall not be required to consult with, obtain the approval of, or have its actions ratified by the Respondent.

5. THIS COURT ORDERS that the Receiver is hereby empowered and authorized, but not obligated, to act at once in respect of the Property and, without in any way limiting the generality of the foregoing, the Receiver is hereby expressly empowered and authorized to do any of the following where the Receiver considers it necessary or desirable, providing that, in doing so, the Receiver continues to comply with the "Terms of Reference for Receiver" attached as Schedule 1 to the Receivership Services Agreement, and the HSA and its regulations:

- (a) to take possession of and exercise control over the Property and any and all proceeds, receipts and disbursements arising out of or from the Property;
- (b) to receive, preserve, and protect the Property, or any part or parts thereof, including, but not limited to, the changing of locks and security codes, the relocating of Property to safeguard it, the engaging of independent security personnel, the taking of physical inventories and the placement of such insurance coverage as may be necessary or desirable;
- (c) to manage, operate, and carry on the business of the Respondent, including the powers to enter into any agreements, incur any obligations in the ordinary course of business, cease to carry on all or any part of the business, or cease to perform any contracts of the Respondent;
- (d) to engage consultants, appraisers, agents, experts, auditors, accountants, managers, counsel and such other persons from time to time and on whatever basis, including on a temporary basis, to assist with the exercise of the Receiver's powers and duties, including without limitation those conferred by this Order;
- (e) to purchase or lease such machinery, equipment, inventories, supplies, premises or other assets to continue the business of the Debtor or any part or parts thereof;
- (f) to receive and collect all monies and accounts now owed or hereafter owing to the Respondent and to exercise all remedies of the Respondent in collecting such monies, including, without limitation, to enforce any security held by the Respondent;
- (g) to settle, extend or compromise any indebtedness owing to the Respondent;

- (h) to execute, assign, issue and endorse documents of whatever nature in respect of any of the Property, whether in the Receiver's name or in the name and on behalf of the Respondent, for any purpose pursuant to this Order;
- (i) to initiate, prosecute and continue the prosecution of any and all proceedings and to defend all proceedings now pending or hereafter instituted with respect to the Respondent, the Property or the Receiver, and to settle or compromise any such proceedings. The authority hereby conveyed shall extend to such appeals or applications for judicial review in respect of any order or judgment pronounced in any such proceeding;
- (j) to market any or all of the Property, including advertising and soliciting offers in respect of the Property or any part or parts thereof and negotiating such terms and conditions of sale as the Receiver in its discretion may deem appropriate;
- (k) to sell, convey, transfer, lease or assign the Property or any part or parts thereof out of the ordinary course of the Respondent's business,
 - (i) without the approval of this Court in respect of any transaction not exceeding \$25,000.00, provided that the aggregate consideration for all such transactions does not exceed \$100,000; and
 - (ii) with the approval of this Court in respect of any transaction in which the purchase price or the aggregate purchase price exceeds the applicable amount set out in the preceding clause;

and in each such case notice under subsection 63(4) of the Ontario *Personal Property Security Act*, [or section 31 of the Ontario *Mortgages Act*, as the case may be,] shall not be required.

- (l) to report to, meet with and discuss with such affected Persons (as defined below) as the Receiver deems appropriate on all matters relating to the Property and the receivership, and to share information, subject to such terms as to confidentiality as the Receiver deems advisable;
- (m) to register a copy of this Order and any other Orders in respect of the Property against title to any of the Property;
- (n) to apply for any permits, licences, approvals or permissions as may be required by any governmental authority and any renewals thereof for and on behalf of and, if thought desirable by the Receiver, in the name of the Respondent;
- (o) to enter into agreements with any trustee in bankruptcy appointed in respect of the Respondent, including, without limiting the generality of the foregoing, the ability to enter into occupation agreements for any property owned or leased by the Respondent;
- (p) to exercise any member, partnership, joint venture or other rights which the Respondent may have;
- (q) to increase the rents, housing charges, and any other fees and charges the occupants of the Housing Project (as that term is defined in the HSA) are required to pay, as the Receiver deems appropriate under the circumstances, and in accordance with the provisions of the HSA, the HSA's regulations, and the *Residential Tenancies Act, 2006*, S.O. 2006, c. 17, as amended (the "RTA");
- (r) to terminate the occupancy of any resident of the Property, in accordance with the HSA, the HSA's regulations, and the RTA; and ~~(r)(s)~~; and
- (s) to take any steps reasonably incidental to the exercise of these powers or the performance of any statutory obligations.

and in each case where the Receiver takes any such actions or steps, it shall be exclusively authorized and empowered to do so, to the exclusion of all other Persons (as defined below), including the Respondent, and the Respondent's Board of Directors,, and without interference from any other Person.

DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE RECEIVER

6. THIS COURT ORDERS that (i) the Respondent, and the Respondent's Board of Directors,, (ii) all of its current and former directors, officers, employees, agents, accountants, legal counsel and members, and all other persons acting on its instructions or behalf, and (iii) all other individuals, firms, corporations, governmental bodies or agencies, or other entities having notice of this Order (all of the foregoing, collectively, being "Persons" and each being a "Person") shall forthwith advise the Receiver of the existence of any Property in such Person's possession or control, shall grant immediate and continued access to the Property to the Receiver, and shall deliver all such Property to the Receiver upon the Receiver's request.

7. THIS COURT ORDERS that all Persons shall forthwith advise the Receiver of the existence of any books, documents, securities, contracts, orders, corporate and accounting records, and any other papers, records and information of any kind related to the business or affairs of the Respondent, and any computer programs, computer tapes, computer disks, or other data storage media containing any such information (the foregoing, collectively, the "Records") in that Person's possession or control, and shall provide to the Receiver or permit the Receiver to make, retain and take away copies thereof and grant to the Receiver unfettered access to and use of accounting, computer, software and physical facilities relating thereto, provided however that nothing in this paragraph 7 or in paragraph 8 of this Order shall require the delivery of Records, or the granting of access to Records, which may not be disclosed or provided to the Receiver due to the privilege attaching to solicitor-client communication or due to statutory provisions prohibiting such disclosure.

8. THIS COURT ORDERS that if any Records are stored or otherwise contained on a computer or other electronic system of information storage, whether by independent service provider or otherwise, all Persons in possession or control of such Records shall forthwith give unfettered access to the Receiver for the purpose of allowing the Receiver to recover and fully

copy all of the information contained therein whether by way of printing the information onto paper or making copies of computer disks or such other manner of retrieving and copying the information as the Receiver in its discretion deems expedient, and shall not alter, erase or destroy any Records without the prior written consent of the Receiver. Further, for the purposes of this paragraph, all Persons shall provide the Receiver with all such assistance in gaining immediate access to the information in the Records as the Receiver may in its discretion require including providing the Receiver with instructions on the use of any computer or other system and providing the Receiver with any and all access codes, account names and account numbers that may be required to gain access to the information.

NO PROCEEDINGS AGAINST THE RECEIVER

9. THIS COURT ORDERS that no proceeding (including any arbitration proceeding) or enforcement process in any court tribunal, or before an arbitrator (each, a "Proceeding"), shall be commenced or continued against the Receiver except with the written consent of the Receiver or with leave of this Court.

NO PROCEEDINGS AGAINST THE RESPONDENT OR THE PROPERTY

10. THIS COURT ORDERS that no Proceeding against or in respect of the Respondent or the Property shall be commenced or continued except with the written consent of the Receiver or with leave of this Court and any and all Proceedings currently under way against or in respect of the Respondent or the Property are hereby stayed and suspended pending further Order of this Court.

NO EXERCISE OF RIGHTS OR REMEDIES

11. THIS COURT ORDERS that all rights and remedies against the Respondent, the Receiver, or affecting the Property, are hereby stayed and suspended except with the written consent of the Receiver or leave of this Court, provided however that this stay and suspension does not apply in respect of any "eligible financial contract" as defined in the BIA, and further provided that nothing in this paragraph shall (i) empower the Receiver or the Respondent to carry on any business which the Respondent is not lawfully entitled to carry on, (ii) exempt the Receiver or the Respondent from compliance with statutory or regulatory provisions relating to

health, safety or the environment, (iii) prevent the filing of any registration to preserve or perfect a security interest, or (iv) prevent the registration of a claim for lien.

NO INTERFERENCE WITH THE RECEIVER

12. THIS COURT ORDERS that no Person shall discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right, contract, agreement, licence or permit in favour of or held by the Respondent, without written consent of the Receiver or leave of this Court.

CONTINUATION OF SERVICES

13. THIS COURT ORDERS that all Persons having oral or written agreements with the Respondent or statutory or regulatory mandates for the supply of goods and/or services, including without limitation, all computer software, communication and other data services, centralized banking services, payroll services, insurance, transportation services, utility or other services to the Respondent are hereby restrained until further Order of this Court from discontinuing, altering, interfering with or terminating the supply of such goods or services as may be required by the Receiver, and that the Receiver shall be entitled to the continued use of the Respondent's current telephone numbers, facsimile numbers, internet addresses and domain names, provided in each case that the normal prices or charges for all such goods or services received after the date of this Order are paid by the Receiver in accordance with normal payment practices of the Respondent or such other practices as may be agreed upon by the supplier or service provider and the Receiver, or as may be ordered by this Court.

RECEIVER TO HOLD FUNDS

14. THIS COURT ORDERS that all funds, monies, cheques, instruments, and other forms of payments received or collected by the Receiver from and after the making of this Order from any source whatsoever, including without limitation the collection of any rents and accounts receivable in whole or in part, whether in existence on the date of this Order or hereafter coming into existence, shall be deposited into one or more new accounts to be opened by the Receiver (the "Post Receivership Accounts") and the monies standing to the credit of such Post Receivership Accounts from time to time, net of any disbursements provided for herein, shall be

held by the Receiver to be paid in accordance with the terms of this Order or any further Order of this Court.

EMPLOYEES

15. THIS COURT ORDERS that all employees of the Respondent shall remain the employees of the Respondent until such time as the Receiver, on the Respondent's behalf, may terminate the employment of such employees. The Receiver shall not be liable for any employee-related liabilities, including any successor employer liabilities as provided for in section 14.06(1.2) of the BIA, or under any other applicable legislation, other than such amounts as the Receiver may specifically agree in writing to pay, or in respect of its obligations under sections 81.4(5) or 81.6(3) of the BIA or under the *Wage Earner Protection Program Act*.

PIPEDA

16. THIS COURT ORDERS that, pursuant to clause 7(3)(c) of the *Canada Personal Information Protection and Electronic Documents Act*, the Receiver shall disclose personal information of identifiable individuals to prospective purchasers or bidders for the Property and to their advisors, but only to the extent desirable or required to negotiate and attempt to complete one or more sales of the Property (each, a "Sale"). Each prospective purchaser or bidder to whom such personal information is disclosed shall maintain and protect the privacy of such information and limit the use of such information to its evaluation of the Sale, and if it does not complete a Sale, shall return all such information to the Receiver, or in the alternative destroy all such information. The purchaser of any Property shall be entitled to continue to use the personal information provided to it, and related to the Property purchased, in a manner which is in all material respects identical to the prior use of such information by the Respondent, and shall return all other personal information to the Receiver, or ensure that all other personal information is destroyed.

LIMITATION ON ENVIRONMENTAL LIABILITIES

17. THIS COURT ORDERS that nothing herein contained shall require the Receiver to occupy or to take control, care, charge, possession or management (separately and/or collectively, "Possession") of any of the Property that might be environmentally contaminated, might be a pollutant or a contaminant, or might cause or contribute to a spill, discharge, release

or deposit of a substance contrary to any federal, provincial or other law respecting the protection, conservation, enhancement, remediation or rehabilitation of the environment or relating to the disposal of waste or other contamination including, without limitation, the *Canadian Environmental Protection Act*, the *Ontario Environmental Protection Act*, the *Ontario Water Resources Act*, or the *Ontario Occupational Health and Safety Act* and regulations thereunder (the "Environmental Legislation"), provided however that nothing herein shall exempt the Receiver from any duty to report or make disclosure imposed by applicable Environmental Legislation. The Receiver shall not, as a result of this Order or anything done in pursuance of the Receiver's duties and powers under this Order, be deemed to be in Possession of any of the Property within the meaning of any Environmental Legislation, unless it is actually in possession.

LIMITATION ON THE RECEIVER'S LIABILITY

18. THIS COURT ORDERS that the Receiver shall incur no liability or obligation as a result of its appointment or the carrying out the provisions of this Order, save and except for any gross negligence or wilful misconduct on its part, or in respect of its obligations under sections 81.4(5) or 81.6(3) of the BIA or under the *Wage Earner Protection Program Act*. Nothing in this Order shall derogate from the protections afforded the Receiver by section 14.06 of the BIA or by any other applicable legislation , including the protections afforded to the Receiver by the HSA and its regulations.

RECEIVER'S ACCOUNTS

19. THIS COURT ORDERS that the Receiver and counsel to the Receiver shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges unless otherwise ordered by the Court on the passing of accounts, and that the Receiver and counsel to the Receiver shall be entitled to and are hereby granted a charge (the "Receiver's Charge") on the Property, as security for such fees and disbursements, both before and after the making of this Order in respect of these proceedings, and that the Receiver's Charge shall, subject to the limits set out in the provisions of the HSA and its regulations, form a first charge on the Property in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person

20. THIS COURT ORDERS that the Receiver and its legal counsel shall pass its accounts from time to time, and for this purpose the accounts of the Receiver and its legal counsel are hereby referred to a judge of the Commercial List of the Ontario Superior Court of Justice.

21. THIS COURT ORDERS that prior to the passing of its accounts, the Receiver shall be at liberty from time to time to apply reasonable amounts, out of the monies in its hands, against its fees and disbursements, including legal fees and disbursements, incurred at the standard rates and charges of the Receiver or its counsel, and such amounts shall constitute advances against its remuneration and disbursements when and as approved by this Court.

FUNDING OF THE RECEIVERSHIP

22. THIS COURT ORDERS that the Receiver be at liberty and it is hereby empowered to borrow by way of a revolving credit or otherwise, such monies from time to time as it may consider necessary or desirable, provided that the outstanding principal amount does not exceed \$200,000 (or such greater amount as this Court may by further Order authorize) at any time, at such rate or rates of interest as it deems advisable for such period or periods of time as it may arrange, for the purpose of funding the exercise of the powers and duties conferred upon the Receiver by this Order, including interim expenditures. The whole of the Property shall be and is hereby charged by way of a fixed and specific charge (the "Receiver's Borrowings Charge") as security for the payment of the monies borrowed, together with interest and charges thereon, in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subordinate in priority to the Receiver's Charge, subject to and the limitations set out in the provisions of the HSA and its regulations.

23. THIS COURT ORDERS that neither the Receiver's Borrowings Charge nor any other security granted by the Receiver in connection with its borrowings under this Order shall be enforced without leave of this Court.

24. THIS COURT ORDERS that the Receiver is at liberty and authorized to issue certificates substantially in the form annexed as Schedule "A" hereto (the "Receiver's Certificates") for any amount borrowed by it pursuant to this Order.

25. THIS COURT ORDERS that the monies from time to time borrowed by the Receiver pursuant to this Order or any further order of this Court and any and all Receiver's Certificates evidencing the same or any part thereof shall rank on a *pari passu* basis, unless otherwise agreed to by the holders of any prior issued Receiver's Certificates.

SERVICE AND NOTICE

26. THIS COURT ORDERS that the E-Service Protocol of the Commercial List (the “**Protocol**”) is approved and adopted by reference herein and, in this proceeding, the service of documents made in accordance with the Protocol (which can be found on the Commercial List website at <http://www.ontariocourts.ca/scj/practice/practice-directions/toronto/e-service-protocol/>) shall be valid and effective service. Subject to Rule 17.05 this Order shall constitute an order for substituted service pursuant to Rule 16.04 of the Rules of Civil Procedure. Subject to Rule 3.01(d) of the Rules of Civil Procedure and paragraph 21 of the Protocol, service of documents in accordance with the Protocol will be effective on transmission. This Court further orders that a Case Website shall be established in accordance with the Protocol with the following URL ‘<[@](#)>’.

27. THIS COURT ORDERS that if the service or distribution of documents in accordance with the Protocol is not practicable, the Receiver is at liberty to serve or distribute this Order, any other materials and orders in these proceedings, any notices or other correspondence, by forwarding true copies thereof by prepaid ordinary mail, courier, personal delivery or facsimile transmission to the Respondent's creditors or other interested parties at their respective addresses as last shown on the records of the Respondent and that any such service or distribution by courier, personal delivery or facsimile transmission shall be deemed to be received on the next business day following the date of forwarding thereof, or if sent by ordinary mail, on the third business day after mailing.

GENERAL

28. THIS COURT ORDERS that the Receiver may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.

29. THIS COURT ORDERS that nothing in this Order shall prevent the Receiver from acting as a trustee in bankruptcy of the Debtor.

30. THIS COURT HEREBY REQUESTS the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States to give effect to this Order and to assist the Receiver and its agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Receiver, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Receiver and its agents in carrying out the terms of this Order.

31. THIS COURT ORDERS that the Receiver be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order, and that the Receiver is authorized and empowered to act as a representative in respect of the within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada.

32. THIS COURT ORDERS that any interested party may apply to this Court to vary or amend this Order on not less than seven (7) days' notice to the Receiver and to any other party likely to be affected by the order sought or upon such other notice, if any, as this Court may order.

SCHEDULE "A"

RECEIVER CERTIFICATE

CERTIFICATE NO. _____

AMOUNT \$ _____

1. THIS IS TO CERTIFY that RSM Canada Limited, the receiver (the "Receiver") of the assets, undertakings and properties of Harry Sherman Crowe Co-operative Inc. acquired for, or used in relation to a business carried on by the Respondent, including all proceeds thereof (collectively, the "Property") appointed by Order of the Ontario Superior Court of Justice (Commercial List) (the "Court") dated the ___ day of _____, 20__ (the "Order") made in an action having Court file number __-CL-_____, has received as such Receiver from the holder of this certificate (the "Lender") the principal sum of \$ _____, being part of the total principal sum of \$ _____ which the Receiver is authorized to borrow under and pursuant to the Order.

2. The principal sum evidenced by this certificate is payable on demand by the Lender with interest thereon calculated and compounded [daily][monthly not in advance on the _____ day of each month] after the date hereof at a notional rate per annum equal to the rate of _____ per cent above the prime commercial lending rate of Bank of _____ from time to time.

3. Such principal sum with interest thereon is, by the terms of the Order, together with the principal sums and interest thereon of all other certificates issued by the Receiver pursuant to the Order or to any further order of the Court, a charge upon the whole of the Property, in priority to the security interests of any other person, but subject to the priority of the charges set out in the Order and in the *Bankruptcy and Insolvency Act*, and the right of the Receiver to indemnify itself out of such Property in respect of its remuneration and expenses.

4. All sums payable in respect of principal and interest under this certificate are payable at the main office of the Lender at Toronto, Ontario.

5. Until all liability in respect of this certificate has been terminated, no certificates creating charges ranking or purporting to rank in priority to this certificate shall be issued by the Receiver

to any person other than the holder of this certificate without the prior written consent of the holder of this certificate.

6. The charge securing this certificate shall operate so as to permit the Receiver to deal with the Property as authorized by the Order and as authorized by any further or other order of the Court.

7. The Receiver does not undertake, and it is not under any personal liability, to pay any sum in respect of which it may issue certificates under the terms of the Order.

DATED the ____ day of _____, 20__.

RSM Canada Limited, solely in its capacity as
Receiver of the Property, and not in its personal
capacity

Per: _____

Name:

Title:

Comparison to Model Order

Revised: January 21, 2014
s.243(1) BIA (National Receiver) and s. 101 CJA (Ontario) Receiver

Court File No. _____

Court File No. CV-22-00688248-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

THE HONOURABLE) WEEKDAY, THE #
)
JUSTICE) DAY OF MONTH, 20YR
)

PLAINTIFF¹

Plaintiff

CITY OF TORONTO

Applicant

- and -

DEFENDANT

Defendant

HARRY SHERMAN CROWE HOUSING CO-OPERATIVE INC.

Respondent

¹-The Model Order Subcommittee notes that a receivership proceeding may be commenced by action or by application. This model order is drafted on the basis that the receivership proceeding is commenced by way of an action.

ORDER
(appointing Receiver)

THIS ~~MOTION~~APPLICATION made by the ~~Plaintiff~~² ~~Applicant~~ for an Order pursuant to section 243(~~185~~(7)) of the ~~Bankruptcy and Insolvency~~*Housing Services Act, R.2011, S.C.1985O. 2011, c. B-36, Sch. 1*, as amended (the "~~BIA~~HSA") and section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended (the "CJA") appointing ~~[RECEIVER'S NAME]~~RSM Canada Limited as ~~receiver~~ ~~[Receiver~~ and ~~manager~~Manager] (in such capacities, the "Receiver") without security, of all of the assets, undertakings and properties of ~~[DEBTOR'S NAME]~~Harry Sherman Crowe Housing Co-operative Inc. (the "~~Debtor~~Harry Sherman") acquired for, or used in relation to ~~a business carried~~the operation of the housing project at 51 The Chimneystack Road on ~~by the Debtor,~~the York University Campus in the City of Toronto (the "Housing Project"), was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the ~~affidavit~~affidavits of ~~[NAME]~~Julie Western-Set, sworn ~~[DATE]~~on November 10, 2022, and the Exhibits thereto and on hearing the submissions of counsel for ~~[NAMES], no one appearing for [NAME] although duly served as appears from the affidavit~~the Applicant City of ~~service of [NAME] sworn [DATE]~~Toronto and the Respondent Harry Sherman, and on reading the consent of ~~[RECEIVER'S NAME]~~RSM Canada Limited to act as the Receiver,

SERVICE

1. ~~THIS COURT ORDERS that the time for service of the Notice of Motion and the Motion is hereby abridged and validated~~³ so that this motion is properly returnable today and hereby dispenses with further service thereof.

1. _____

²Section 243(1) of the BIA provides that the Court may appoint a receiver "on application by a secured creditor".

³If service is effected in a manner other than as authorized by the Ontario Rules of Civil Procedure, an order validating irregular service is required pursuant to Rule 16.08 of the Rules of Civil Procedure and may be granted in appropriate circumstances.

APPOINTMENT

2. THIS COURT ORDERS that pursuant to section ~~243~~185(7) of the BIAHSA and section 101 of the CJA, ~~[RECEIVER'S NAME]~~RSM Canada Limited is hereby appointed as Receiver, without security, of all of the assets, undertakings and properties of the Debtor acquired for, or used in relation to a business carried on by the Debtor, including all proceeds thereof (the "Property").

RECEIVER'S POWERS

3. THIS COURT ORDERS that the Respondent, its directors, employees, members and/or agents be and are hereby restrained from issuing cheques on, withdrawing any monies from, or in any way dealing with the property of the Respondent or in which the Respondent has an interest, including but not limited to personal property, bank accounts, trust accounts and real property.

4. THIS COURT ORDERS that the Respondent shall be deemed to ratify and confirm whatever the Receiver does in the course of the receivership, so long as it is done in accordance with the HSA, the HSA's regulations, and the terms of the Receiver's appointment, and the Receiver shall not be required to consult with, obtain the approval of, or have its actions ratified by the Respondent.

3.5. THIS COURT ORDERS that the Receiver is hereby empowered and authorized, but not obligated, to act at once in respect of the Property and, without in any way limiting the generality of the foregoing, the Receiver is hereby expressly empowered and authorized to do any of the following where the Receiver considers it necessary or desirable: providing that, in doing so, the Receiver continues to comply with the "Terms of Reference for Receiver" attached as Schedule 1 to the Receivership Services Agreement, and the HSA and its regulations:

- (a) to take possession of and exercise control over the Property and any and all proceeds, receipts and disbursements arising out of or from the Property;

- (b) to receive, preserve, and protect the Property, or any part or parts thereof, including, but not limited to, the changing of locks and security codes, the relocating of Property to safeguard it, the engaging of independent security personnel, the taking of physical inventories and the placement of such insurance coverage as may be necessary or desirable;
- (c) to manage, operate, and carry on the business of the DebtorRespondent, including the powers to enter into any agreements, incur any obligations in the ordinary course of business, cease to carry on all or any part of the business, or cease to perform any contracts of the DebtorRespondent;
- (d) to engage consultants, appraisers, agents, experts, auditors, accountants, managers, counsel and such other persons from time to time and on whatever basis, including on a temporary basis, to assist with the exercise of the Receiver's powers and duties, including without limitation those conferred by this Order;
- (e) to purchase or lease such machinery, equipment, inventories, supplies, premises or other assets to continue the business of the Debtor or any part or parts thereof;
- (f) to receive and collect all monies and accounts now owed or hereafter owing to the DebtorRespondent and to exercise all remedies of the DebtorRespondent in collecting such monies, including, without limitation, to enforce any security held by the DebtorRespondent;
- (g) to settle, extend or compromise any indebtedness owing to the DebtorRespondent;
- (h) to execute, assign, issue and endorse documents of whatever nature in respect of any of the Property, whether in the Receiver's name or in the name and on behalf of the DebtorRespondent, for any purpose pursuant to this Order;

- (i) to initiate, prosecute and continue the prosecution of any and all proceedings and to defend all proceedings now pending or hereafter instituted with respect to the ~~Debtor~~Respondent, the Property or the Receiver, and to settle or compromise any such proceedings.⁴ The authority hereby conveyed shall extend to such appeals or applications for judicial review in respect of any order or judgment pronounced in any such proceeding;
- (j) to market any or all of the Property, including advertising and soliciting offers in respect of the Property or any part or parts thereof and negotiating such terms and conditions of sale as the Receiver in its discretion may deem appropriate;
- (k) to sell, convey, transfer, lease or assign the Property or any part or parts thereof out of the ordinary course of the Respondent's business,
 - (i) without the approval of this Court in respect of any transaction not exceeding \$ _____, ~~\$25,000.00~~, provided that the aggregate consideration for all such transactions does not exceed \$ _____; ~~\$100,000~~; and
 - (ii) with the approval of this Court in respect of any transaction in which the purchase price or the aggregate purchase price exceeds the applicable amount set out in the preceding clause;

and in each such case notice under subsection 63(4) of the Ontario *Personal Property Security Act*, [or section 31 of the Ontario *Mortgages*

~~⁴This model order does not include specific authority permitting the Receiver to either file an assignment in bankruptcy on behalf of the Debtor, or to consent to the making of a bankruptcy order against the Debtor. A bankruptcy may have the effect of altering the priorities among creditors, and therefore the specific authority of the Court should be sought if the Receiver wishes to take one of these steps.~~

Act, as the case may be,⁵ shall not be required, ~~and in each case the Ontario Bulk Sales Act shall not apply.~~

~~(l) to apply for any vesting order or other orders necessary to convey the Property or any part or parts thereof to a purchaser or purchasers thereof, free and clear of any liens or encumbrances affecting such Property;~~

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~~(m)~~(l) to report to, meet with and discuss with such affected Persons (as defined below) as the Receiver deems appropriate on all matters relating to the Property and the receivership, and to share information, subject to such terms as to confidentiality as the Receiver deems advisable;

~~(n)~~(m) to register a copy of this Order and any other Orders in respect of the Property against title to any of the Property;

~~(o)~~(n) to apply for any permits, licences, approvals or permissions as may be required by any governmental authority and any renewals thereof for and on behalf of and, if thought desirable by the Receiver, in the name of the ~~Debtor~~Respondent;

~~(p)~~(o) to enter into agreements with any trustee in bankruptcy appointed in respect of the ~~Debtor~~Respondent, including, without limiting the generality of the foregoing, the ability to enter into occupation agreements for any property owned or leased by the ~~Debtor~~Respondent;

(p) to exercise any ~~shareholder~~member, partnership, joint venture or other rights which the ~~Debtor~~Respondent may have;

⁵If the Receiver will be dealing with assets in other provinces, consider adding references to applicable statutes in other provinces. If this is done, those statutes must be reviewed to ensure that the Receiver is exempt from or can be exempted from such notice periods, and further that the Ontario Court has the jurisdiction to grant such an exemption.

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(q) to increase the rents, housing charges, and any other fees and charges the occupants of the Housing Project (as that term is defined in the HSA) are required to pay, as the Receiver deems appropriate under the circumstances, and in accordance with the provisions of the HSA, the HSA's regulations, and the Residential Tenancies Act, 2006, S.O. 2006, c. 17, as amended (the "RTA");

(r) to terminate the occupancy of any resident of the Property, in accordance with the HSA, the HSA's regulations, and the RTA; and (s); and

(s) to take any steps reasonably incidental to the exercise of these powers or the performance of any statutory obligations.

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and in each case where the Receiver takes any such actions or steps, it shall be exclusively authorized and empowered to do so, to the exclusion of all other Persons (as defined below), including the Debtor, Respondent, and the Respondent's Board of Directors., and without interference from any other Person.

DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE RECEIVER

4.6. THIS COURT ORDERS that (i) the Debtor, Respondent, and the Respondent's Board of Directors., (ii) all of its current and former directors, officers, employees, agents, accountants, legal counsel and shareholdersmembers, and all other persons acting on its instructions or behalf, and (iii) all other individuals, firms, corporations, governmental bodies or agencies, or other entities having notice of this Order (all of the foregoing, collectively, being "Persons" and each being a "Person") shall forthwith advise the Receiver of the existence of any Property in such Person's possession or control, shall grant immediate and continued access to the Property to the Receiver, and shall deliver all such Property to the Receiver upon the Receiver's request.

5.7. THIS COURT ORDERS that all Persons shall forthwith advise the Receiver of the existence of any books, documents, securities, contracts, orders, corporate and accounting records, and any other papers, records and information of any kind related to the business or affairs of the DebtorRespondent, and any computer programs, computer tapes, computer disks, or other data storage media containing any such information (the foregoing, collectively, the

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"Records") in that Person's possession or control, and shall provide to the Receiver or permit the Receiver to make, retain and take away copies thereof and grant to the Receiver unfettered access to and use of accounting, computer, software and physical facilities relating thereto, provided however that nothing in this paragraph ~~5-er7or~~ in paragraph ~~68~~ of this Order shall require the delivery of Records, or the granting of access to Records, which may not be disclosed or provided to the Receiver due to the privilege attaching to solicitor-client communication or due to statutory provisions prohibiting such disclosure.

~~6.8.~~ THIS COURT ORDERS that if any Records are stored or otherwise contained on a computer or other electronic system of information storage, whether by independent service provider or otherwise, all Persons in possession or control of such Records shall forthwith give unfettered access to the Receiver for the purpose of allowing the Receiver to recover and fully copy all of the information contained therein whether by way of printing the information onto paper or making copies of computer disks or such other manner of retrieving and copying the information as the Receiver in its discretion deems expedient, and shall not alter, erase or destroy any Records without the prior written consent of the Receiver. Further, for the purposes of this paragraph, all Persons shall provide the Receiver with all such assistance in gaining immediate access to the information in the Records as the Receiver may in its discretion require including providing the Receiver with instructions on the use of any computer or other system and providing the Receiver with any and all access codes, account names and account numbers that may be required to gain access to the information.

~~7. — THIS COURT ORDERS that the Receiver shall provide each of the relevant landlords with notice of the Receiver's intention to remove any fixtures from any leased premises at least seven (7) days prior to the date of the intended removal. The relevant landlord shall be entitled to have a representative present in the leased premises to observe such removal and, if the landlord disputes the Receiver's entitlement to remove any such fixture under the provisions of the lease, such fixture shall remain on the premises and shall be dealt with as agreed between any applicable secured creditors, such landlord and the Receiver, or by further Order of this Court upon application by the Receiver on at least two (2) days notice to such landlord and any such secured creditors.~~

NO PROCEEDINGS AGAINST THE RECEIVER

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~~8-9.~~ THIS COURT ORDERS that no proceeding (including any arbitration proceeding) or enforcement process in any court ~~or~~ tribunal, or before an arbitrator (each, a "Proceeding"), shall be commenced or continued against the Receiver except with the written consent of the Receiver or with leave of this Court.

NO PROCEEDINGS AGAINST THE ~~DEBTOR~~RESPONDENT OR THE PROPERTY

~~9-10.~~ THIS COURT ORDERS that no Proceeding against or in respect of the ~~Debtor~~Respondent or the Property shall be commenced or continued except with the written consent of the Receiver or with leave of this Court and any and all Proceedings currently under way against or in respect of the ~~Debtor~~Respondent or the Property are hereby stayed and suspended pending further Order of this Court.

NO EXERCISE OF RIGHTS OR REMEDIES

~~10-11.~~ THIS COURT ORDERS that all rights and remedies against the ~~Debtor~~Respondent, the Receiver, or affecting the Property, are hereby stayed and suspended except with the written consent of the Receiver or leave of this Court, provided however that this stay and suspension does not apply in respect of any "eligible financial contract" as defined in the BIA, and further provided that nothing in this paragraph shall (i) empower the Receiver or the ~~Debtor~~Respondent to carry on any business which the ~~Debtor~~Respondent is not lawfully entitled to carry on, (ii) exempt the Receiver or the ~~Debtor~~Respondent from compliance with statutory or regulatory provisions relating to health, safety or the environment, (iii) prevent the filing of any registration to preserve or perfect a security interest, or (iv) prevent the registration of a claim for lien.

NO INTERFERENCE WITH THE RECEIVER

~~11-12.~~ THIS COURT ORDERS that no Person shall discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right, contract, agreement, licence or permit in favour of or held by the ~~Debtor~~Respondent, without written consent of the Receiver or leave of this Court.

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CONTINUATION OF SERVICES

12.13. THIS COURT ORDERS that all Persons having oral or written agreements with the [DebtorRespondent](#) or statutory or regulatory mandates for the supply of goods and/or services, including without limitation, all computer software, communication and other data services, centralized banking services, payroll services, insurance, transportation services, utility or other services to the [DebtorRespondent](#) are hereby restrained until further Order of this Court from discontinuing, altering, interfering with or terminating the supply of such goods or services as may be required by the Receiver, and that the Receiver shall be entitled to the continued use of the [Debtor'sRespondent's](#) current telephone numbers, facsimile numbers, internet addresses and domain names, provided in each case that the normal prices or charges for all such goods or services received after the date of this Order are paid by the Receiver in accordance with normal payment practices of the [DebtorRespondent](#) or such other practices as may be agreed upon by the supplier or service provider and the Receiver, or as may be ordered by this Court.

RECEIVER TO HOLD FUNDS

13.14. THIS COURT ORDERS that all funds, monies, cheques, instruments, and other forms of payments received or collected by the Receiver from and after the making of this Order from any source whatsoever, including without limitation the [sale of all or any of the Property and the collection of any rents and](#) accounts receivable in whole or in part, whether in existence on the date of this Order or hereafter coming into existence, shall be deposited into one or more new accounts to be opened by the Receiver (the "Post Receivership Accounts") and the monies standing to the credit of such Post Receivership Accounts from time to time, net of any disbursements provided for herein, shall be held by the Receiver to be paid in accordance with the terms of this Order or any further Order of this Court.

EMPLOYEES

14.15. THIS COURT ORDERS that all employees of the [DebtorRespondent](#) shall remain the employees of the [DebtorRespondent](#) until such time as the Receiver, on the [Debtor'sRespondent's](#) behalf, may terminate the employment of such employees. The Receiver shall not be liable for any employee-related liabilities, including any successor employer liabilities as provided for in section 14.06(1.2) of the BIA, [or under any other applicable legislation](#), other than such amounts

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as the Receiver may specifically agree in writing to pay, or in respect of its obligations under sections 81.4(5) or 81.6(3) of the BIA or under the *Wage Earner Protection Program Act*.

PIPEDA

~~15.~~16. THIS COURT ORDERS that, pursuant to clause 7(3)(c) of the Canada *Personal Information Protection and Electronic Documents Act*, the Receiver shall disclose personal information of identifiable individuals to prospective purchasers or bidders for the Property and to their advisors, but only to the extent desirable or required to negotiate and attempt to complete one or more sales of the Property (each, a "Sale"). Each prospective purchaser or bidder to whom such personal information is disclosed shall maintain and protect the privacy of such information and limit the use of such information to its evaluation of the Sale, and if it does not complete a Sale, shall return all such information to the Receiver, or in the alternative destroy all such information. The purchaser of any Property shall be entitled to continue to use the personal information provided to it, and related to the Property purchased, in a manner which is in all material respects identical to the prior use of such information by the ~~Debtor~~Respondent, and shall return all other personal information to the Receiver, or ensure that all other personal information is destroyed.

LIMITATION ON ENVIRONMENTAL LIABILITIES

~~16.~~17. THIS COURT ORDERS that nothing herein contained shall require the Receiver to occupy or to take control, care, charge, possession or management (separately and/or collectively, "Possession") of any of the Property that might be environmentally contaminated, might be a pollutant or a contaminant, or might cause or contribute to a spill, discharge, release or deposit of a substance contrary to any federal, provincial or other law respecting the protection, conservation, enhancement, remediation or rehabilitation of the environment or relating to the disposal of waste or other contamination including, without limitation, the *Canadian Environmental Protection Act*, the *Ontario Environmental Protection Act*, the *Ontario Water Resources Act*, or the *Ontario Occupational Health and Safety Act* and regulations thereunder (the "Environmental Legislation"), provided however that nothing herein shall exempt the Receiver from any duty to report or make disclosure imposed by applicable Environmental Legislation. The Receiver shall not, as a result of this Order or anything done in

pursuance of the Receiver's duties and powers under this Order, be deemed to be in Possession of any of the Property within the meaning of any Environmental Legislation, unless it is actually in possession.

LIMITATION ON THE RECEIVER'S LIABILITY

~~17.18.~~ THIS COURT ORDERS that the Receiver shall incur no liability or obligation as a result of its appointment or the carrying out the provisions of this Order, save and except for any gross negligence or wilful misconduct on its part, or in respect of its obligations under sections 81.4(5) or 81.6(3) of the BIA or under the *Wage Earner Protection Program Act*. Nothing in this Order shall derogate from the protections afforded the Receiver by section 14.06 of the BIA or by any other applicable legislation, including the protections afforded to the Receiver by the HSA and its regulations.

RECEIVER'S ACCOUNTS

~~18.19.~~ THIS COURT ORDERS that the Receiver and counsel to the Receiver shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges unless otherwise ordered by the Court on the passing of accounts, and that the Receiver and counsel to the Receiver shall be entitled to and are hereby granted a charge (the "Receiver's Charge") on the Property, as security for such fees and disbursements, both before and after the making of this Order in respect of these proceedings, and that the Receiver's Charge shall, subject to the limits set out in the provisions of the HSA and its regulations, form a first charge on the Property in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, ~~but subject to sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.~~⁶

~~19.20.~~ THIS COURT ORDERS that the Receiver and its legal counsel shall pass its accounts from time to time, and for this purpose the accounts of the Receiver and its legal counsel are hereby referred to a judge of the Commercial List of the Ontario Superior Court of Justice.

~~⁶Note that subsection 243(6) of the BIA provides that the Court may not make such an order "unless it is satisfied that the secured creditors who would be materially affected by the order were given reasonable notice and an opportunity to make representations".~~

20-21. THIS COURT ORDERS that prior to the passing of its accounts, the Receiver shall be at liberty from time to time to apply reasonable amounts, out of the monies in its hands, against its fees and disbursements, including legal fees and disbursements, incurred at the standard rates and charges of the Receiver or its counsel, and such amounts shall constitute advances against its remuneration and disbursements when and as approved by this Court.

FUNDING OF THE RECEIVERSHIP

21-22. THIS COURT ORDERS that the Receiver be at liberty and it is hereby empowered to borrow by way of a revolving credit or otherwise, such monies from time to time as it may consider necessary or desirable, provided that the outstanding principal amount does not exceed \$ ~~\$200,000~~ (or such greater amount as this Court may by further Order authorize) at any time, at such rate or rates of interest as it deems advisable for such period or periods of time as it may arrange, for the purpose of funding the exercise of the powers and duties conferred upon the Receiver by this Order, including interim expenditures. The whole of the Property shall be and is hereby charged by way of a fixed and specific charge (the "Receiver's Borrowings Charge") as security for the payment of the monies borrowed, together with interest and charges thereon, in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subordinate in priority to the Receiver's Charge, subject to and the charges as limitations set out in sections 14.06(7), 81.4(4), and 81.6(2) ~~the provisions~~ of the BLAHSA and its regulations.

22-23. THIS COURT ORDERS that neither the Receiver's Borrowings Charge nor any other security granted by the Receiver in connection with its borrowings under this Order shall be enforced without leave of this Court.

23-24. THIS COURT ORDERS that the Receiver is at liberty and authorized to issue certificates substantially in the form annexed as Schedule "A" hereto (the "Receiver's Certificates") for any amount borrowed by it pursuant to this Order.

24-25. THIS COURT ORDERS that the monies from time to time borrowed by the Receiver pursuant to this Order or any further order of this Court and any and all Receiver's Certificates

evidencing the same or any part thereof shall rank on a *pari passu* basis, unless otherwise agreed to by the holders of any prior issued Receiver's Certificates.

SERVICE AND NOTICE

25-26. THIS COURT ORDERS that the E-Service Protocol of the Commercial List (the “**Protocol**”) is approved and adopted by reference herein and, in this proceeding, the service of documents made in accordance with the Protocol (which can be found on the Commercial List website at <http://www.ontariocourts.ca/scj/practice/practice-directions/toronto/e-service-protocol/>) shall be valid and effective service. Subject to Rule 17.05 this Order shall constitute an order for substituted service pursuant to Rule 16.04 of the Rules of Civil Procedure. Subject to Rule 3.01(d) of the Rules of Civil Procedure and paragraph 21 of the Protocol, service of documents in accordance with the Protocol will be effective on transmission. This Court further orders that a Case Website shall be established in accordance with the Protocol with the following URL ‘<[@](#)>’.

26-27. THIS COURT ORDERS that if the service or distribution of documents in accordance with the Protocol is not practicable, the Receiver is at liberty to serve or distribute this Order, any other materials and orders in these proceedings, any notices or other correspondence, by forwarding true copies thereof by prepaid ordinary mail, courier, personal delivery or facsimile transmission to the [Debtor's Respondent's](#) creditors or other interested parties at their respective addresses as last shown on the records of the [Debtor/Respondent](#) and that any such service or distribution by courier, personal delivery or facsimile transmission shall be deemed to be received on the next business day following the date of forwarding thereof, or if sent by ordinary mail, on the third business day after mailing.

GENERAL

27-28. THIS COURT ORDERS that the Receiver may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.

28-29. THIS COURT ORDERS that nothing in this Order shall prevent the Receiver from acting as a trustee in bankruptcy of the Debtor.

29:30. THIS COURT HEREBY REQUESTS the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States to give effect to this Order and to assist the Receiver and its agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Receiver, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Receiver and its agents in carrying out the terms of this Order.

30:31. THIS COURT ORDERS that the Receiver be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order, and that the Receiver is authorized and empowered to act as a representative in respect of the within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada.

~~31. — THIS COURT ORDERS that the Plaintiff shall have its costs of this motion, up to and including entry and service of this Order, provided for by the terms of the Plaintiff's security or, if not so provided by the Plaintiff's security, then on a substantial indemnity basis to be paid by the Receiver from the Debtor's estate with such priority and at such time as this Court may determine.~~

32. THIS COURT ORDERS that any interested party may apply to this Court to vary or amend this Order on not less than seven (7) days' notice to the Receiver and to any other party likely to be affected by the order sought or upon such other notice, if any, as this Court may order.

SCHEDULE "A"
RECEIVER CERTIFICATE

CERTIFICATE NO. _____

AMOUNT \$ _____

1. THIS IS TO CERTIFY that ~~[RECEIVER'S NAME]~~RSM Canada Limited, the receiver (the "Receiver") of the assets, undertakings and properties ~~[DEBTOR'S NAME]~~of Harry Sherman Crowe Co-operative Inc. acquired for, or used in relation to a business carried on by the ~~Debtor~~Respondent, including all proceeds thereof (collectively, the "Property") appointed by Order of the Ontario Superior Court of Justice (Commercial List) (the "Court") dated the ___ day of _____, 20__ (the "Order") made in an action having Court file number __-CL-_____, has received as such Receiver from the holder of this certificate (the "Lender") the principal sum of \$_____, being part of the total principal sum of \$_____ which the Receiver is authorized to borrow under and pursuant to the Order.

2. The principal sum evidenced by this certificate is payable on demand by the Lender with interest thereon calculated and compounded [daily][monthly not in advance on the _____ day of each month] after the date hereof at a notional rate per annum equal to the rate of _____ per cent above the prime commercial lending rate of Bank of _____ from time to time.

3. Such principal sum with interest thereon is, by the terms of the Order, together with the principal sums and interest thereon of all other certificates issued by the Receiver pursuant to the Order or to any further order of the Court, a charge upon the whole of the Property, in priority to the security interests of any other person, but subject to the priority of the charges set out in the Order and in the *Bankruptcy and Insolvency Act*, and the right of the Receiver to indemnify itself out of such Property in respect of its remuneration and expenses.

4. All sums payable in respect of principal and interest under this certificate are payable at the main office of the Lender at Toronto, Ontario.

5. Until all liability in respect of this certificate has been terminated, no certificates creating charges ranking or purporting to rank in priority to this certificate shall be issued by the Receiver

to any person other than the holder of this certificate without the prior written consent of the holder of this certificate.

6. The charge securing this certificate shall operate so as to permit the Receiver to deal with the Property as authorized by the Order and as authorized by any further or other order of the Court.

7. The Receiver does not undertake, and it is not under any personal liability, to pay any sum in respect of which it may issue certificates under the terms of the Order.

DATED the ____ day of _____, 20__.

~~[RECEIVER'S NAME]~~, RSM Canada Limited,
solely in its ~~capacity~~
~~as capacity~~ Receiver of the Property, and not
in its personal capacity

Per: _____

Name:

Title:

TAB 2

FORM 38A

**Courts of Justice Act
NOTICE OF APPEARANCE**

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

B E T W E E N:

CITY OF TORONTO

Applicant

And

HARRY SHERMAN CROWE HOUSING CO-OPERATIVE INC.

Respondent

NOTICE OF APPEARANCE

The Defendant HARRY SHERMAN CROWE HOUSING CO-OPERATIVE INC. intends to respond to this application.

October 17, 2022

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Lawyers for the Applicant, City of
Toronto

TAB 3

ONTARIO
SUPERIOR COURT OF JUSTICE – COMMERCIAL LIST

BETWEEN:

CITY OF TORONTO

Applicant

and

HARRY SHERMAN CROWE HOUSING CO-OPERATIVE INC

Respondent

**AFFIDAVIT of Julie Western Set
(Sworn November 10, 2022)**

I, Julie Western Set, of the City of Toronto, in the Province of Ontario, MAKE OATH AND SAY:

1. I am the Manager of Housing & Tenant Supports of the City of Toronto's Housing Stability Services Unit (the "HSS"). In this role, I manage a team comprised of 6 Housing Consultants, 3 Agency Review Officers, and two 2 Support Assistants.
2. The City of Toronto's HSS is part of Housing Secretariat. The HSS was previously part of the City's Shelter, Support and Housing Administration Division (the "SSHA").
3. Housing providers are persons who operate housing projects. Under the *Housing Services Act, 2011*, municipalities such as the City of Toronto are designated as service managers responsible for administering and funding housing provider organizations and their designated

housing projects. The City of Toronto, in its capacity as service manager (the "City" or the "Service Manager"), acts through the HSS and its staff.

4. The HSS's primary obligation is to monitor housing provider operations to ensure that they meet their obligations under the governing legislation. The social housing projects that the City is responsible for are monitored by HSS Housing Consultants. These housing provider obligations include, but are not limited to, the establishment of (and adherence to) prescribed Rent-Geared-to-Income ("RGI") practices and protocols, submitting reports regarding key aspects of the housing provider's operations to the service manager, and using the government funding it receives appropriately. If issues with respect to the management of a given social housing project arise, the HSS works to ensure that these issues are identified and resolved.

5. The City – through the HSS – can also provide housing providers with advice and support with an eye to helping them operate independently as viable going concerns, through their Boards of Directors and their staff.

6. I have worked for Housing Secretariat, and before that, the SSHA since 2001. During that time I have been actively involved in the administration of the transferred social housing programs within the City's boundaries. Since 2017, I have been employed as a Manager in the HSS. Prior to that, I worked primarily on the homelessness prevention. As a Manager overseeing social housing programs within the City of Toronto, I am responsible for carrying out the City's legislative duties to administer and fund social housing programs, including the one at 51 The Chimneystack Road (the "Housing Project"), which is operated by the Respondent, Harry Sherman Crowe Housing Co-operative ("Harry Sherman", the "Housing Provider", or the "Co-op"). As such, I have knowledge of the matters to which I hereinafter depose.

7. This affidavit is sworn in support of the City of Toronto's Application to appoint a receiver and manager, pursuant to subsection 85(7) of the *Housing Services Act*, 2011, SO 2011, c.6, Sch1, as amended (the "HSA").

(A) - THE RELEVANT LEGISLATIVE FRAMEWORK

The *Housing Services Act*, 2011, and the Municipality's Duty to Administer and Fund Social Housing Programs

(i) – Social Housing in Ontario

8. Social housing programs are government-funded initiatives designed to provide affordable rental accommodation to low income households.

9. Municipal non-profit corporations, private non-profit corporations, and co-operative non-profit corporations that own residential properties (or that manage residential buildings on lands that they lease from third parties) throughout the province act as “housing providers”. These housing providers make rental units available to eligible individuals and families who are part of low-income households. They are responsible for managing these housing projects.

10. Social housing in the City of Toronto was initially developed and administered by the federal and provincial governments. The Housing Project operated by Harry Sherman was developed under a provincial government program and was originally funded and administered by the Province of Ontario ("Ontario").

(ii) – The *Social Housing Reform Act*, 2000, and the *Housing Services Act*, 2011

11. In the late 1990s, as part of Ontario's initiative to realign local services, the province began to download its social housing responsibilities, both administrative and financial, to the

local municipalities. This process culminated with the passage of the *Social Housing Reform Act, 2000*, S.O. 2000, c. 43 (the “SHRA”), which received royal assent on December 12, 2000. The responsibility to fund and administer the Housing Project was transferred to the City in 2002.

12. The SHRA created a framework for the administration and funding of social housing projects, and created a comprehensive mechanism to help municipalities manage their new social housing responsibilities. The SHRA was repealed by the *Strong Communities through Affordable Housing Act, 2011*, S.O. 2011, c. 6 and was replaced within the same act by the *Housing Services Act, 2011*, S.O. 2011, c. 6, Schedule 1 (the "HSA" or the "Act"), which came in to force on January 1, 2012. The purpose of the HSA is to:

(i) provide for community based planning and delivery of housing and homelessness services with general provincial oversight and policy direction; and

(ii) provide flexibility for service managers and housing providers while retaining requirements with respect to housing programs that predate the HSA (i.e. the SHRA and the Provincial and Federal Programs referenced above) and housing projects that are subject to those programs.

13. The framework created by the SHRA was carried through in the HSA, which is the operative legislation currently in effect.

(iii) – The Housing Services Act, 2011's Funding Framework

14. Housing providers that were originally developed, administered and funded by the provincial government received two forms of subsidy - an operating subsidy and a rent subsidy. They continue to receive these subsidies under the HSA regime. These subsidies are provided pursuant to, and in accordance with, formulae set out in regulations promulgated under the HSA, including *Ontario Regulation 369/11*.

15. The operating subsidy is paid to subsidize building operating costs in excess of the building market rent potential. The operating subsidy covers any number of operating costs, including, but not limited to: (i) administration and maintenance expenses; (ii) insurance premiums; (iii) bad debt expenses; (iv) utility costs (such as electricity, fuel, water, and sewer charges); and (v) contributions to the housing provider's capital reserve fund.

16. The operating subsidy is calculated by subtracting the total of the annualized indexed benchmarked rental and non-rental revenue (such as laundry and parking revenue) from the combined total of indexed benchmarked operating costs, estimated property taxes, and actual mortgage principal and interest payments. The indices and benchmarks used to calculate the subsidies are established by the Ministry of Municipal Affairs and Housing (the "MMAH"). Each year, the operating subsidy is adjusted by applying provincially set indices (that are based on Consumer Price Indices for various expense items) to either increase or decrease the operating subsidy.

17. In circumstances where a housing provider achieves a year end surplus in respect of its housing provider shelter operations, by either controlling expenses, or setting rents higher than the benchmarked market rents, the housing provider is required to pay 50% of any surplus amounts back to the service manager.

18. This operating subsidy would cover any shortfall that the housing provider would have to negotiate between the above described benchmarked annual expenses and housing provider's benchmarked annual revenues. The manner in which the operating subsidy is calculated is depicted visually in Figure 1, below:

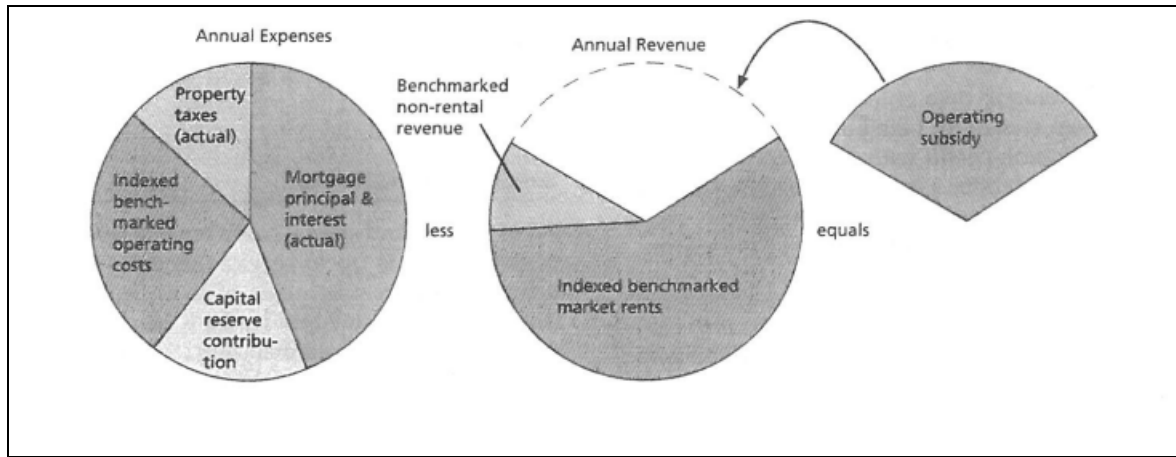


Figure 1: Diagram Depicting Framework for Calculating Operating Subsidy Prescribed by the HSA

19. The rent subsidy is paid to cover the difference between the amount that qualified tenants can pay, based upon their income, and the lesser of the benchmarked or actual market rent for the units they live in. This is depicted visually in Figure 2, below:

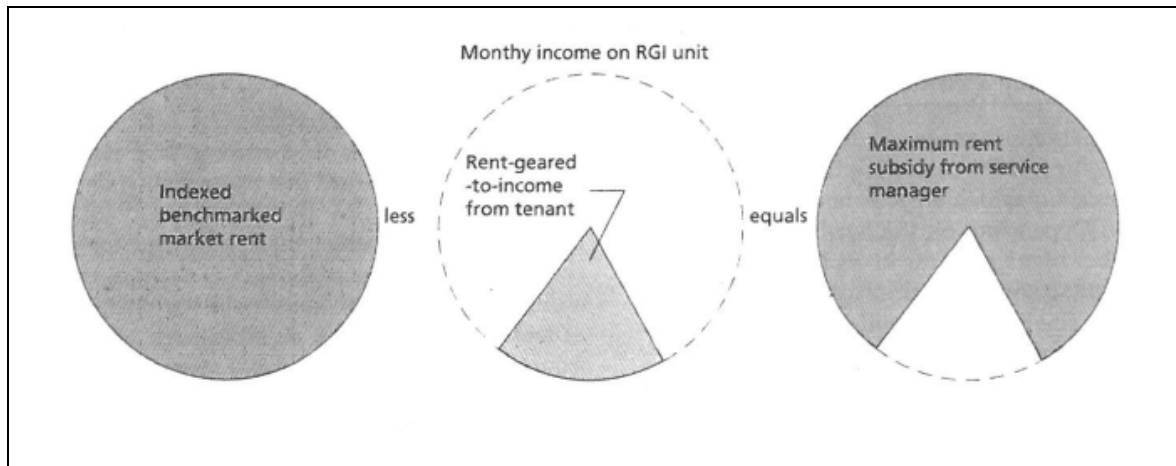


Figure 2: Diagram Depicting Framework for Calculating Rent Subsidy Prescribed by the HSA

20. The rent subsidy is given to housing providers so that they can make units available to families that would not otherwise be able to afford to pay market rents. Housing providers are required to set aside a prescribed number of subsidized units in their buildings. They are expected to meet these targets as failing to do so will reduce access to affordable housing in the

City. The governing legislation also prescribes how these units are to be filled. In the City of Toronto, Access to Housing manages a centralized waiting list of households who are in need of housing. Housing providers like Harry Sherman are obligated to fill any vacancies from this centralized waiting list. There are 14,494 households on the waiting list who have indicated that they would like to be housed at Harry Sherman. Of these more than 14,000 households, 2,051 have been on the waiting list for more than 10 years, 8,226 have been on the waiting list for between 5-10 years, and 4,267 have been on the waiting list for less than 5 years.

21. Housing providers are responsible for maintaining a capital reserve under the framework established by the HSA. *Ontario Regulation 367/11* requires housing providers to make an annual contribution to the social housing project's reserve fund out of its revenues. These funds must be set aside so that the housing project can undertake large scale capital projects that it must anticipate having to take on in any given year. Housing providers are expected to establish capital plans to ensure that they are able to manage their budgets so that enough funds are available to cover the costs associated with keeping their buildings in a good state of repair.

22. Housing providers must complete annuals reports in accordance with requirements established by service managers and forward said reports along with audited financial statements no later than 5 months after the end of the fiscal year. In the City of Toronto, the requisite annual report is called Annual Information Return (an "AIR"). The information provided in the audited financial statements and in the AIR is necessary as it allows the service manager to: (i) calculate the housing providers' subsidy entitlement and reconcile their funding each fiscal year; and (ii) monitor the number of RGI households, vacancies, and other critical statistical housing information. Lastly, municipal service managers are required to provide some of this statistical

information to the Ontario. They require this information, as reported in these financial documents, to meet these reporting obligations.

23. The Respondent Co-op is a provincially reformed housing project. It is funded and administered in accordance with the above described framework. The Co-op is currently receiving a combined operating and Rent-Geared-to-Income (RGI) subsidy of \$128,640 every month. Based on information the Service Manager currently has access to, the estimated combined operating and rental annual subsidy that the housing provider will receive for the fiscal year ending June 30, 2023, is \$1,534,680.

The Powers that the HSA Grants to Municipalities to Ensure that the Interests of Households that Depend on Social Housing Programs are Protected

24. The HSA provides comprehensive administrative mechanisms to help municipalities manage their social housing responsibilities. It includes specific enforcement provisions that grant municipal service managers powers that they can exercise to ensure that these housing projects are properly managed and that the tenants and members in these housing projects have access to the protections and services that they may need.

25. In the event that a social housing provider fails to operate a housing project properly, having regard to the normal practices of similar housing providers, a service manager can take certain steps under the HSA to remedy the situation.

26. The powers that the HSA grants municipal service managers include the power to, in appropriate circumstances, appoint a receiver or receiver and manager to step in to act as a surrogate for the housing provider and as a steward for the housing project where the assistance

of a third party is deemed necessary to ensure that the housing project is operated and managed properly, and to protect the health of the enterprise as an ongoing concern.

27. Subsection 85(6) of the HSA provides that the service manager may appoint an interim receiver or receiver and manager for the housing project. The receiver or receiver and manager has the power to act as the housing provider with respect to its assets, liability, and undertakings, including its housing projects, in keeping with the powers set out in subsection 104(2) of the *Ontario Regulation 367/11*. Subsection 85(7) of the HSA provides that the service manager may seek the appointment of a receiver or receiver and manager for the housing project by the Superior Court of Justice.

(B) - THE HARRY SHERMAN CROWE HOUSING CO-OPERATIVE INC. HOUSING PROVIDER

28. The Co-op is an independent, self-governing co-operative housing corporation with a Board of Directors (the "Board") elected by its membership. The Board is responsible for making decisions related to the governance of the corporation, including giving appropriate direction to building management and staff who are responsible for the day to day operation of the Co-op.

29. The housing provided by the Co-op is located within a campus comprised of a series of townhome blocks and a residential apartment building on the property known municipally as 51 The Chimneystack Road at York University. The campus is located just south of Steeles Avenue West and west of Keele Street in the former municipality of North York, in the City of Toronto. These buildings were built in 1993 and rest on land that is owned by, and leased from, York University.

30. The Co-op's housing complex is comprised of a number of buildings that contain 164 units. Townhome blocks within the housing project's complex contain 29 townhome units, while the remaining 135 units are contained within a high rise apartment building. Through and until October 2019, the Co-op's targeting plan required that it maintain a minimum of 82 RGI units. In October 2019, the Co-op's targeting plan was changed. It is now required to maintain a minimum of 90 RGI units.

31. As outlined above, the properties are provincially reformed housing projects that are funded and administered in accordance with the HSA, as outlined above.

(C) – INITIAL INDICATIONS THAT THE CO-OP WAS STRUGGLING WITH SEVERAL ISSUES

32. In 2019, reviews undertaken by the Service Manager carried out in the normal course revealed that the Housing Provider was struggling with issues on two fronts. The City's reviews identified that there were issues in respect of the Housing Provider's operations (including governance) and the administration of its RGI portfolio. The City's reviews also identified issues in respect of the Housing Provider's finances.

The 2019 Operational and RGI Review

33. In the fall of 2019, the Service Manager conducted a routine review of the Housing Provider's operations and its RGI processes and portfolio. These reviews are conducted every 3 to 4 years. The operational review aimed at ensuring that Harry Sherman had the proper policies and procedures in place to enable it to govern and manage the housing project in keeping with the provisions of the HSA and the applicable local rules. The review of the Housing Provider's RGI processes and portfolio involved a spot inspection of randomly selected RGI files. This

would allow the service manager to verify the social housing rules were being followed and that households living in units being let at below market rent meet the requisite criteria for accessing these housing supports.

34. The operational review of the housing provider's operations was carried out in November 2019. The service manager's findings are set out in an Operational Review Report, dated November 18, 2019 (the "OR Report"), which was delivered to the housing provider. A copy of the OR Report is attached as Exhibit "A" to my affidavit.

35. As set out in the OR Report, the review undertaken by the Service Manager revealed that the housing provider had failed to meet 12 out of the 16 identified HSA and local rule requirements. The requirements that the Co-op had failed to meet were characterized as governance related requirements. The housing provider did not:

- Have a process for the management of policy and procedure documentation.
- Ensure that a Minute Book is properly maintained in keeping with the standards set out in the *Co-operative Corporations Act*. In addition, the Service Manager identified how the Minutes that the Board did keep showed that the Board was presented with correspondence from the Service Manager and variance reports in respect of the corporation's annual budget and actual costs/expenses, and that the Board failed to document how any action was taken in response to them.
- Have in place the required policies related to internal transfers, RGI reviews, guests, the collection, use and disclosure of personal information, records management, occupancy agreements, RGI administration, and filling RGI units.

36. In addition to identifying these failures to comply with the governing legislation and the applicable local rules, the OR Report that was prepared and delivered to the housing provider set out in detail what steps the Co-op could take to cure these deficiencies. In order to urge the

housing provider to voluntarily bring itself into compliance, the City directed that the specified curative actions be taken by February 6, 2020.

37. The review of the Housing Provider's RGI processes and portfolio were undertaken in November as well. The results of this spot inspection were shared with Harry Sherman by letter dated November 18, 2019 (the "2019 RGI Review"), a copy of which is attached as Exhibit "B" to my affidavit. The 2019 RGI Review identified deficiencies in the administration of the RGI portfolio as evidenced in those records that the City had the opportunity to review that needed to be addressed, including issues related to possible overhousing, appropriate documentation evidencing eligibility, and the need to ensure the appropriate leases and consents were executed and in place.

38. As with the OR Report, the November 18th correspondence sent to the Housing Provider not only identified these issues, but provided the housing provider with direction as to what specific steps needed to be taken to address them and requested that the requisite curative action be taken by February 6, 2020.

39. On February 6, 2020, the Housing Provider provided documentation that purported to respond to both the OR Report and the 2019 RGI Review. A copy of the documentation that the Co-op submitted is attached as Exhibit "C" to my affidavit.

40. The City reviewed the housing provision's submission and commended it for taking steps to deal with a number of the items that were identified in the OR Report. However, there remained 7 items that Co-op had yet to address fully, or at all. In order to continue working with Harry Sherman to resolve these remaining outstanding issues, the City updated the OR Report to

identify the actions that the housing provider had taken, the matters that remained outstanding, and the remedial action that still needed to be taken. The updated OR Report was issued on February 10, 2020, and delivered to Harry Sherman along with a request that the outstanding issues be addressed by March 26, 2020. Harry Sherman was invited the housing provider to reach out if they required any assistance. The City received no response by March 26, 2020, and so it sent follow-up correspondence to Harry Sherman on July 7, 2020, asking that Harry Sherman respond by August 10, 2020. In this follow-up correspondence the City made clear that a more detailed and specific response was required in respect of the 2019 RGI Report. The responses received to date were not submitted as requested. A copy of the updated OR Report is attached as Exhibit "D" to my affidavit. A copy of the follow-up correspondence is attached as Exhibit "E" to my affidavit.

41. The Housing Provider submitted its response to the update OR Report on August 31, 2020. The City thanked the Co-op for this response and reviewed it in detail. Unfortunately, only one of the 7 outstanding issues was addressed. The City revised the OR Report a second time to reflect that there remained 6 matters that still needed to be addressed.

42. The second updated OR Report, dated August 31, 2020, was delivered to housing provider, along with correspondence that itself provided additional clarity and direction as to the remaining outstanding issues and what steps needed to be taken to address them. The City requested that these issues be addressed by November 5, 2020. A copy of the second updated OR Report is attached as Exhibit "F" to my affidavit. A copy of the correspondence delivering the updated OR Report is attached as Exhibit "G" to my affidavit.

43. The correspondence delivering the updated OR Report also flagged for the Housing Provider that the Service Manager still had not received a response to the issues identified in the 2019 RGI Review letter, which was first delivered on November 18, 2019.

The September 18, 2020, Meeting with Members of the Co-op's Board

44. Prior to the November 5, 2020, target date, the Service Manager asked if it could meet with members of the Co-op's Board. It asked that this meeting be convened because a number of the Co-op's members had raised concerns for the Service Manager regarding the processes at the housing project for responding to maintenance request and work orders. This meeting would also provide the Service Manager and the Board of the Housing Provider to discuss the housing provider's approach to dealing with larger scale capital repairs, while maintaining the short and long term financial viability of the Co-op. The City's concerns about Harry Sherman's cash flow and financial position stemmed, in part, from a request HSS staff had received to provide Harry Sherman with a \$120,000 advance in order to cover certain immediate costs that it had, and could not cover.

45. The Board was kind enough to accommodate the City's request, and a meeting was held on September 18, 2020, where the above described issues were discussed. During that meeting, in order to assist the Housing Provider negotiate these issues, City staff suggested that, among other things, Harry Sherman could reach out to sector organizations who specialize in providing advice and support to non-profit housing co-operative corporations. One such organization was the Co-operative Housing Federation of Toronto ("CHFT").

46. The discussion that took place, with the Board's president and certain other Board members in attendance, raised concerns on the part of the City that the Board was unable to

demonstrate how it had a financial plan in place to deal with day-to-day maintenance issues that might arise, or with larger scale capital works that the housing provider might have to undertake in the future. The Service Manager formulated the view that its concerns about the housing provider's cash flows were warranted. The Service Manager was also concerned about its understanding that the Housing Provider was not willing to work with or co-operate with sector organizations that operate with the social housing space to work through the issues that the housing project was facing.

The Ongoing Review of the Housing Provider's Finances [the Fiscal Year Ending on June 30, 2019]

47. As set out above, the Housing Provider was required by the HSA to submit audited financial statements, along with a report at the end of every fiscal year. This report must be prepared by an independent auditor, approved by the Co-op's Board, and it must examine and report on the housing provider's accounts.

48. In the fall of 2019, Harry Sherman delivered an independent Auditor's Report, prepared by Mr. Ed M. Roscetti – a CPA and a CA - for the fiscal year ending June 30, 2019. A copy of the 2019 Auditor's Report is attached as Exhibit "H" to my affidavit. This report was to be considered in conjunction with a letter that Mr. Roscetti prepared, dated September 24, 2019, to the Co-op. A copy of this letter is attached as Exhibit "I" to my affidavit. The Housing Provider's Annual Information Return for the 2019 fiscal year was also submitted to the Service Manager.¹ A copy of the 2019 AIR is attached as Exhibit "J" to my affidavit.

¹ The AIR is a financial document that is prepared separate and apart from the audited financial statements and the Auditor's report referenced in paragraph 20, above.

49. The Service Manager reviewed the submissions that Harry Sherman made in respect of the fiscal year ending on June 30, 2019. Its review of these submissions revealed the following:

- **There Was Evidence of a Lack of Internal Controls at the Housing Provider** - The Housing Provider's independent auditor identified significant deficiencies in respect of internal controls over several aspects of the housing project's finances. These deficiencies included:
 - *A High Rate of Management Turnover* - This lack of stability and continuity in respect of the management of the housing project was identified as contributing to the other issues that the auditor listed.
 - *Inaccurate Commercial Parking Accounts* – The list of parking accounts was not accurate or complete. This resulted in errors that found their way into the Housing Provider's financial records. This deficiency is one that the Housing Provider's accountant had identified in 2018, and remained unresolved. A copy of the 2018 letter from the Housing Provider's accountant identifying this issue is attached as Exhibit "K" to my affidavit.
 - *Inaccurate Toronto Hydro Accounts* – The Housing Provider was charging flat rates to unit holders living in the housing project's townhomes. This is improper. Each townhome unit holder's hydro account must be reconciled with the actual amount of hydro used and this exercise was not being performed. Failure to take this step results in certain unit holder being charged unfairly high or low amounts. This deficiency is one that the Housing Provider's accountant had identified in 2018, as well, and remained unresolved.
 - *Petty Cash Controls* – The petty cash fund had not been reconciled.
 - *Unapproved Board Minutes* – Minutes of the Board of Directors meetings were reviewed and it was revealed that they were not signed. Approved and signed Minutes of Board of Directors meetings are essential in order to ensure that key financial decisions made by the Board on how to use the housing project's resources are properly authorized.
 - *Unsupported Co-op Expenditures* – All the Co-op's expenditures must have support in the form of an invoice/bill attached to a cheque requisition which is to be signed/initialed by a Board member with authority to do so. Not all of the Co-op's expenditures had the appropriate and expected support and authorization.
- **The Co-op Incurred a Significant In-Year Deficit** - The Co-op incurred an in-year deficit of \$83,753. This in-year deficit is the result of an increase across 4

expense categories of costs that the Housing Provider is responsible for managing:

- Maintenance Costs increased by 29.12% (an increase of \$102,690);
 - Utility Costs increased by 12.27% (an increase of \$58,270);
 - Insurance Costs increased by 12.74% (an increase of \$5,600);
 - Bad Debts increased by 100% (an increase of \$5,474).
- **A Large Number of Units Remained Vacant for Significant Periods of Time** - Units within the housing project were vacant for 16 months across the fiscal year. These reported vacancies caused a significant loss of revenue for the Co-op, on the order of \$18,276.
 - **High Rental Arrear Amounts** – The Housing Provider reported arrears in the amount of \$31,198. This amount corresponded to 2.36% of its total revenue. This is a high amount and percentage of arrears for a project of the size of Harry Sherman.

50. A close review of the 2019 AIR also reveals how there were fluctuations in the total number of occupied RGI units (from 84 to 87), but that there was no record of households from the centralized waiting list gaining access to any vacant unit at the housing project. The increases in occupancy reported in the AIR should have been the result of households on the waiting list getting housed at Harry Sherman. There is no evidence that this happened.

51. In an effort to ensure that the Service Manager's real concerns about the financial issues the Co-op needed to address were clearly articulated, and with an eye to encouraging the Co-op to address these issues in conjunction with the outstanding governance and RGI administration issues that the City's operational and RGI reviews, referenced above, revealed, HSS staff wrote to Harry Sherman on October 6th and 9th, 2020.

52. The October 6, 2020, correspondence, attached as Exhibit "L" to my affidavit, captured what was discussed in the September 18, 2020, meeting with certain members of the Co-op's Board. It also flags how if the Housing Provider fails to take steps to improve the financial situation of the housing project by instituting spending controls, establishing a plan to address maintenance and capital issues, and reducing vacancy losses and arrears, the Service Manager will take any necessary steps that it can to meet its own statutory responsibilities.

53. The October 9, 2020, correspondence, attached as Exhibit "M" to my affidavit, captures the concerns raised by the financial submittals that the Co-op delivered in respect of the fiscal year ending on June 30, 2019. This October 9th correspondence requested that the Housing Provider respond to the issues it identified by November 25, 2020.

54. The only response that the City received following delivery of these two letters was a response to the Service Manager's letter of October 6, 2020 (which the correspondence incorrectly refers to as a letter from the Service Manager dated September 18, 2020). This response was received on October 26, 2020. A copy of the Co-op's reply is attached as Exhibit "N" to my affidavit.

55. The City's correspondence of October 6, 2020, was prepared in good faith and in keeping with the Service Manager's oversight obligations under the HSA. It provided Harry Sherman with an accurate summary of what was discussed at the September 18, 2020, meeting, an objective accounting of the Co-op's financial position and the related issues it was facing, and direction as to the steps to be taken (and the resources the housing provider could access) to work to resolve these issues. It also flagged legitimate concerns about the failure to have in place a formalized financial plan, a formalized approach to prioritizing both general maintenance

and larger capital repair projects, and an accurate account of the Housing Provider's unwillingness to seek assistance from the relevant sector organization.

56. Unfortunately, the response prepared by the Co-op's Board inaccurately describes the City's efforts to provide advice and direction as "accusatory", "unfair", and "grossly unmerited".

57. Rather than address the issues that had been raised on their merits, this correspondence: (i) levels bald and unfounded allegations of impropriety and bad faith that targeted individual members of the Service Manager's staff who had been working diligently to help support Housing Provider operations; and (ii) references internal and ongoing tensions and disputes between current and former members of the Co-op's Board that appear to be affecting the operation of the housing project.

58. Setting aside these unfounded attacks on the conduct of City staff and tensions among certain of the Co-op's members, the Service Manager notes that, among other things, the October 26th response:

- Acknowledged that the Housing Provider was struggling with cash flow;
- Acknowledged that the Housing Provider was running a deficit;
- Acknowledged that the Housing Provider was carrying a liability in the form of nearly \$40,000 in rental arrears; and
- Fails to articulate any policies that were in place regarding the filling of vacancies that was consistent with the rules established by the governing legislation.

59. The October 26, 2020, Housing Provider correspondence does not respond in any substantial or meaningful way to the City's letters of October 6th and 9th. The unfounded allegations of impropriety on the part individual members of HSS staff and the levelling of

allegations of impropriety on the part of unidentified members of the Co-op did not warrant a response. The Service Manager thus waited to receive a further, more substantive response from the housing provider, and continued to monitor the Co-op's operations.

(D) – THE DETERIORATING HEALTH OF THE HOUSING PROJECT

The Ongoing Review of the Housing Provider's Finances [the Fiscal Year Ending on June 30, 2020]

60. In the fall of 2020, Harry Sherman delivered an independent Auditor's Report, prepared by Mr. Roscetti for the fiscal year ending June 30, 2020. A copy of the 2020 Auditor's Report is attached as Exhibit "O" to my affidavit. This report was to be considered in conjunction with a letter that Mr. Roscetti prepared, dated September 10, 2020, to the Housing Provider. A copy of this letter is attached as Exhibit "P" to my affidavit. The Housing Provider's Annual Information Return for the 2020 fiscal year was also submitted to the Service Manager. A copy of the 2019 AIR is attached as Exhibit "Q" to my affidavit.

61. The Service Manager reviewed the submissions that Harry Sherman made in respect of the fiscal year ending on June 30, 2020. Its review of these submissions revealed the following:

- **There Remained Evidence of a Lack of Internal Controls at the Housing Provider** - The Housing Provider's independent auditor identified significant deficiencies in respect of internal controls over several aspects of the housing project's finances. These deficiencies included:
 - ***The Housing Provider's Financial Position Continued to Deteriorate*** – The capital reserve fund, as reported in the audited financial statements, only had a balance of approximately \$50,000 – a decrease of \$166,851 from the amount reported in the audited financial statements for the 2019 fiscal year. The Co-op was carrying a deficit of \$129,087 based on the audited financial statements that were submitted, as compared to 2019, where it reported a surplus of \$63,244 – a change in its financial position of \$192,331. Having identified these issues, Mr. Roscetti implored the Housing Provider to assess how it planned to reverse this downward trend

in its finances, and stated expressly that it "...simply cannot afford to maintain expenditures at this level, it will run out of cash."

Harry Sherman's own auditor confirmed the concerns about cash flow that the City had identified and brought to the Board's attention were well founded.

- ***Member Subsidy Files Were Not Properly Monitored/Administered*** – Mr. Roscetti noted how an important component of the audit process requires that the review examine the subsidies that Co-op members were receiving. He advised how his review of the available RGI subsidy records found deficiencies, including missing and/or inaccurate RGI entitlement calculations. He flagged how the Co-op is entrusted with significant subsidy funds each year, and it must ensure that these subsidy dollars are distributed in keeping with the governing rules. Complete and accurate subsidy files are key in being able to substantiate how subsidy funds are distributed.

This identified deficiency aligns with the deficiencies that the service manager had noted in its November 18, 2019, report to the housing provider, which was issued after it had completed its RGI review. As of the fall of 2020, HSS staff had not yet received the required specific response to its November 18, 2019, reporting letter, which called for identified deficiencies to be addressed.

- ***Inaccurate Commercial Parking Accounts*** – The list of parking accounts was not accurate or complete. This impacted in errors that found their way into the housing provider's financial records. This deficiency is one that the housing provider's accountant had identified in 2018 and 2019, and though improvements had been made, the issue remained and remained unresolved.
- ***Inaccurate Toronto Hydro Accounts*** – The Housing Provider was charging flat rates to unit holders living in the Co-op's townhomes. This is improper. Each townhome unit holder's hydro account must be reconciled with the actual amount of hydro used and this exercise was not being performed. This deficiency is one that the Co-op's accountant had identified in 2018 and 2019, and remained unresolved. Failure to reconcile these accounts continues to impact certain unit holders who are being charged unfairly high or low amounts.
- ***Petty Cash Controls*** – The petty cash fund had not been reconciled. This deficiency was identified in 2019, and remains unresolved.
- ***Inadequate Board Records/Packages*** – Mr. Roscetti noted how it is extremely important for the Board to be fully aware at all times of the Co-

op's financial picture. Concerned that the Board may not have all the information that it required to make decisions about the housing project, he listed key records that must be included in packages that the Board had before at its monthly meetings.

- **The Co-op Incurred a Significant In-Year Deficit** - The Co-op incurred an in year deficit in the amount of \$202,355. This includes a loss of \$149,144 due to a fraudulent EFT transaction. It was noted that:
 - Administration expenses increased by 30% (an increase of \$61,378);
 - Insurance Costs increased by 30% (an increase of \$15,048);

- **A Large Number of Units Remained Vacant for Significant Periods of Time** - Units within the housing project were vacant for 20 months across the fiscal year. These vacancies were unusual, given the requirement that all Housing Provider must abide by – the requirement to fill any vacant RGI unit with households from Toronto's centralized waiting list for social housing. This centralized waiting list, which is managed by Housing Connections, is so extensive that households wait for years to secure subsidized housing. The specific waiting periods for Harry Sherman are set out in paragraph 20, above. These reported vacancies caused a significant loss of revenue for the Co-op, in the amount of \$5,295.

- **High Rental Arrear Amounts** – The Housing Provider reported arrears in the amount of \$28,212. This amount corresponded to 2.10% of its total revenue. This is a high amount and percentage of arrears for a project of the size of Harry Sherman.

62. Prior to 2019, the Co-op was required to make 82 of its units available as RGI units. That year, the Co-op's targeting plan was changed, setting the number of units that the Co-op was required to make available at below market rent at 90. Effective October 1, 2019, the Co-op was required to fill all vacancies with households eligible for RGI until the new target was reached. A close review of the 2020 AIR reveals how, instead, the number of RGI units dropped from 87, at the beginning of the year, to 81, at the end of the fiscal year. There was no record of households from the centralized waiting list gaining access to any vacant unit at Harry Sherman.

The increases in occupancy reported in the AIR should have been filled by households on the waiting list getting housed at 51 The Chimneystack Road. There is no evidence that this happened.

63. A specific example of how the housing provider was struggling with the administration of the RGI units at Harry Sherman involved the inappropriate allocation of subsidy funding to one of the units, which the Service Manager brought to the attention of the Co-op by letter dated November 18, 2020, a copy of which is attached as Exhibit "R" to my affidavit.

(E) - THE SERVICE MANAGER ISSUES A NOTICE OF TRIGGERING EVENTS PURSUANT TO THE PROVISIONS OF THE HSA

64. In the spring of 2021, in keeping with its oversight responsibilities under the governing legislation, the Service Manager examined the information available to it about the health of the Harry Sherman housing project. As the above described chronology sets out, issues regarding the operation of the housing project – including the administration of its RGI portfolio – had been identified in the fall of 2019. That same chronology sets out how the Co-op's own independent auditor had reported that its financial position had been deteriorating over the past several years. The City had brought these issues to the attention of the Co-op, along with requests that steps be taken to address them. No substantive actions were taken to address these issues, which had persisted, and in some instances were worsening, since the fall of 2019.

65. These unresolved issues constituted contraventions of the HSA and its regulations, failures to comply with the requirements of the HSA to ensure that the project was well managed, and failures to operate the designated housing project properly. These are all considered "triggering events" under section 83 of the HSA.

66. In circumstances where a triggering event occurs, the enforcement provisions of the HSA are implicated, and Service Managers have the authority to exercise any one of a number of enumerated remedies in an effort to cure them. As outlined above, these remedies include the ability to appoint an interim receiver or interim receiver and manager, and the ability to seek the appointment by the Superior Court of Justice of a receiver or receiver and manager for the housing provider.

67. In keeping with, and pursuant to, paragraph 90(1)(a) of the HSA, the service manager prepared and delivered notice of the above described triggering events to the Co-op on March 29, 2021 (the "NTE"). A copy of the NTE is attached as exhibit "S" to my affidavit.

68. The NTE specified the particulars of the triggering events. It articulated how:

a) The Co-op had contravened subsection 75(1) of the HSA by failing to operate the housing project and govern itself in accordance with the prescribed provincial requirements and local standards made by the Service Manager. It had inadequate documented policies that needed to be in place to deal with, among other things, internal transfers, records management, and with reviews regarding RGI households that had been delegated to it. The Housing Provider also failed to correctly implement required policies and procedures regarding the administration of its RGI units and/or the filling of any vacant RGI units in accordance with the applicable local standards.

b) The Co-op had contravened subsection 69(2) of the HSA by failing to ensure that housing project was well managed. Among other things, it had failed to establish appropriate governance procedures.

c) The Co-op had contravened subsection s. 83(11) of the HSA by failing to operate the housing project properly, as evidence by its significant deficit, its poor financial position, and its failure to establish adequate internal financial controls.

69. The March 29, 2021, NTE set out the steps that the Co-op was required to take to address these identified contraventions and expressly stated how failure to address all or any aspect of

the contraventions that had been identified as triggering events may result in the City, as Service Manager, exercising any or all remedies available to it under section 85 of the HSA.

(F) - THE CO-OP'S FAILURE TO ADDRESS THE ISSUES RAISED BY THE NOTICE OF TRIGGERING EVENTS

The Initial Response to the Notice of Triggering Events

70. The Service Manager's principal objective in preparing and serving the NTE was to ensure that the identified issues regarding the operation and deteriorating financial position of housing project remained priorities for the Housing Provider and its Board. By preparing and delivering the formal notice document, the City hoped to provide the Co-op with a road map that, if followed, would result in forward progress and the resolution of identified issues.

71. The Co-op's Board responded to the NTE on May 20, 2021. A copy of this letter is attached as Exhibit "T" to my affidavit.

72. Unfortunately, as was the case with the Board's correspondence to the City of Toronto of October 26, 2020, a review of the Board's May 10th response leaves one with the impression that the NTE was not received in the spirit with which it was given – as a tool or guide that would help the Housing Provider and its members.

73. It was equally unfortunate that the Board's response also included unfounded and unwarranted allegations that called into question the conduct and integrity of individual members of the Service Manager's HSS staff. The City notes how these improper, unhelpful, and hurtful allegations are predicated on the argument that certain identified contraventions of the HSA with respect to the completeness of required practices and policies had already been resolved as a result of communications that were sent to the City on behalf of the Co-op's Board in September

2020, and that the City did not respond to. A review of the chronology and the documentation that I have detailed and referenced above makes it clear that the correspondence to which the Board is referring to was delivered to the Service Manager in August 2020, not September. This correspondence was reviewed and City of Toronto HSS staff did respond to the Board's August 2020 submission in detail, identifying how 6 of the 16 governance related policies and protocols still needed to be addressed.

74. Setting these preliminary but important issues to one side, Co-op's response is predicated on a categorical denial that any violation of the HSA had occurred, stating that all of the triggering events identified by the City's NTE were false.

75. The service manager notes how, despite this categorical denial, the Co-op's May 10, 2021, response:

- Acknowledges how the identified issues regarding the maintenance of the property were "factual";
- Confirms that the Housing Provider appears to have issues regarding its ability to properly manage its RGI portfolio;
- Sets out an unwillingness on the part of the Co-op's Board to enlist the assistance of its own management company to help it conduct its meetings; and
- Sets out how the Co-op's Board was not prepared to develop and submit an action plan regarding the Co-op's financial position to the Service Manager.

76. In an effort to maintain open channels of communication, the City replied to the Co-op on May 20, 2021. It assured the Co-op that the NTE was issued following due thought and deliberate consideration. It made it clear that the intent of the NTE was to identify areas of significant and ongoing concern for which resolution remained outstanding. The City also took the step of highlighting three specific issues that were of critical concern and proposed next steps

in the hope that doing so would allow for a more fulsome discussion of the issues and concerns facing the housing project.

77. While the Service Manager made it clear how the Housing Provider was to comply with all the directions that were set out in the NTE, the City identified the issues surrounding the selection of RGI households, the establishment of internal financial controls, and the financial position of the Co-op as critical. It also indicated how HSS staff could reach out to the members of the Board to discuss how best to move forward. A copy of the Service Manager's May 20, 2021, correspondence is attached as Exhibit "U" to my affidavit.

78. Throughout June and July 2021, HSS staff tried to reach the Board via phone and email to discuss the issues raised in the NTE multiple times. When those efforts failed, HSS staff wrote to Co-op's Board and requested that they be afforded the opportunity to attend a Board meeting that was scheduled to proceed in September 2021. A copy of the City's August 13, 2021, correspondence is attached as Exhibit "V" to my affidavit.

79. HSS staff were invited to the Board meeting convened on September 22, 2021. A senior official from CHFT was also invited and attended. At that meeting, the Service Manager made an effort to clarify, and respond to any questions that the Housing Provider had about, the NTE, what needed to be done in order to resolve the issues it identified, and any more general questions about the roles of the City as Service Manager and of the sector organization. The member of CHFT in attendance at the September 22nd meeting offered to assist the Board to address the issues requiring the Housing Provider's attention, including preparing a response to the NTE. A follow-up meeting between the parties was convened on January 14, 2022, at which

the Service Manager again made every effort to further clarify the NTE and the curative actions that the housing provider was expected.

Ongoing Review of the Housing Provider's Finances [the Fiscal Year Ending on June 30, 2021]

80. In the fall of 2021, Harry Sherman delivered an independent Auditor's Report, prepared by Mr. Roscetti for the fiscal year ending June 30, 2021. A copy of the 2020 Auditor's Report is attached as Exhibit "W" to my affidavit. This report was to be considered in conjunction with a letter that Mr. Roscetti prepared, dated September 20, 2021, to the Housing Provider. A copy of this letter is attached as Exhibit "X" to my affidavit. The Co-op's Annual Information Return for the 2021 fiscal year was also submitted to the service manager. A copy of the 2021 AIR is attached as Exhibit "Y" to my affidavit.

81. The Service Manager reviewed the submissions that Harry Sherman made in respect of the fiscal year ending on June 30, 2021. Its review of these submissions revealed the following:

- **There Remained Evidence of a Lack of Internal Controls at the Housing Provider** - The Housing Provider's independent auditor identified significant deficiencies in respect of internal controls over several aspects of the housing project's finances. These deficiencies included:
 - ***The Housing Provider's Financial Position Continued to Deteriorate*** – The capital reserve fund, as reported in the audited financial statements, was fully depleted – a decrease of \$50,617 from the amount reported in the audited financial statements for the 2020 fiscal year. The Co-op was carrying a deficit of \$287,000 – a change in its financial position of \$157,913.

Having identified these issues, Mr. Roscetti made the following comment to the Co-op's Board: "While I can appreciate the Co-op's desire to renovate and take care of all backlogged projects, it is essential that it keep in mind that there are very limited financial resources at its disposal. As at June 30, 2021, the co-op had about \$190,000 in total cash on hand, yet its accounts payable were over \$450,000. The inability to pay suppliers on time will result in late payment charges, interest expense, a poor credit

rating, possible legal action, and the potential loss of reputable suppliers. **It is essential for the Co-op, at this point, to assess its current financial situation and determine how to strengthen it.**" [emphasis added].

The assessment and comments of the Housing Provider's own independent auditor sets out how – **despite the fact that the Service Manager alerted the Co-op to these issues back in the fall of 2019** - the Co-op's financial position was continuing to deteriorate. This confirmed that the Service Manager's concern about Harry Sherman's financial situation was well founded, and that the Service Manager's direction to review that situation and prepare a financial plan mapping out how it proposed to improve that situation was sound and appropriate advice. Moreover, Mr. Roscetti expressly sets out how the housing project's financial situation had put it in a position where it would not be able to meet its financial obligations as they become due.

- ***Inaccurate Toronto Hydro Accounts*** – The Housing Provider was charging flat rates to unit holders living in the housing project's townhomes. This is improper. Each townhome unit holder's hydro account must be reconciled with the actual amount of hydro used and this exercise was not being performed. This deficiency is one that the Housing Provider's accountant had identified in 2018, 2019, and 2020, and remained unresolved. Failure to reconcile these accounts continues to impact certain unit holders who are being charged unfairly high or low amounts.
- ***Inadequate Board Records/Minutes*** – Mr. Roscetti noted how it is extremely important for the Board to maintain records of its meeting, as they provide a record and overview of key financial decisions made by the Co-op. His review revealed that minutes of all the Board's meetings were not available. The Co-op was advised that it was essential that all minutes be prepared, signed and filed chronologically in the Co-op's office for future review and verification of any proceedings and decisions it made.
- **A Large Number of Units Remained Vacant for Significant Periods of Time** - Units within the housing project were vacant for 12 months across the fiscal year. These vacancies were unusual, given the requirement that all housing provider must abide by – the requirement to fill any vacant RGI units with households from Toronto's centralized waiting list for social housing. This centralized waiting list, which is managed by Housing Connections, is so extensive that households wait for seven years (on average) to be housed. These reported vacancies caused a significant loss of revenue for the Co-op of just over \$12,000.

- **High Rental Arrear Amounts** – The housing provider reported arrears in the amount of \$20,893. This is a high amount and percentage of arrears for a project of the size of Harry Sherman.

82. The City's review of the Housing Provider's 2021 AIR revealed that the same RGI related reporting issues that were encountered in respect of the 2019 and 2020 AIR submissions persisted. Though the Co-op was required to lease 90 of its units at below market rent, it reported renting out between 85 and 86 units at any given point in time during the fiscal year ending on June 30, 2021. Of greater concern to the Service Manager was that the 2021 AIR reported a jump in the number of RGI units that the Co-op was renting out from 81 on June 30, 2020 (as reported in the 2020 AIR) to 86 in July 2020 (as reported in the 2021 AIR). This jump in occupancy was not accompanied by any evidence or indication that the five rental units were made available to households on the City of Toronto's centralized waiting list, as Harry Sherman was required to do. On the basis of its review, the Service Manager's concerns about the Co-op's inability to manage its RGI portfolio continued to grow. It was not prepared to accept the 2021 AIR that was submitted as being accurate. It wrote to the Co-op on April 6, 2022, to advise it of this issue and granting it an opportunity to resubmit the required AIR by May 4, 2022. That same day, the Service Manager also wrote to the Co-op to highlight the issues in respect of its financial position that flowed from the City's review of the financial information for the 2020 fiscal year, which remained unresolved. Copies of the City's April 6th letters are attached as Exhibit "Z" to my affidavit. As of today's date, the City has not yet received an updated and accurate AIR for the 2021 fiscal year or a response to the other issues raised in these letters.

83. By the end of March 2022, over a year had passed since the issuance of the NTE. Despite this passage of time, the housing provider had failed to take the required actions to

resolve the triggering events. As a result, on March 31, 2022, HSS staff sent the Co-op's counsel and its Board of Directors a letter, which noted that it had not received a received a plan from the Co-op that addressed the events noted in the NTE. It requested that the Housing Provider deliver a response to each of the issues listed in the NTE. The City's expectation was that the response would be substantive, and include specific timelines and deliverables. The Service Manager required a response by May 9, 2022. HSS staff also made sure to remind the Co-op that failure to comply with the NTE could result in the exercise of the remedies available to it under section 85 of the HSA. These remedies included, among others, the appointment of an interim receiver or receiver and manager. A copy of the City's March 31, 2022, correspondence is attached as Exhibit "AA" to my affidavit.

84. On May 9, 2022, the Co-op delivered correspondence to the City that it presented as a response to the March 29, 2021, NTE. A copy of this May 9th correspondence is attached as exhibit "BB" to my affidavit.

The Service Manager Determines that it is Appropriate for it to Exercise its Authority and Appoint a Receiver and Manager Under Subsection 85(6) of the HSA to Ensure the Issues at the Housing Provider Will be Properly Assessed and Addressed

85. The Service Manager carefully considered all of the information provided to it by Harry Sherman following the delivery of the NTE, including the Co-op's May 9th correspondence and the information that accompanied it. It determined that the housing provider failed to comply with all or part of the NTE. These failures included, but were not limited to:

(i) A failure – over the course of the 14 months since the delivery of the NTE through and until May 9, 2022 – to ensure that the following statements and reports were prepared and provided to the Service Manager:

- **Balance Sheet** showing cash on hand, investments and monies owed;

- **Statement of Revenue and Expense** showing budget, actual data and variances;
- **Payables List** showing all outstanding invoices;
- **Arrears Report** showing occupancy charge amounts unpaid by residential members; and
- **Investment Ledger (Report)** showing the balance of all investments

(ii) A failure to deliver an action plan detailing what steps the Board would take to eliminate the accumulated deficit and ensure that the Housing Provider will not incur losses in future years; and

(iii) A failure to create and submit the prescribed training plan that all members of the Board of Directors was to receive.

86. Though the May 9th correspondence that the Co-op delivered acknowledged the NTE and accepted that the issues it raised were well founded and needed to be addressed, and though it referenced how the Co-op was taking, or was prepared to take, certain preliminary steps to respond to them, its response proposed to deal with these matters – which had first been raised in the fall of 2019 and which had been presented to Harry Sherman in the NTE in March 2021 – in piecemeal fashion and, critically, without the requisite degree of detail and specificity that would demonstrate that the ongoing triggering events had been resolved. This is evidenced, in part, by the list of deficiencies highlighted in paragraph 85, above.

87. In light of these failures, among others, the Service Manager concluded that the triggering events that had been identified remained unresolved and the Housing Provider was not able to pay its debts as they became due. It determined that it was appropriate to exercise its authority under the HSA and appoint an interim receiver over the housing project, pursuant to subsection 85(6) of the Act. The steps taken by the City to appoint the interim receiver were taken in order to ensure that the significant issues facing Harry Sherman, financial and otherwise,

were properly diagnosed and to ensure that steps were being taken to normalize the operation of the Housing Provider.

88. RSM Canada Limited ("RSM") was appointed as the interim receiver of the housing project (the "Receiver") pursuant to 85(6) of the HSA on May 27, 2022, and was requested, in that capacity, to take control, direction and possession of the housing project, the revenue and the assets of the housing provider, the operation and books, records and accounts of the housing provider or any part of them, pertaining to the housing project. A copy of the RSM's letter of appointment is attached as Exhibit "CC" to my affidavit.

The Housing Provider's Refusal to Recognize the Service Manager's Decision to Appoint the Receiver Pursuant to Subsection 85(6) of the HSA

89. The Receiver attended at the housing project at 51 The Chimneystack Road at approximately 9.45 am on May 30, 2022, with its letter of appointment in hand. The Receiver was let into the lobby by the property manager on site. However, despite the efforts it made to secure access to the housing project so it could carry out its mandate, members of housing project, including members of the Co-op's Board, along with the Board's counsel, advised the Receiver that they would not recognize its authority and directed that the Receiver vacate the premises. The Receiver was then escorted out of the building and left the property at 12:45 that afternoon. These events were reported to the Service Manager that afternoon.

90. In light of the interactions referenced above, the Service Manager directed the Receiver to leave the property. The Housing Provider's response to the Receiver's appointment under subsection 85(6) of the HSA suggested to the Service Manager that nothing further could be

accomplished on May 30th, and the City of Toronto wanted to ensure that the matter did not escalate or result in any physical confrontation.

91. Throughout the day on May 30, 2022, counsel for the Co-op corresponded and communicated with the City of Toronto, raising questions about the appropriateness of the Service Manager's decision to appoint the Receiver and indicating that the Housing Provider would not recognize the receiver's authority to act under the HSA unless the Service Manager was able to secure a Court Order confirming same. The City responded by letter dated June 1, 2022, a copy of which is attached as Exhibit "DD" to my affidavit indicating that if Harry Sherman did not confirm that it would grant the Receiver access to the housing project to carry out its mandate, by the end of the day on June 3, 2022. The Housing Provider responded by letter dated June 3, 2022, a copy of which is attached as Exhibit "EE" to my affidavit. The Co-op did not indicate it was prepared to recognize the Receiver's authority, but the City notes that within the body of the June 3, 2022, correspondence it confirmed how a number of the triggering events referenced in the NTE remained unresolved.

(G) - THE SERVICE MANAGER'S DECISION TO SEEK THE APPOINTMENT OF THE RECEIVER BY THE SUPERIOR COURT OF JUSTICE PURSUANT TO SUBSECTION 85(7) OF THE HSA

92. The City of Toronto considered what next steps should be taken given its concerns about the housing project, and given the Housing Provider's indication that it would not recognize the Service Manager's authority to appoint a Receiver under the governing legislation unless it secured a Court Order to that effect. It decided to provide Harry Sherman with notice pursuant to paragraph 90(6(a)) of the HSA that it was considering making an application to seek the appointment of a receiver or receiver and manager pursuant to subsection 85(7) of the Act, as a remedy to address the triggering events which the City identified and which were continuing. A

copy of the notice the Service Manager delivered, dated July 14, 2022, is attached as Exhibit "FF" to my affidavit.

93. The July 14th notice provided a comprehensive and detailed outline of the triggering events that the Housing Provider had failed to address and which were persisting, and the specifics about the curative actions that had yet to be taken. In addition, it outlined the reasons why the Service Manager was considering the appointment of a receiver, namely, that:

- the Co-op was unable to pay its debts as they become due, has inadequate cash on hand to pay its debts, and its current liabilities exceeded its current assets;
- the policies and procedures that were submitted to the City did not fully address the gaps in governance, financial control, and RGI administration processes that the City had identified;
- the Co-op had not demonstrated that it had implemented the policies and procedures it had submitted, even putting aside any deficiencies such policies and procedures may have; and
- the triggering events identified in the NTE remained outstanding.

94. Among other things, the July 14th notice highlighted how, that upon review of documentation that was provided to the Service Manager on June 3, 2022, the City had learned that the Co-op owed over \$300,000 to a single creditor, York University. As a result, it specified how the corrective action that needed to be taken to address the financial position of the Housing Provider include an action plan and that said action plan must include a signed agreement with York University evidencing how the parties planned to settle this outstanding debt.

95. In addition, the July 14th notice set out how the Co-op had the opportunity to make a written submission to the Service Manager concerning its proposed exercise of the subsection 85(7) remedy within 60 days, which submission the Service Manager would consider, and how if

no submission was made within the prescribed time, the Service Manager would make its decision based on the information available to it. The Co-op was given until Wednesday September 14, 2022, to respond to the July 14th notice.

96. The Housing Provider failed to deliver any response to the July 14th notice by September 14, 2022. The only response the City received was correspondence dated September 22, 2022, in which the Housing Provider asked for additional time to make a submission. A copy of the Housing Provider's September 22, 2022, correspondence is attached as Exhibit "GG" to my affidavit.

97. The Service Manager was not prepared to grant the housing provider any further extension of time, on account of the fact that the Co-op had since at least March 29, 2021, to consider and cure the issues raised by the NTE and failed to do so. A further extension would be imprudent, given the Service Manager's concerns.

98. The City provided the Co-op with its Notice of Decision on September 23, 2022, in accordance with, and pursuant to, subsection 90(6) of the HSA. The Notice of Decision specified that the City had made a decision to make an application to seek the appointment of a receiver or receiver and manager under subsection 85(7), for the following reasons:

- The Housing Provider is unable to pay its debts as they become due;
- The policies and procedures that have been submitted to the Service Manager do not fully address the gaps in the governance, financial control and rent-geared-to-income administration processes that the Service Manager has identified;
- The Housing Provider has not demonstrated that it has implemented the policies and procedures that it has submitted;
- The triggering events specified in Appendix "A" attached to the July 14th, 2022 notice have not been addressed in the manner required by the Notice of Triggering Events

delivered to Harry Sherman Crowe Housing Co-operative Inc. on March 29, 2021, all of which are continuing.

As a result, in the opinion of the Service Manager, the Housing Provider continued to contravene the provisions of the Act and has failed, and is failing, to operate the housing project properly. A copy of the City's September 23, 2022, Notice of Decision is attached as Exhibit "HH" of my affidavit.

The Appointment of the Receiver is Appropriate and Necessary in all the Circumstances

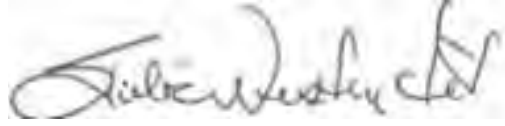
99. For the reasons outlined above, the Service Manager is of the view that a receiver, appointed by the Superior Court of Justice to oversee the affairs and assets of the Housing Provider, will be able to properly diagnose the various issues facing Harry Sherman, and take appropriate action to outline how the housing project can best be rehabilitated so that the longstanding and unresolved issues that have been identified do not persist and do not worsen, and so that it can continue to operate as a viable, going concern. The receiver is also in a position to act as the steward of the housing project while it undertakes any necessary remedial action. Chief among these unresolved issues are:

- Concerns that the information that has been made available to the City of Toronto by the Co-op's own auditor establish how the financial position of the housing provider has been deteriorating since 2018/2019, and no concrete steps have been taken to address these very real concerns.
- Concerns with respect to the housing provider's ability to manage its RGI portfolio which have remained unresolved. Housing providers such as Harry Sherman play a significant role in making affordable housing available to Toronto residents in need of same and it is important that housing provider RGI portfolios are properly managed for that reason.

SWORN before me)
at the City of Toronto,)
in the Province of Ontario, on)
this 10th day of November, 2022.)




_____)
Mark Siboni)
A Commissioner for taking Affidavits)



_____)
Julie Western Set

This is Exhibit "A" referred to
in the Affidavit of Julie Western
Set, sworn on the 10th day of
November, 2022.

A handwritten signature in black ink, appearing to read "Mark Siboni", written over a horizontal line.

Mark Siboni
A Commissioner for taking Affidavits

Shelter, Support & Housing Administration
Mary-Anne Bedard, General Manager

Housing Stability Services
Doug Rollins, Director

Metro Hall
55 John St., 6th Floor
Toronto, Ontario M5V 3C6
Tel: 416-338-8210
Fax: 416-696-3718
Suzana.lama@toronto.ca

November 18, 2019

Ms. Rosell Kerr, President
Harry Sherman Crowe Housing Co-operative Inc.
51 The Chimneystack Rd
Toronto Ontario M3J 3L9

Re: 2019 Operational Review Report

Dear Board Members:

On November 8, 2019 I conducted an Operational Review of your corporation. I am writing to provide the findings of my review.

I would like to thank Sehrish Arsalan and Muhamed Kaleem for their help during my review. Their assistance allowed me to gain a better understanding of your corporation's operations.

Housing providers are expected to operate efficiently and effectively. This includes meeting all legal obligations and ensuring the stock is safe and well-maintained. Some of the questions in the operational review evaluate your corporation's compliance with the *Housing Services Act*, your Rent-Geared-to-Income (RGI) Service Agreement with the City of Toronto and other applicable legislation.

Our report contains **requirements** that identify areas where your corporation's operations are not complying with the *Housing Services Act* or the RGI Service Agreement. You are required to review your corporation's practices in these areas and make any necessary adjustments to your operations.

This review is an assessment of your corporation's systems and procedures. It highlights areas where your corporation can improve upon. It is not a review of the Board of Directors or your staff/management's performance.

Our findings and reference material/information to assist you in addressing the items in the report are attached. We have also sent an electronic version of this report and associated documents via email to Suzana.lama@hotmail.com.

Please respond to this report by **February 6, 2020**, indicating what has been done and what will be done to address each item. You may use the electronic version of this report to do this, noting your action taken/planned actions.

Also send any applicable documents created or updated as a result of the report's findings.

If you have any questions please feel free to contact me at 416-338-8210 or via email at Suzana.lama@toronto.ca.

Sincerely,

A handwritten signature in black ink, appearing to read 'Suzana', written in a cursive style.

Suzana Lama
Housing Consultant

c.c. Saud Ahmad, Property Manager, (*via email: saud@mpmg.ca*)

Encl.

Completed by:

In Attendance

City of Toronto: Suzana Lama

Housing Provider: Harry Sherman Crowe Housing Co-op
Sehrish Arsalan – housing administrator
Muhamed Kaleem – property manager

**Housing Provider
Information**

Program: Sec 103

Mandate: N/A

of Units: 164

Targeting Plan: 82 (after increase min 90 RGI units)

Internal tracking summary

Date issued: November 18, 2019__ # of outstanding requirements: **12 out of 16**

Response deadline: **February 6, 2020**

Follow-up date_____ # of outstanding requirements_____

Follow-up date_____ # of outstanding requirements_____

Follow-up date_____ # of outstanding requirements_____

Follow-up date_____ # of outstanding requirements_____

Please note that this report may include information which is protected under the Housing Services Act and Regulations (hereinafter referred to collectively as "HSA"). No personal information contained in this report should be released except in the manner prescribed by the HSA and Regulations. This report may also include information that is protected under the Municipal Freedom of Information and Protection of Privacy Act. No information contained in this report should be released except as prescribed by the Municipal Freedom of Information and Protection of Privacy Act.

The purpose of this Operational Review is to evaluate how well **Harry Sherman Crowe Housing Co-op.** is meeting the requirements of the HSA and the Corporation's Rent Geared-to-Income Service Agreement (if applicable). This report does not indicate compliance with any other legal requirement. This report does not provide a complete statement of issues and concerns arising from the operation of the housing project. This report is not intended to be relied upon by any third party.

The City of Toronto, its employees, consultants and agents are not liable for any injury or damage (including death), property loss, damage, costs or expenses sustained by or claims or actions against the housing provider, its directors, officers, employees, independent contractors, residents, members or any third party, which may arise directly or indirectly from oral or written statements made by the City, its employees, consultants or agents as a result of the Operational Review conducted by the City.

The housing provider is advised to take all steps which may be needed to satisfy itself as to the validity of the advice and recommendations made by the City, and as to its compliance with the City's requirements and at law.

This report is provided in confidence for the sole use of the housing provider. The recipient shall keep the contents of this report confidential and shall not disclose any part of its contents to any other person without the prior written consent of the City of Toronto.

The purpose of this report is to assist **Harry Sherman Crowe Housing Co-op.** in meeting its contractual obligations to the City of Toronto regarding the management and maintenance of the housing project that is the subject of this report. This report does not indicate compliance with any other legal requirement. This report does not provide a complete statement of issues and concerns arising from the operation of the housing project. This report is not intended to be relied upon by any third party.

The City of Toronto, its employees, consultants and agents are not liable for any injury or damage (including death), property loss, damage, costs or expenses sustained by or claims or actions against the housing provider, its directors, officers, employees, independent contractors, residents, members or any third party, which may arise directly or indirectly from oral or written statements made by the City, its employees, consultant or agents as a result of the review conducted by the City.

The housing provider is advised to take all steps which may be needed to satisfy itself as to the validity of the advice and recommendations made by the City, and as to its

compliance with the City's requirements and at law.

<u>Governance</u>			<u>Service Manager Response/Recommendations/Requirements</u>	<u>Action Taken</u>	<u>Response</u>
<p>1) Process for the Management of Policies and Procedures Documentation</p> <p>Does the corporation maintain a policies and procedures binder that contains original copies of all approved policies?</p>	<p>YES/NO:</p> <p>Other Comments:</p>	<p>No</p> <p>Corporate has an outdated set of by-laws which do not reflect the changes in</p>	<p>A policies and procedures manual will outline the various roles of staff and the Board with regard to each decision and action taken on behalf of the corporation. Staff must know what the Board's expectations are and the Board must have an accountability framework against which to evaluate their staff and themselves.</p> <p>Throughout this report, reference is made to the corporation's management of Board approved policy and procedure documentation. Document management is critical to ensuring that actions taken on behalf of the board are consistent with board expectations.</p> <p>We require the Board to develop a process for the management of policies and procedures documentation. Upon approval of a board policy or procedure, original copies of the documents should be:</p> <p>a. Signed and dated; b. Affixed with a reference to the board meeting in which they were approved; and,</p>		

<u>Governance</u>			Service Manager Response/Recommendations/Requirements	Action Taken	Response										
		HSA requirements	<p>c. Secured in a policies and procedures binder. This binder should have a contents list at the front of the binder that also contains a cross reference to board approval dates.</p> <p>Quick access to approved policies and procedures can be achieved if they are scanned and stored in a computer drive or web site that has word search capability. These documents Should be fully accessible to the board and designated staff.</p>												
2) Did the Board meet and have a quorum at least four times in the past year (HSA O.Reg. 367/11 s. 100)	Meeting dates for past year:	Yes	<table border="0"> <tr> <td>Dec 11, 2019</td> <td>Jan 29, 2019</td> </tr> <tr> <td>Feb 26, 2019</td> <td>March 19, 2019</td> </tr> <tr> <td>May 28, 2019</td> <td>August 13, 2019</td> </tr> <tr> <td>August 27, 2019</td> <td>Sep 24, 2019</td> </tr> <tr> <td>Oct 22, 2019</td> <td>Nov 5, 2019</td> </tr> </table>	Dec 11, 2019	Jan 29, 2019	Feb 26, 2019	March 19, 2019	May 28, 2019	August 13, 2019	August 27, 2019	Sep 24, 2019	Oct 22, 2019	Nov 5, 2019		
Dec 11, 2019	Jan 29, 2019														
Feb 26, 2019	March 19, 2019														
May 28, 2019	August 13, 2019														
August 27, 2019	Sep 24, 2019														
Oct 22, 2019	Nov 5, 2019														
3) Does the corporation maintain a minute book in an organized manner?	YES/NO:	<p>Yes</p> <p>However, not all of them were signed and dated</p>	<p>The Housing Services Act O. Reg. 367/11, s.92 requires that you are in good standing under the <i>Co-operative Corporations Act</i>. One of the requirements of this Act is that you keep proper corporate minutes.</p> <p>Our review of the minutes of Board meetings indicates that the minutes are not being properly kept. For example. Not all of them were signed and dated.</p>												

<u>Governance</u>			Service Manager Response/Recommendations/Requirements	<u>Action Taken</u>	<u>Response</u>
			<p>We require that the minutes of the meetings of the Board of Directors be maintained in accordance with the requirements of the Co-operative Corporation's Act] For instance, minutes of all proceedings at meetings of the members, directors, and any executive committee must be recorded and kept in books for that purpose. Also, the minutes must be properly certified (approved, dated and signed) by the chairperson and the secretary of the meeting at which the proceedings were held or by the chair and secretary of the next succeeding meeting.</p> <p>We require that you develop a Corporate Minutes - Records Management Policy that ensures you are in compliance with the Co-operative Corporation's Act. Please see the tool on our website to assist you:</p> <p>https://www.toronto.ca/community-people/community-partners/social-housing-providers/policy-and-procedures-development-tools/corporate-minutes-records-management-policy-development-tool/</p>		
4) a) Are all City Guidelines, and other correspondence from the City	YES/NO:	Yes	<p>During our review of the corporate minutes, we found that the Board has formally received the correspondence from the City.</p> <p>However, they are not addressed to the Board to ensure</p>		

<u>Governance</u>			Service Manager Response/Recommendations/Requirements	<u>Action Taken</u>	<u>Response</u>
<p>received by the Board?</p> <p>b) Do the minutes show that action taken where appropriate?</p>		No	<p>that they are sufficiently informed to make necessary decisions, implement any action required (including amending by-laws, as necessary) and direct staff accordingly. The Board must take action where appropriate upon receipt of these documents.</p> <p>We require that the corporation:</p> <p>a. Implement a process to ensure that all City Guidelines and other correspondence from the City are received by the Board; This process must include:</p> <ol style="list-style-type: none"> 1. Add 'City Correspondence' as a standing agenda item for all Board meetings; and, 2. Require management to summarize and make recommendations on any action required arising out of any City correspondence. <p>To assist you in this process, all City Guidelines are available on the City's website. All guidelines contain a section called 'Action Required'.</p> <p>To give the Board an assurance that they are up to date and complying with all City requirements, you may want to require your manager to copy the 'Action Required' section from City Guidelines and paste it (with recommendations) into the Manager's Report for Board meetings.</p>		

<u>Governance</u>			Service Manager Response/Recommendations/Requirements	<u>Action Taken</u>	<u>Response</u>
5) a) Does the Board receive vacancy reports, that provide sufficient information for decision making, on a regular basis?	YES/NO:	Yes			
b) Do the minutes document that the board has taken appropriate action, to remedy the reported vacancies?		Yes			
6) a) Does the Board receive arrears reports, that provider sufficient information for decision making, on a regular basis?	YES/NO:	Yes			

<u>Governance</u>			Service Manager Response/Recommendations/Requirements	Action Taken	Response
b) Do the minutes document that the Board has taken appropriate action to remedy the reported arrears?		Yes			
7) a) Are year-to-date spending analysis reports received by the Board on a regular basis (at least quarterly)? b) Do the minutes show that the Board has taken appropriate action if there are significant variances from the approved annual budget?	YES/NO:	Yes NO	<p>We require that the Board receive regular financial reports that include year-to-date revenue and spending analyses, at least quarterly. This information will allow the Board to identify variances from budgeted and expected results and take appropriate corrective action. Taking prompt corrective action when variances arise helps ensure that the corporation does not encounter financial difficulty.</p> <p>During the year the Board received variance reports. We could find no evidence that the Board considered these reports and took action to correct the variances or took these variances into consideration when making other spending decisions.</p> <p>The Board should review variance reports and ensure that they understand why significant variances have occurred. If possible, corrective action should be taken to correct the variance. For example, discretionary spending in that category could be reduced for the rest of the year. Alternatively, the Board should ensure that</p>		

<u>Governance</u>			Service Manager Response/Recommendations/Requirements	<u>Action Taken</u>	<u>Response</u>
			<p>the variance is taken into account when other financial decisions are being made to ensure that they are able to achieve their overall budgeted results for the year. This can be done by increasing revenue to offset increased spending or by using under spending in one expense to offset overspending in another expenses.</p> <p>We require that the Board review its processes to ensure that it reviews the variance and other financial reports it receives and takes appropriate follow-up action.</p>		
<u>Rent Geared-to-Income Administration</u>					
<u>8) Internal Transfer Policy (Housing Services Act O.Reg 367/11 s. 47)</u>	YES/NO	No	<p>The Board has not established written processes and procedures for internal transfers.</p> <p>City Guideline 2012-1 requires that every housing provider establish policies and procedures for internal transfers and establish and maintain a waiting list for internal transfers. You must submit a copy of your internal transfer policy to the City.</p>		

<u>Governance</u>			Service Manager Response/Recommendations/Requirements	<u>Action Taken</u>	<u>Response</u>
Does the corporation have an Internal Transfer Policy that complies with SHRA regulation 339?	Date established in Minutes:		In accordance with City Guideline 2012-1, housing providers must continue to follow the internal transfer rules as set out in the former SHRA, Regulation 339.		
	Other Comments:	No	<p>We require that the Board establish policies and procedures for internal transfers and submit this to the City of Toronto, as required by the City Guideline 2012-1. Please refer to our website tool for assistance in developing policies and procedures related to internal transfers:</p> <p>https://www.toronto.ca/community-people/community-partners/social-housing-providers/policy-and-procedures-development-tools/internal-transfer-policy/</p>		
9) <u>System for Dealing with Reviews (Housing Services Act s. 155-158)</u>	YES/NO:	No	<p>The Board has not established written processes and procedures for dealing with reviews.</p> <p>Under the Housing Services Act a member of a household may, on behalf of the household, request a review of certain decisions. Housing providers are required to follow specific notification requirements for Rent-Geared-to-Income (RGI) applicants and households. The rules for proper notification and holding the “Review” are outlined in Chapter 7 of the RGI</p>		
Does the corporation have a system for dealing with reviews that complies with HSA, s. 155-158?	Date established in Minutes:				

<u>Governance</u>			Service Manager Response/Recommendations/Requirements	Action Taken	Response
	Other Comments:		Administration Manual. We require that the Board update and implement a system for dealing with reviews that complies with HSA, s. 155-158. Please refer to Chapter 7 in the RGI Administration Manual as well as the tool on our website for assistance in developing policies and procedures related to reviews: https://www.toronto.ca/community-people/community-partners/social-housing-providers/policy-and-procedures-development-tools/developing-a-system-for-dealing-with-reviews-policy-tool/		
10) <u>Guest Policy (Housing Services Act O.Reg. 367, s.96.(4))</u>	YES/NO:	No	The Board has not established written rules for the temporary accommodation of guests. The Housing Services Act O. Reg. 367/11, s. 96 (4) requires housing providers to have a Guest Policy.		
Does the corporation have a guest policy that complies with HSA, regulation 367/11 s. 96(4)?	Date established in Minutes:	No	Boards must: 1) Establish a Guest Policy that outlines the rules governing the temporary accommodation of guests in		

<u>Governance</u>			Service Manager Response/Recommendations/Requirements	<u>Action Taken</u>	<u>Response</u>
	Other Comments:		<p>rent geared-to-income units. 2) Submit a copy of your Guest Policy to the City of Toronto. 3) Provide a copy of your Guest Policy to tenants that request one.</p> <p>We require that the Board establish policies and procedures for the temporary accommodation of guests in Rent-Geared-to-Income units and submit this to the City of Toronto as required under the Housing Services Act O. Reg. 367/11, s. 96 (4).</p> <p>Please refer to the tool on our website for assistance in developing policies and procedures related to the temporary accommodation of guests:</p> <p>https://www.toronto.ca/community-people/community-partners/social-housing-providers/policy-and-procedures-development-tools/guest-policy-development-tool/</p>		
11) <u>Dealing with Information (Housing Services Act O.Reg. 367/11, s.145-147)</u>	YES/NO:	No	<p>The Corporation does not have written processes and procedures in place for the collection, use, disclosure and safeguarding of personal information received.</p> <p>HSA, O.Reg. 367/11, s.145-147 and the Rent-Geared-</p>		

<u>Governance</u>			Service Manager Response/Recommendations/Requirements	<u>Action Taken</u>	<u>Response</u>
Does the corporation have written policies governing its standards for the collection, use, safeguarding and disclosure of personal information received?	Date established in Minutes:		to-Income Service Agreement with the City contain prescribed standards for the collection, use, disclosure, and safeguarding of personal information received. To ensure compliance with HSA, O. Reg. 367/11, s. 145-147 and your Rent Geared-to-Income Service Agreement we require that the Board establish processes and procedures that set clear guidelines for directors and staff with regards to handling personal information.		
	Other Comments:		Please refer to our website's tool for assistance: https://www.toronto.ca/community-people/community-partners/social-housing-providers/policy-and-procedures-development-tools/confidentiality-policy-development-tool/		
12) <u>Records Management (Housing Services Act O.Reg. 367/11, s.102)</u>	YES/NO:	No	The Corporation does not have written processes and procedures in place for records management. HSA, O.Reg. 367/11, s.102 and the terms of your Rent Geared-to-Income Service Agreement require that financial and project records be kept for at least seven (7) years. Rent-Geared-to-Income household files must be kept for the period that a household lives in a project and at least seven (7) years after the expiration of your		
Does the corporation have written processes and procedures	Date established in Minutes:				

<u>Governance</u>			Service Manager Response/Recommendations/Requirements	<u>Action Taken</u>	<u>Response</u>
governing records management?			Rent Geared-to-Income Service Agreement. We require that the Board implement a documented process that ensures that records are managed in accordance with the requirements of the HSA and your Rent Geared-to-Income Service Agreement. Please refer to the tool on our website for assistance: https://www.toronto.ca/community-people/community-partners/social-housing-providers/policy-and-procedures-development-tools/records-management-policy-tool/		
	Other Comments:				
13) <u>Occupancy Agreements (HSA O.Reg. 367/11, s.100) (City Guideline 2007-2)</u>	YES/NO:	No	The Corporation does not have a documented process in place to ensure that occupancy agreements are updated to reflect all legislated requirements. Occupancy agreements should include all requirements of the HSA, the Residential Tenancies Act, and any other relevant legislation and City Guideline 2007-2 .		
Does the corporation have processes and procedures to ensure that occupancy agreements are periodically updated	Date established in Minutes: Other Comments:	Occupancy agreements still refer to outdated	We require that the Board develop, document and implement a system that ensures that the information in their standard occupancy agreement is kept current. This system must include annual confirmation by the Board (documented in the Board minutes) that your standard occupancy agreement		

<u>Governance</u>			Service Manager Response/Recommendations/Requirements	Action Taken	Response
to reflect all legislated requirements?		RGI administration rules for e.g. the absence from the unit rule still refers to 120 days out of the unit.	has been updated as required and is current.		
14) Documented processes for Rent-Geared-to-Income Administration	YES/NO:	Yes	The Corporation has not properly documented its processes for Rent-Geared-to-Income administration.		
Does the corporation have documented processes and procedures governing all aspects of rent geared-to-income administration?	Date established in Minutes:	No	Documented business processes enable the Board to establish expectations for how they expect business to be conducted. It also assists staff in ensuring that they are completing transactions properly. Processes and procedures relating to legislated policy requirements and Rent-Geared-to-Income administration must be documented.		
	Other Comments:	It is not a process approved by the Board. It is an excerpt from RGI Manual	We require that the corporation document their process for the annual review of income and eligibility for those receiving Rent-Geared-to-Income assistance. This should include the corporation's process for pursuit of income. Please refer to the development tool on our website for assistance: https://www.toronto.ca/community-people/community-partners/social-housing-providers/policy-and-procedures-development-tools/business-process-for-annual-income-and-asset-review/		

<u>Governance</u>			Service Manager Response/Recommendations/Requirements	<u>Action Taken</u>	<u>Response</u>
15) Documented process for filling Rent-Geared-to-Income units	YES/NO:	No	The Corporation has not documented its process for filling rent-geared-to-income units. The process shall include the requirements for selecting waiting households in City Guideline 2012-1.		
	Date established in Minutes:	No	Documented business processes enable the Board to establish expectations for how business is to be conducted. They also assist staff in ensuring that they are completing transactions properly. Processes and procedures relating to legislated policy requirements and rent-geared-to-income administration should be documented.		
Does the corporation have processes and procedures governing how it fills vacant rent geared-to-income units?	Other Comments:	No It is not a process approved by the Board. It is an excerpt from RGI Manual	We require that the corporation document its process for filling rent-geared-to-income units. Please refer to our website's tool for assistance: https://www.toronto.ca/community-people/community-partners/social-housing-providers/policy-and-procedures-development-tools/selecting-households-for-rent-geared-to-income-units-procedure-development-tool/		
16) <u>Access Plan – Alternative Housing</u>	YES/NO/Not Applicable:	Not Applicable			

<u>Governance</u>			Service Manager Response/Recommendations/Requirements	<u>Action Taken</u>	<u>Response</u>
<u>17) Centralized Waiting List</u> Based on the walk-through of the housing provider's process used to fill one or more recent RGI vacancies is the housing provider filling RGI vacancies properly?	YES/NO:	Since staff is new appointed and do not have access yet to CWL, we were unable to carry on the walk-through process.	<p>We require that you immediately direct your staff to follow your documented procedures for filling RGI vacancies when filling any RGI vacancy.</p> <p>We require that all staff involved in the filling of RGI units register for the next Waiting List Management training session and successfully complete it.</p> <p>We require that until notified otherwise by the City you must seek the approval of your Housing Consultant before offering an RGI vacancy to any applicant other than the #1 applicant on your current subsidiary waiting list.</p>		

This is Exhibit "B" referred to in
the Affidavit of Julie Western
Set, sworn on the 10th day of
November, 2022.



Mark Siboni
A Commissioner for taking Affidavits

Shelter, Support & Housing Administration
Mary-Anne Bedard, General Manager

Housing Stability Services
Doug Rollins, Director

Metro Hall, 6th Floor
55 John Street
Toronto, ON M5V 3C6
Tel: 416-338-8210
Fax: 416-696-3718
Suzana.lama@toronto.ca

November 18, 2019

Rosell Kerr, President
Harry Sherman Crowe Housing Co-operative Inc.
51 Chimneystack Road
Toronto, ON M3J 3L9

Re: 2019 RGI Review

Dear Board of Directors,

On November 8, 2019 Shelter, Support and Housing Administration (SSHA) staff completed a review of your organization's rent geared-to-income (RGI) administration. This review was completed to test your organization's compliance with the requirements of your RGI Service Agreement with the City of Toronto and the Housing Services Act.

One of your key responsibilities as a social housing provider is to ensure that you administer the RGI program fairly and in accordance with all contractual and legislative rules and regulations.

Based on the review we completed on November 8, 2019, your compliance rate is above the minimum standard. However, we did find some deficiencies that require follow up. Please address the deficiencies noted below by **February 6, 2020**.

By **February 6, 2020** you must:

1. Provide documentation that the Board has received this letter and taken all appropriate actions to ensure that the identified deficiencies are corrected and that you have put in place processes to ensure that your corporation's RGI administration is in compliance with HSA requirements. This can be done by providing a copy of the Board meeting minutes where this letter was discussed and status of an action plan.
2. Direct your staff/agent to correct the deficiencies noted.
3. Revise your oversight and management processes to ensure that appropriate oversight is being provided over your RGI administration to prevent such deficiencies from recurring. This should include regular reporting to the Board by your staff/agent documenting the steps that they have taken to ensure that your corporation is in compliance with RGI administration requirements.

Deficiencies:

1. Is the Household (HH) overhoused?

- We noted that **one** household is overhoused and there is no record in the file of any action taken by the RGI administrator. You are required to send a written Notice of the Decision to the household, telling them that they could lose their RGI assistance if they refuse three offers to move to a suitably sized unit. As this household has been overhoused for over 12 months, they are required to be put on the Housing Connections waitlist. If you have a unit of the size that the household is eligible for, you must add the household to your internal transfer list. An RGI household that is overhoused has priority on the internal transfer list unless there is a special priority household on the list. Please refer to Chapter 4: "*Occupancy Standards*" of the RGI Administration Manual for more details.

2. Is there an eligibility document for each member of household?

- We noted that **one** RGI file tested did not have eligibility documents for each member of the household. In accordance with RGI Administration Manual Chapter 3: "*Basic Eligibility Standards*", each member of the household must be a Canadian citizen, a permanent resident of Canada or a refugee claimant. You are required to obtain the eligibility document for each member of the household and keep a copy on file. Please do so immediately.

3. Have all members of the household over 16 signed the lease?

- We noted that **two** RGI files tested, the lease has not been signed by all members of the household over 16 years of age. Please update your file.

4. Is the consent form signed?

- We noted in **one** RGI file tested that not all members of the household over 16 years of age have signed the consent form. In accordance with the RGI Administration Manual Chapter 6: "*Calculating Rent for an RGI Household*", this form allows you to collect and share personal information needed to verify eligibility for RGI assistance. Please update your file.

5. Is the documentation sufficient for each type of income and assets?

- We noted that **two** households did not have sufficient documentation to support income and assets reported in the RGI file. In accordance with the RGI Administration Manual Chapter 5: "*What is Income and How to Verify it*", all members of a household who are 16 years of age or older must report their income and assets from all sources and provide sufficient documentation. As an RGI administrator you must have sufficient documentation to establish the monthly income to calculate RGI charges correctly. Please update your file and rent calculation as the household may not be eligible for RGI assistance.

If you have any questions please feel free to contact me at 416-338-8210 or via email at Suzana.Lama@toronto.ca.

Sincerely,

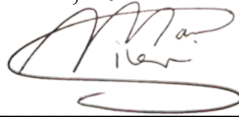


Suzana Lama
Housing Consultant

c.c. Saud Ahmad, Property Manager

Encl.

This is Exhibit "C" referred to in
the Affidavit of Julie Western
Set, sworn on the 10th day of
November, 2022.

A handwritten signature in black ink, appearing to read "Mark Siboni", written over a horizontal line.

Mark Siboni
A Commissioner for taking Affidavits

From: [Kerr, Rosell](#)
To: [Suzana Lama](#)
Cc: rosellkerr5@gmail.com
Subject: SKM_C335120020615590.pdf
Date: February 6, 2020 4:11:27 PM
Attachments: [SKM_C335120020615590.pdf](#)
[Harry Sherman Co-op OR Report 2019 reply Feb 4 2020.doc](#)

Hello Suzana,

Please find in the attachments task taken responses to the RGI and Operation review report.

Thanks,

Rosell

This e-mail may contain confidential and/or privileged information for the sole use of the intended recipient. If you are not the intended recipient, you are strictly prohibited from reviewing, copying or disclosing this e-mail. If you have received this e-mail in error, please immediately notify the sender and delete all copies.

Completed by:

In Attendance

City of Toronto: Suzana Lama

Housing Provider: Harry Sherman Crowe Housing Co-op
Sehrish Arsalan – housing administrator
Muhamed Kaleem – property manager

**Housing Provider
Information**

Program: Sec 103

Mandate: N/A

of Units: 164

Targeting Plan: 82 (after increase min 90 RGI units)

Internal tracking summary

Date issued _____ # of outstanding requirements _____

Response deadline _____

Follow-up date _____ # of outstanding requirements _____

Follow-up date _____ # of outstanding requirements _____

Follow-up date _____ # of outstanding requirements _____

Follow-up date _____ # of outstanding requirements _____

Please note that this report may include information which is protected under the Housing Services Act and Regulations (hereinafter referred to collectively as "HSA"). No personal information contained in this report should be released except in the manner prescribed by the HSA and Regulations. This report may also include information that is protected under the Municipal Freedom of Information and Protection of Privacy Act. No information contained in this report should be released except as prescribed by the Municipal Freedom of Information and Protection of Privacy Act.

The purpose of this Operational Review is to evaluate how well **Harry Sherman Crowe Housing Co-op.** is meeting the requirements of the HSA and the Corporation's Rent Geared-to-Income Service Agreement (if applicable). This report does not indicate compliance with any other legal requirement. This report does not provide a complete statement of issues and concerns arising from the operation of the housing project. This report is not intended to be relied upon by any third party.

The City of Toronto, its employees, consultants and agents are not liable for any injury or damage (including death), property loss, damage, costs or expenses sustained by or claims or actions against the housing provider, its directors, officers, employees, independent contractors, residents, members or any third party, which may arise directly or indirectly from oral or written statements made by the City, its employees, consultants or agents as a result of the Operational Review conducted by the City.

The housing provider is advised to take all steps which may be needed to satisfy itself as to the validity of the advice and recommendations made by the City, and as to its compliance with the City's requirements and at law.

This report is provided in confidence for the sole use of the housing provider. The recipient shall keep the contents of this report confidential and shall not disclose any part of its contents to any other person without the prior written consent of the City of Toronto.

The purpose of this report is to assist **Harry Sherman Crowe Housing Co-op.** in meeting its contractual obligations to the City of Toronto regarding the management and maintenance of the housing project that is the subject of this report. This report does not indicate compliance with any other legal requirement. This report does not provide a complete statement of issues and concerns arising from the operation of the housing project. This report is not intended to be relied upon by any third party.

The City of Toronto, its employees, consultants and agents are not liable for any injury or damage (including death), property loss, damage, costs or expenses sustained by or claims or actions against the housing provider, its directors, officers, employees, independent contractors, residents, members or any third party, which may arise directly or indirectly from oral or written statements made by the City, its employees, consultant or agents as a result of the review conducted by the City.

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compliance with the City's requirements and at law.

<u>Governance</u>			<u>Service Manager Response/Recommendations/Requirements</u>	<u>Action Taken</u>	<u>Response</u>
<p>1) Process for the Management of Policies and Procedures Documentation</p> <p>Does the corporation maintain a policies and procedures binder that contains original copies of all approved policies?</p>	<p>YES/NO:</p> <p>Other Comments:</p>	<p>No</p> <p>Corporate has an outdated set of by-laws which do not reflect the changes in</p>	<p>A policies and procedures manual will outline the various roles of staff and the Board with regard to each decision and action taken on behalf of the corporation. Staff must know what the Board's expectations are and the Board must have an accountability framework against which to evaluate their staff and themselves.</p> <p>Throughout this report, reference is made to the corporation's management of Board approved policy and procedure documentation. Document management is critical to ensuring that actions taken on behalf of the board are consistent with board expectations.</p> <p>We require the Board to develop a process for the management of policies and procedures documentation. Upon approval of a board policy or procedure, original copies of the documents should be:</p> <p>a. Signed and dated; b. Affixed with a reference to the board meeting in which they were approved; and,</p>	<p>Binder of By-laws & Policy are in place</p> <ul style="list-style-type: none"> ➤ We have now implemented a Procedural Manual for both the Board of Directors and our staffs to use if needed as quick references. This Manual defines the roles of the Board and the roles of our Management staffs as it pertains to the corporation. We have established transparency between the Board and Management staffs. ➤ We understand the importance of having a clear understanding of roles and expectations. An effective way to accomplish this is through clear documentation of policies and procedures. 	<p>Kindly note that By-laws and policy binder for Harry Sherman in place with the Index reference with complete detail about approval and signed</p>

<u>Governance</u>			Service Manager Response/Recommendations/Requirements	Action Taken	Response										
		HSA requirements	<p>c. Secured in a policies and procedures binder. This binder should have a contents list at the front of the binder that also contains a cross reference to board approval dates.</p> <p>Quick access to approved policies and procedures can be achieved if they are scanned and stored in a computer drive or web site that has word search capability. These documents Should be fully accessible to the board and designated staff.</p>		Binder also scanned and saved in the system for further use.										
2) Did the Board meet and have a quorum at least four times in the past year (HSA O.Reg. 367/11 s. 100)	Meeting dates for past year:	Yes	<table border="0"> <tr> <td>Dec 11, 2019</td> <td>Jan 29, 2019</td> </tr> <tr> <td>Feb 26, 2019</td> <td>March 19, 2019</td> </tr> <tr> <td>May 28, 2019</td> <td>August 13, 2019</td> </tr> <tr> <td>August 27, 2019</td> <td>Sep 24, 2019</td> </tr> <tr> <td>Oct 22, 2019</td> <td>Nov 5, 2019</td> </tr> </table>	Dec 11, 2019	Jan 29, 2019	Feb 26, 2019	March 19, 2019	May 28, 2019	August 13, 2019	August 27, 2019	Sep 24, 2019	Oct 22, 2019	Nov 5, 2019	C	Quorum achieved
Dec 11, 2019	Jan 29, 2019														
Feb 26, 2019	March 19, 2019														
May 28, 2019	August 13, 2019														
August 27, 2019	Sep 24, 2019														
Oct 22, 2019	Nov 5, 2019														
3) Does the corporation maintain a minute book in an organized manner?	YES/NO:	Yes However, not all of them were signed and dated	<p>The Housing Services Act O. Reg. 367/11, s.92 requires that you are in good standing under the <i>Co-operative Corporations Act</i>. One of the requirements of this Act is that you keep proper corporate minutes.</p> <p>Our review of the minutes of Board meetings indicates that the minutes are not being properly kept. For example. Not all of them were signed and dated.</p>	Getting signature from July 2019 onward	As our management took over the site from July, 2019 we are getting signatures on the approved minutes each time.										

<u>Governance</u>			Service Manager Response/Recommendations/Requirements	<u>Action Taken</u>	<u>Response</u>
			<p>We require that the minutes of the meetings of the Board of Directors be maintained in accordance with the requirements of the Co-operative Corporation's Act] For instance, minutes of all proceedings at meetings of the members, directors, and any executive committee must be recorded and kept in books for that purpose. Also, the minutes must be properly certified (approved, dated and signed) by the chairperson and the secretary of the meeting at which the proceedings were held or by the chair and secretary of the next succeeding meeting.</p> <p>We require that you develop a Corporate Minutes - Records Management Policy that ensures you are in compliance with the Co-operative Corporation's Act. Please see the tool on our website to assist you:</p> <p>https://www.toronto.ca/community-people/community-partners/social-housing-providers/policy-and-procedures-development-tools/corporate-minutes-records-management-policy-development-tool/</p>		<p>Web link checked and print the required information for practice.</p>
4) a) Are all City Guidelines, and other correspondence from the City	YES/NO:	Yes	<p>During our review of the corporate minutes, we found that the Board has formally received the correspondence from the City.</p> <p>However, they are not addressed to the Board to ensure</p>	<p>➤ (4-B)Correspondences from the City are being added to Board meeting's agendas and the property management team provides recommendation when necessary. We</p>	

<u>Governance</u>			Service Manager Response/Recommendations/Requirements	<u>Action Taken</u>	<u>Response</u>
<p>received by the Board?</p> <p>b) Do the minutes show that action taken where appropriate?</p>		No	<p>that they are sufficiently informed to make necessary decisions, implement any action required (including amending by-laws, as necessary) and direct staff accordingly The Board must take action where appropriate upon receipt of these documents.</p> <p>We require that the corporation:</p> <p>a. Implement a process to ensure that all City Guidelines and other correspondence from the City are received by the Board; This process must include:</p> <ol style="list-style-type: none"> 1. Add ‘City Correspondence’ as a standing agenda item for all Board meetings; and, 2. Require management to summarize and make recommendations on any action required arising out of any City correspondence. <p>To assist you in this process, all City Guidelines are available on the City’s website. All guidelines contain a section called ‘Action Required’.</p> <p>To give the Board an assurance that they are up to date and complying with all City requirements, you may want to require your manager to copy the ‘Action Required section from City Guidelines and paste it (with recommendations) into the Manager’s Report for Board meetings.</p>	<p>have created a binder for all pertinent updates and correspondence from the City’s website that are printed and store.</p>	<p>City correspondence shared with the board after operational review during the board meeting</p>

<u>Governance</u>			Service Manager Response/Recommendations/Requirements	<u>Action Taken</u>	<u>Response</u>
<p>5) a) Does the Board receive vacancy reports, that provide sufficient information for decision making, on a regular basis?</p> <p>b) Do the minutes document that the board has taken appropriate action, to remedy the reported vacancies?</p>	YES/NO:	Yes Yes			Vacancy report is a part of our in-camera monthly board meeting
6) a) Does the Board receive arrears reports, that provide sufficient information for decision making, on a regular basis?	YES/NO:	Yes			Arrears report is a regular part of our monthly in-camera board meeting

<u>Governance</u>			Service Manager Response/Recommendations/Requirements	Action Taken	Response
b) Do the minutes document that the Board has taken appropriate action to remedy the reported arrears?		Yes			Yes, as per the board advise we are taking action for arrears
7) a) Are year-to-date spending analysis reports received by the Board on a regular basis (at least quarterly)? b) Do the minutes show that the Board has taken appropriate action if there are significant variances from the approved annual budget?	YES/NO:	Yes NO	We require that the Board receive regular financial reports that include year-to-date revenue and spending analyses, at least quarterly. This information will allow the Board to identify variances from budgeted and expected results and take appropriate corrective action. Taking prompt corrective action when variances arise helps ensure that the corporation does not encounter financial difficulty. During the year the Board received variance reports. We could find no evidence that the Board considered these reports and took action to correct the variances or took these variances into consideration when making other spending decisions. The Board should review variance reports and ensure that they understand why significant variances have occurred. If possible, corrective action should be taken to correct the variance. For example, discretionary spending in that category could be reduced for the rest of the year. Alternatively, the Board should ensure that	Board discussed during Jan 21, 2020 meeting ➤ Our Property Management staffs presented to the Board a monthly financial statement. We the Board of Directors have created a Financial Statement Manual. Thus, each month the Board has a “Special Meeting” where we examined and discussed various issues including variances in our Financial Statements. We then	We are providing financials on monthly basis to the board. Board discussed during Jan 21, 2020 meeting about variances and start working on the reduction plan.

<u>Governance</u>			Service Manager Response/Recommendations/Requirements	<u>Action Taken</u>	<u>Response</u>
			<p>the variance is taken into account when other financial decisions are being made to ensure that they are able to achieve their overall budgeted results for the year. This can be done by increasing revenue to offset increased spending or by using under spending in one expense to offset overspending in another expenses.</p> <p>We require that the Board review its processes to ensure that it reviews the variance and other financial reports it receives and takes appropriate follow-up action.</p>	address this at the next scheduled Board meeting.	
<u>Rent Geared-to-Income Administration</u>					
<u>8) Internal Transfer Policy (Housing Services Act O.Reg 367/11 s. 47)</u>	YES/NO	No	<p>The Board has not established written processes and procedures for internal transfers.</p> <p>City Guideline 2012-1 requires that every housing provider establish policies and procedures for internal transfers and establish and maintain a waiting list for internal transfers. You must submit a copy of your internal transfer policy to the City.</p>	<p>Member Selection and Unit Allocation By-law in place – By- law no. 18</p> <p>➤ As mentioned above, RGI internal transfers are in accordance with City guideline and can be found in our By-Law book. However, we took your advice and created a “RGI Internal</p>	By law no 18 in place for Article 5 / 6

<u>Governance</u>			Service Manager Response/Recommendations/Requirements	<u>Action Taken</u>	<u>Response</u>
Does the corporation have an Internal Transfer Policy that complies with SHRA regulation 339?	Date established in Minutes:	Mar 26, 2001 passed by the members	<p>In accordance with City Guideline 2012-1, housing providers must continue to follow the internal transfer rules as set out in the former SHRA, Regulation 339.</p> <p>We require that the Board establish policies and procedures for internal transfers and submit this to the City of Toronto, as required by the City Guideline 2012-1. Please refer to our website tool for assistance in developing policies and procedures related to internal transfers:</p> <p>https://www.toronto.ca/community-people/community-partners/social-housing-providers/policy-and-procedures-development-tools/internal-transfer-policy/</p>	<p>Transfer Policies and Procedures Manual” which includes a waiting list that is influenced by special circumstances. To illustrate, priority is given to households with medical conditions, over-households, and under housed households. Our By-law supports this process.</p>	<p>Web link information download and file for further use.</p>
	Other Comments:	No			
9) <u>System for Dealing with Reviews (Housing Services Act s. 155-158)</u>	YES/NO:	No	<p>The Board has not established written processes and procedures for dealing with reviews.</p> <p>Under the Housing Services Act a member of a household may, on behalf of the household, request a review of certain decisions. Housing providers are required to follow specific notification requirements for Rent-Geared-to-Income (RGI) applicants and households. The rules for proper notification and holding the “Review” are outlined in Chapter 7 of the RGI</p>	<p>➤ Again, we adhered and created a Manual that contains guidelines when dealing with review request.</p>	<p>Please note that whenever we send a cover letter after annual review we mentioned in the letter that “You may ask for review of this decision by submitting a written</p>
Does the corporation have a system for dealing with reviews that complies with HSA, s. 155-158?	Date established in Minutes:				

<u>Governance</u>			Service Manager Response/Recommendations/Requirements	<u>Action Taken</u>	<u>Response</u>
	Other Comments:		Administration Manual. We require that the Board update and implement a system for dealing with reviews that complies with HSA, s. 155-158. Please refer to Chapter 7 in the RGI Administration Manual as well as the tool on our website for assistance in developing policies and procedures related to reviews: https://www.toronto.ca/community-people/community-partners/social-housing-providers/policy-and-procedures-development-tools/developing-a-system-for-dealing-with-reviews-policy-tool/		letter 10 days after receiving this notice.” Web link information printed for further use.
10) <u>Guest Policy (Housing Services Act O.Reg. 367, s.96.(4))</u>	YES/NO:	No	The Board has not established written rules for the temporary accommodation of guests. The Housing Services Act O. Reg. 367/11, s. 96 (4) requires housing providers to have a Guest Policy.	By-law no 6 revised in place passed by the members on Feb 10, 2015. ➤ We have now established a Manual binder with copies from our by-law that reflects the Housing Service Act when governing “temporary guests in “RGI units”	Article 8 members household and guests – by-law in place under Occupancy by-law no 6 revised Feb 10, 2015
Does the corporation have a guest policy that complies with HSA, regulation 367/11 s. 96(4)?	Date established in Minutes:	No	Boards must: 1) Establish a Guest Policy that outlines the rules governing the temporary accommodation of guests in		

<u>Governance</u>			Service Manager Response/Recommendations/Requirements	<u>Action Taken</u>	<u>Response</u>
	Other Comments:		<p>rent geared-to-income units. 2) Submit a copy of your Guest Policy to the City of Toronto. 3) Provide a copy of your Guest Policy to tenants that request one.</p> <p>We require that the Board establish policies and procedures for the temporary accommodation of guests in Rent-Geared-to-Income units and submit this to the City of Toronto as required under the Housing Services Act O. Reg. 367/11, s. 96 (4).</p> <p>Please refer to the tool on our website for assistance in developing policies and procedures related to the temporary accommodation of guests:</p> <p>https://www.toronto.ca/community-people/community-partners/social-housing-providers/policy-and-procedures-development-tools/guest-policy-development-tool/</p>		<p>Web link information printed for further use.</p>
<u>11) Dealing with Information (Housing Services Act O.Reg. 367/11, s.145-147)</u>	YES/NO:	No	<p>The Corporation does not have written processes and procedures in place for the collection, use, disclosure and safeguarding of personal information received.</p> <p>HSA, O.Reg. 367/11, s.145-147 and the Rent-Geared-</p>	<p>By-law no 6 revised in place passed by the members on Feb 10, 2015.</p> <ul style="list-style-type: none"> ➤ We have created a binder with context from our By-Law and are in 	<p>Article 17 miscellaneous , personal information to</p>

<u>Governance</u>			Service Manager Response/Recommendations/Requirements	<u>Action Taken</u>	<u>Response</u>
Does the corporation have written policies governing its standards for the collection, use, safeguarding and disclosure of personal information received?	Date established in Minutes:		to-Income Service Agreement with the City contain prescribed standards for the collection, use, disclosure, and safeguarding of personal information received. To ensure compliance with HSA, O. Reg. 367/11, s. 145-147 and your Rent Geared-to-Income Service Agreement we require that the Board establish processes and procedures that set clear guidelines for directors and staff with regards to handling personal information.	compliance with HSA “Confidentiality Policy.” For instance, how personal and confidential information of members are stored, disposed of and shared. Our guidelines also include a system that permits regularly Board reviews to safeguard confidentiality by both the management staffs and Board directors.	membership - under Occupancy by-law no 6 revised Feb 10, 2015
	Other Comments:		Please refer to our website's tool for assistance: https://www.toronto.ca/community-people/community-partners/social-housing-providers/policy-and-procedures-development-tools/confidentiality-policy-development-tool/		Web link information printed for further use.
12) <u>Records Management (Housing Services Act O.Reg. 367/11, s.102)</u>	YES/NO:	No	The Corporation does not have written processes and procedures in place for records management. HSA, O.Reg. 367/11, s.102 and the terms of your Rent Geared-to-Income Service Agreement require that	Adding Risk management head under schedule B – Board Responsibilities page 38 of organizational by-law ➤ We have implemented a record	Noted for compliance

<u>Governance</u>			Service Manager Response/Recommendations/Requirements	<u>Action Taken</u>	<u>Response</u>
Does the corporation have written processes and procedures governing records management?	Date established in Minutes:		financial and project records be kept for at least seven (7) years. Rent-Geared-to-Income household files must be kept for the period that a household lives in a project and at least seven (7) years after the expiration of your Rent Geared-to-Income Service Agreement.	keeping system with guidelines for managing “Rent-Geared-to-Income financial records—this system will ensure that RGI supporting documents are kept for the duration of occupancy and seven (7) years thereafter.	Web link information printed for further use.
	Other Comments:		<p>We require that the Board implement a documented process that ensures that records are managed in accordance with the requirements of the HSA and your Rent Geared-to-Income Service Agreement.</p> <p>Please refer to the tool on our website for assistance:</p> <p>https://www.toronto.ca/community-people/community-partners/social-housing-providers/policy-and-procedures-development-tools/records-management-policy-tool/</p>		
13) <u>Occupancy Agreements (HSA O.Reg. 367/11, s.100) (City Guideline 2007-2)</u>	YES/NO:	No	The Corporation does not have a documented process in place to ensure that occupancy agreements are updated to reflect all legislated requirements.	By-law no 6 revised in place passed by the members on Feb 10, 2015	Article 6 Use of Units 6.2 Principal Residence - under Occupancy by-law no 6 revised Feb 10, 2015 – A member may not be absent from the coop unit for a total of more
Does the corporation have processes and procedures to	Date established in Minutes:		<p>Occupancy agreements should include all requirements of the HSA, the Residential Tenancies Act, and any other relevant legislation and City Guideline 2007-2.</p> <p>We require that the Board develop, document and implement a system that ensures that the</p>	<p>Updating application from 120 to 90 days point 19.</p> <p>➤ Coupled with the Harry Sherman’s Crowe’s By-law, we have implemented an updated Occupancy Agreement that incorporates the</p>	

<u>Governance</u>			Service Manager Response/Recommendations/Requirements	<u>Action Taken</u>	<u>Response</u>
ensure that occupancy agreements are periodically updated to reflect all legislated requirements?	Other Comments:	Occupancy agreements still refer to outdated RGI administration rules for e.g. the absence from the unit rule still refers to 120 days out of the unit.	information in their standard occupancy agreement is kept current. This system must include annual confirmation by the Board (documented in the Board minutes) that your standard occupancy agreement has been updated as required and is current.	Residential Tenancies Act, and the City's guidelines to achieve relevancy.	than three months (90 days) in any year. Will update the application form.
14) Documented processes for Rent-Geared-to-Income Administration	YES/NO:	Yes	The Corporation has not properly documented its processes for Rent-Geared-to-Income administration.	Rent-Geared-to-Income documents printed and file in the binder.	Following the city guidelines
Does the corporation have documented processes and procedures governing all aspects of rent geared-to-income administration?	Date established in Minutes:	No	Documented business processes enable the Board to establish expectations for how they expect business to be conducted. It also assists staff in ensuring that they are completing transactions properly. Processes and procedures relating to legislated policy requirements and Rent-Geared-to-Income administration must be documented.	<ul style="list-style-type: none"> ➤ We have develop a Manual using the City's guidelines that will ensure our Co-op's annual review of income and eligibility for those receiving RGI are done within the timeframe set by HAS. We have also included in the RGI Manual directions for filling RGI vacancies, using those guidelines set out in the City's RGI policies and procedures. 	Web link information printed for further use.
	Other Comments:	It is not a process approved by the Board. It is an excerpt from RGI Manual	We require that the corporation document their process for the annual review of income and eligibility for those receiving Rent-Geared-to-Income assistance. This should include the corporation's process for pursuit of income.	<ul style="list-style-type: none"> ➤ The board has ensured that the management staff involved with RGI review is fully trained and up to date 	
			Please refer to the development tool on our website for assistance:		

<u>Governance</u>			Service Manager Response/Recommendations/Requirements	Action Taken	Response
			https://www.toronto.ca/community-people/community-partners/social-housing-providers/policy-and-procedures-development-tools/business-process-for-annual-income-and-asset-review/	with the RGI administration requirements ➤ The board has incorporated regular updates on RGI administration process into monthly board meeting package	
15) Documented process for filling Rent-Geared-to-Income units	YES/NO:	No	The Corporation has not documented its process for filling rent-geared-to-income units. The process shall include the requirements for selecting waiting households in City Guideline 2012-1.	➤ Manual has been created and easily access by management staffs.	Noted for compliance
	Date established in Minutes:	No	Documented business processes enable the Board to establish expectations for how business is to be conducted. They also assist staff in ensuring that they are completing transactions properly. Processes and procedures relating to legislated policy requirements and rent-geared-to-income administration should be documented.		
Does the corporation have processes and procedures governing how it fills vacant rent geared-to-income units?	Other Comments:	No It is not a process approved by the Board. It is an excerpt from RGI Manual	We require that the corporation document its process for filling rent-geared-to-income units. Please refer to our website's tool for assistance: https://www.toronto.ca/community-people/community-partners/social-housing-providers/policy-and-		Web link information printed for use.

<u>Governance</u>			Service Manager Response/Recommendations/Requirements	Action Taken	Response
			procedures-development-tools/selecting-households-for-rent-geared-to-income-units-procedure-development-tool/		
16) <u>Access Plan – Alternative Housing</u>	YES/NO/Not Applicable:	Not Applicable			
17) <u>Centralized Waiting List</u> Based on the walk-through of the housing provider's process used to fill one or more recent RGI vacancies is the housing provider filling RGI vacancies properly?	YES/NO:	Since staff is new appointed and do not have access yet to CWL, we were unable to carry on the walk-through process.	<p>We require that you immediately direct your staff to follow your documented procedures for filling RGI vacancies when filling any RGI vacancy.</p> <p>We require that all staff involved in the filling of RGI units register for the next Waiting List Management training session and successfully complete it.</p> <p>We require that until notified otherwise by the City you must seek the approval of your Housing Consultant before offering an RGI vacancy to any applicant other than the #1 applicant on your current subsidiary waiting list.</p>	<p>Relevant staff just complete the course</p> <ul style="list-style-type: none"> ➤ There is a RGI Manual/binder with guidelines for management staff to follow when filling RGI vacancies. 	Noted for compliance



Harry Sherman Crowe Housing Co-operative

51 The Chimneystack Road, North York, Ontario, M3J 3L9. Tel: 416-736-8889, Fax: 416-736-9972

January 31, 2020

Suzana Lama
Housing Consultant
Shelter, Support & Housing Administration
Metro Hall, 6th Floor
55 John Street
Toronto, ON M5V 3C6
Tel: 416-338-8210
Fax: 416-696-3718
Suzana.lama@toronto.ca

Re: 2019 RGI Review

Dear Ms. Lama,

The intent of this letter is to provide you with our response to your letter dated November 18, 2019, regarding 2019 RGI Review.

We would like to thank you and your staff for completing rent geared-to-income (RGI) administration review for our Co-op. We are pleased to hear that our compliance rate is above the minimum standard.

Please be advised that the board has received and reviewed your 2019 RGI Review letter at a special board meeting held on November 29 2019.

To comply with RGI administration requirements, we have addressed the deficiencies reports in your letter. Please refer to below action steps that the board has taken in the same regard.

- The board has ensured that the management staff involved with RGI review is fully trained and up to date with RGI administration requirements
- The board has incorporated regular updates on the RGI administration process into monthly board meeting package
- The board has instructed management office to notify the board of any opportunity that arise from the board training in this regard



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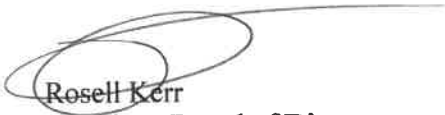
In addition to the above, the management staffs have recently sent out Annual Income and Assets Review Form to all RGI households, and will be completing the review accordingly as soon as the information is received in the office.

Please be ensured that, the board will be monitoring this process closely. We will also be emphasizing on deficiencies reported in your letter such as;

- Over housed Household
- Eligibility Document for each member of the household
- Signing of the lease by all members (over 16) of the household
- Singed Consent Forms
- Sufficient Documents for each type of Income and Assets

In short, we again would like to thank you for your continued support to our Co-op, and should you have any questions or concerns, please do not hesitate to contact me directly at rosellkerr5@gmail.com.

Yours truly,



Rosell Kerr

President, Board of Directors
Harry Sherman Crowe Housing Co-operative Inc.

This is Exhibit "D" referred to
in the Affidavit of Julie Western
Set, sworn on the 10th day of
November, 2022.

A handwritten signature in black ink, appearing to read "Mark Siboni", written over a horizontal line.

Mark Siboni
A Commissioner for taking Affidavits

Completed by:

In Attendance

City of Toronto: Suzana Lama

Harry Sherman Crowe Housing Co-op
Sehrish Arsalan – housing administrator
Muhamed Kaleem – property manager

**Housing Provider
Information**

Program: Sec 103

Mandate: N/A

of Units: 164

Targeting Plan: 82 (after increase min 90 RGI units)

Internal tracking summary

Date issued: **November 18, 2019** # of outstanding requirements: **12 out of 16**

Response deadline: February 6, 2020

Follow-up date: **February 10, 2020** # of outstanding requirements: **7 out of 16**

Follow-up date_____ # of outstanding requirements_____

Follow-up date_____ # of outstanding requirements_____

Follow-up date_____ # of outstanding requirements_____

Please note that this report may include information which is protected under the Housing Services Act and Regulations (hereinafter referred to collectively as "HSA"). No personal information contained in this report should be released except in the manner prescribed by the HSA and Regulations. This report may also include information that is protected under the Municipal Freedom of Information and Protection of Privacy Act. No information contained in this report should be released except as prescribed by the Municipal Freedom of Information and Protection of Privacy Act.

The purpose of this Operational Review is to evaluate how well **Harry Sherman Crowe Housing Co-op.** is meeting the requirements of the HSA and the Corporation's Rent Geared-to-Income Service Agreement (if applicable). This report does not indicate compliance with any other legal requirement. This report does not provide a complete statement of issues and concerns arising from the operation of the housing project. This report is not intended to be relied upon by any third party.

The City of Toronto, its employees, consultants and agents are not liable for any injury or damage (including death), property loss, damage, costs or expenses sustained by or claims or actions against the housing provider, its directors, officers, employees, independent contractors, residents, members or any third party, which may arise directly or indirectly from oral or written statements made by the City, its employees, consultants or agents as a result of the Operational Review conducted by the City.

The housing provider is advised to take all steps which may be needed to satisfy itself as to the validity of the advice and recommendations made by the City, and as to its compliance with the City's requirements and at law.

This report is provided in confidence for the sole use of the housing provider. The recipient shall keep the contents of this report confidential and shall not disclose any part of its contents to any other person without the prior written consent of the City of Toronto.

The purpose of this report is to assist **Harry Sherman Crowe Housing Co-op.** in meeting its contractual obligations to the City of Toronto regarding the management and maintenance of the housing project that is the subject of this report. This report does not indicate compliance with any other legal requirement. This report does not provide a complete statement of issues and concerns arising from the operation of the housing project. This report is not intended to be relied upon by any third party.

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The housing provider is advised to take all steps which may be needed to satisfy itself as to the validity of the advice and recommendations made by the City, and as to its

compliance with the City's requirements and at law.

<u>Governance</u>			<u>Service Manager Response/Recommendations/Requirements</u>	<u>Action Taken</u>	<u>Response</u>
<p>1) Process for the Management of Policies and Procedures Documentation</p> <p>Does the corporation maintain a policies and procedures binder that contains original copies of all approved policies?</p>	<p>YES/NO:</p> <p>Other Comments:</p>	<p>No</p> <p>Corporate has an outdated set of by-laws which do not reflect the changes in</p>	<p>A policies and procedures manual will outline the various roles of staff and the Board with regard to each decision and action taken on behalf of the corporation. Staff must know what the Board's expectations are and the Board must have an accountability framework against which to evaluate their staff and themselves.</p> <p>Throughout this report, reference is made to the corporation's management of Board approved policy and procedure documentation. Document management is critical to ensuring that actions taken on behalf of the board are consistent with board expectations.</p> <p>We require the Board to develop a process for the management of policies and procedures documentation. Upon approval of a board policy or procedure, original copies of the documents should be:</p> <p>a. Signed and dated; b. Affixed with a reference to the board meeting in which they were approved; and,</p>	<p>Binder of By-laws & Policy are in place</p> <ul style="list-style-type: none"> ➤ We have now implemented a Procedural Manual for both the Board of Directors and our staffs to use if needed as quick references. This Manual defines the roles of the Board and the roles of our Management staffs as it pertains to the corporation. We have established transparency between the Board and Management staffs. ➤ We understand the importance of having a clear understanding of roles and expectations. An effective way to accomplish this is through clear documentation of policies and procedures. 	<p>Kindly note that By-laws and policy binder for Harry Sherman in place with the Index reference with complete detail about approval and signed</p>

<u>Governance</u>			Service Manager Response/Recommendations/Requirements	Action Taken	Response										
		HSA requirements	<p>c. Secured in a policies and procedures binder. This binder should have a contents list at the front of the binder that also contains a cross reference to board approval dates.</p> <p>Quick access to approved policies and procedures can be achieved if they are scanned and stored in a computer drive or web site that has word search capability. These documents Should be fully accessible to the board and designated staff.</p>		Binder also scanned and saved in the system for further use.										
2) Did the Board meet and have a quorum at least four times in the past year (HSA O.Reg. 367/11 s. 100)	Meeting dates for past year:	Yes	<table border="0"> <tr> <td>Dec 11, 2019</td> <td>Jan 29, 2019</td> </tr> <tr> <td>Feb 26, 2019</td> <td>March 19, 2019</td> </tr> <tr> <td>May 28, 2019</td> <td>August 13, 2019</td> </tr> <tr> <td>August 27, 2019</td> <td>Sep 24, 2019</td> </tr> <tr> <td>Oct 22, 2019</td> <td>Nov 5, 2019</td> </tr> </table>	Dec 11, 2019	Jan 29, 2019	Feb 26, 2019	March 19, 2019	May 28, 2019	August 13, 2019	August 27, 2019	Sep 24, 2019	Oct 22, 2019	Nov 5, 2019	C	Quorum achieved
Dec 11, 2019	Jan 29, 2019														
Feb 26, 2019	March 19, 2019														
May 28, 2019	August 13, 2019														
August 27, 2019	Sep 24, 2019														
Oct 22, 2019	Nov 5, 2019														
3) Does the corporation maintain a minute book in an organized manner?	YES/NO:	<p>Yes</p> <p>However, not all of them were signed and dated</p>	<p>The Housing Services Act O. Reg. 367/11, s.92 requires that you are in good standing under the <i>Co-operative Corporations Act</i>. One of the requirements of this Act is that you keep proper corporate minutes.</p> <p>Our review of the minutes of Board meetings indicates that the minutes are not being properly kept. For example. Not all of them were signed and dated.</p>	Getting signature from July 2019 onward	As our management took over the site from July, 2019 we are getting signatures on the approved minutes each time.										

<u>Governance</u>			Service Manager Response/Recommendations/Requirements	<u>Action Taken</u>	<u>Response</u>
			<p>We require that the minutes of the meetings of the Board of Directors be maintained in accordance with the requirements of the Co-operative Corporation's Act] For instance, minutes of all proceedings at meetings of the members, directors, and any executive committee must be recorded and kept in books for that purpose. Also, the minutes must be properly certified (approved, dated and signed) by the chairperson and the secretary of the meeting at which the proceedings were held or by the chair and secretary of the next succeeding meeting.</p> <p>We require that you develop a Corporate Minutes - Records Management Policy that ensures you are in compliance with the Co-operative Corporation's Act. Please see the tool on our website to assist you:</p> <p>https://www.toronto.ca/community-people/community-partners/social-housing-providers/policy-and-procedures-development-tools/corporate-minutes-records-management-policy-development-tool/</p>		<p>Web link checked and print the required information for practice.</p>
4) a) Are all City Guidelines, and other correspondence from the City	YES/NO:	Yes	<p>During our review of the corporate minutes, we found that the Board has formally received the correspondence from the City.</p> <p>However, they are not addressed to the Board to ensure</p>	<p>➤ (4-B)Correspondences from the City are being added to Board meeting's agendas and the property management team provides recommendation when necessary. We</p>	

<u>Governance</u>			Service Manager Response/Recommendations/Requirements	<u>Action Taken</u>	<u>Response</u>
<p>received by the Board?</p> <p>b) Do the minutes show that action taken where appropriate?</p>		No	<p>that they are sufficiently informed to make necessary decisions, implement any action required (including amending by-laws, as necessary) and direct staff accordingly The Board must take action where appropriate upon receipt of these documents.</p> <p>We require that the corporation:</p> <p>a. Implement a process to ensure that all City Guidelines and other correspondence from the City are received by the Board; This process must include:</p> <ol style="list-style-type: none"> 1. Add ‘City Correspondence’ as a standing agenda item for all Board meetings; and, 2. Require management to summarize and make recommendations on any action required arising out of any City correspondence. <p>To assist you in this process, all City Guidelines are available on the City’s website. All guidelines contain a section called ‘Action Required’.</p> <p>To give the Board an assurance that they are up to date and complying with all City requirements, you may want to require your manager to copy the ‘Action Required section from City Guidelines and paste it (with recommendations) into the Manager’s Report for Board meetings.</p>	<p>have created a binder for all pertinent updates and correspondence from the City’s website that are printed and store.</p>	<p>City correspondence shared with the board after operational review during the board meeting</p>

<u>Governance</u>			Service Manager Response/Recommendations/Requirements	<u>Action Taken</u>	<u>Response</u>
<p>5) a) Does the Board receive vacancy reports, that provide sufficient information for decision making, on a regular basis?</p> <p>b) Do the minutes document that the board has taken appropriate action, to remedy the reported vacancies?</p>	YES/NO:	Yes Yes			Vacancy report is a part of our in-camera monthly board meeting
6) a) Does the Board receive arrears reports, that provide sufficient information for decision making, on a regular basis?	YES/NO:	Yes			Arrears report is a regular part of our monthly in-camera board meeting

<u>Governance</u>			Service Manager Response/Recommendations/Requirements	<u>Action Taken</u>	<u>Response</u>
b) Do the minutes document that the Board has taken appropriate action to remedy the reported arrears?		Yes			Yes, as per the board advise we are taking action for arrears
7) a) Are year-to-date spending analysis reports received by the Board on a regular basis (at least quarterly)? b) Do the minutes show that the Board has taken appropriate action if there are significant variances from the approved annual budget?	YES/NO:	Yes NO	We require that the Board receive regular financial reports that include year-to-date revenue and spending analyses, at least quarterly. This information will allow the Board to identify variances from budgeted and expected results and take appropriate corrective action. Taking prompt corrective action when variances arise helps ensure that the corporation does not encounter financial difficulty. During the year the Board received variance reports. We could find no evidence that the Board considered these reports and took action to correct the variances or took these variances into consideration when making other spending decisions. The Board should review variance reports and ensure that they understand why significant variances have occurred. If possible, corrective action should be taken to correct the variance. For example, discretionary spending in that category could be reduced for the rest of the year. Alternatively, the Board should ensure that	Board discussed during Jan 21, 2020 meeting ➤ Our Property Management staffs presented to the Board a monthly financial statement. We the Board of Directors have created a Financial Statement Manual. Thus, each month the Board has a “Special Meeting” where we examined and discussed various issues including variances in our Financial Statements. We then	We are providing financials on monthly basis to the board. Board discussed during Jan 21, 2020 meeting about variances and start working on the reduction plan.

<u>Governance</u>			Service Manager Response/Recommendations/Requirements	<u>Action Taken</u>	<u>Response</u>
			<p>the variance is taken into account when other financial decisions are being made to ensure that they are able to achieve their overall budgeted results for the year. This can be done by increasing revenue to offset increased spending or by using under spending in one expense to offset overspending in another expenses.</p> <p>We require that the Board review its processes to ensure that it reviews the variance and other financial reports it receives and takes appropriate follow-up action.</p>	address this at the next scheduled Board meeting.	
<u>Rent Geared-to-Income Administration</u>					
8) <u>Internal Transfer Policy (Housing Services Act O.Reg 367/11 s. 47)</u>	YES/NO	No	<p>The Board has not established written processes and procedures for internal transfers.</p> <p>City Guideline 2012-1 requires that every housing provider establish policies and procedures for internal transfers and establish and maintain a waiting list for internal transfers. You must submit a copy of your internal transfer policy to the City.</p>	<p>Member Selection and Unit Allocation By-law in place – By- law no. 18</p> <p>➤ As mentioned above, RGI internal transfers are in accordance with City guideline and can be found in our By-Law book. However, we took your advice and created a “RGI Internal</p>	By law no 18 in place for Article 5 / 6

<u>Governance</u>			Service Manager Response/Recommendations/Requirements	<u>Action Taken</u>	<u>Response</u>
Does the corporation have an Internal Transfer Policy that complies with SHRA regulation 339?	Date established in Minutes:	Mar 26, 2001 passed by the members	<p>In accordance with City Guideline 2012-1, housing providers must continue to follow the internal transfer rules as set out in the former SHRA, Regulation 339.</p> <p>We require that the Board establish policies and procedures for internal transfers and submit this to the City of Toronto, as required by the City Guideline 2012-1. Please refer to our website tool for assistance in developing policies and procedures related to internal transfers:</p> <p>https://www.toronto.ca/community-people/community-partners/social-housing-providers/policy-and-procedures-development-tools/internal-transfer-policy/</p>	<p>Transfer Policies and Procedures Manual” which includes a waiting list that is influenced by special circumstances. To illustrate, priority is given to households with medical conditions, over-households, and under housed households. Our By-law supports this process.</p>	<p>Web link information download and file for further use.</p>
	Other Comments:	No			
9) <u>System for Dealing with Reviews (Housing Services Act s. 155-158)</u>	YES/NO:	No	<p>The Board has not established written processes and procedures for dealing with reviews.</p> <p>Under the Housing Services Act a member of a household may, on behalf of the household, request a review of certain decisions. Housing providers are required to follow specific notification requirements for Rent-Geared-to-Income (RGI) applicants and households. The rules for proper notification and holding the “Review” are outlined in Chapter 7 of the RGI</p>	<p>➤ Again, we adhered and created a Manual that contains guidelines when dealing with review request.</p>	<p>Please note that whenever we send a cover letter after annual review we mentioned in the letter that “You may ask for review of this decision by submitting a written</p>
Does the corporation have a system for dealing with reviews that complies with HSA, s. 155-158?	Date established in Minutes:				

<u>Governance</u>			Service Manager Response/Recommendations/Requirements	<u>Action Taken</u>	<u>Response</u>
	Other Comments:		Administration Manual. We require that the Board update and implement a system for dealing with reviews that complies with HSA, s. 155-158. Please refer to Chapter 7 in the RGI Administration Manual as well as the tool on our website for assistance in developing policies and procedures related to reviews: https://www.toronto.ca/community-people/community-partners/social-housing-providers/policy-and-procedures-development-tools/developing-a-system-for-dealing-with-reviews-policy-tool/		letter 10 days after receiving this notice.” Web link information printed for further use.
10) <u>Guest Policy (Housing Services Act O.Reg. 367, s.96.(4))</u>	YES/NO:	No	The Board has not established written rules for the temporary accommodation of guests. The Housing Services Act O. Reg. 367/11, s. 96 (4) requires housing providers to have a Guest Policy.	By-law no 6 revised in place passed by the members on Feb 10, 2015. ➤ We have now established a Manual binder with copies from our by-law that reflects the Housing Service Act when governing “temporary guests in “RGI units”	Article 8 members household and guests – by-law in place under Occupancy by-law no 6 revised Feb 10, 2015
Does the corporation have a guest policy that complies with HSA, regulation 367/11 s. 96(4)?	Date established in Minutes:	No	Boards must: 1) Establish a Guest Policy that outlines the rules governing the temporary accommodation of guests in		

<u>Governance</u>			Service Manager Response/Recommendations/Requirements	<u>Action Taken</u>	<u>Response</u>
	Other Comments:		<p>rent geared-to-income units. 2) Submit a copy of your Guest Policy to the City of Toronto. 3) Provide a copy of your Guest Policy to tenants that request one.</p> <p>We require that the Board establish policies and procedures for the temporary accommodation of guests in Rent-Geared-to-Income units and submit this to the City of Toronto as required under the Housing Services Act O. Reg. 367/11, s. 96 (4).</p> <p>Please refer to the tool on our website for assistance in developing policies and procedures related to the temporary accommodation of guests:</p> <p>https://www.toronto.ca/community-people/community-partners/social-housing-providers/policy-and-procedures-development-tools/guest-policy-development-tool/</p>		<p>Web link information printed for further use.</p>
<u>11) Dealing with Information (Housing Services Act O.Reg. 367/11, s.145-147)</u>	YES/NO:	No	<p>The Corporation does not have written processes and procedures in place for the collection, use, disclosure and safeguarding of personal information received.</p> <p>HSA, O.Reg. 367/11, s.145-147 and the Rent-Geared-</p>	<p>By-law no 6 revised in place passed by the members on Feb 10, 2015.</p> <ul style="list-style-type: none"> ➤ We have created a binder with context from our By-Law and are in 	<p>Article 17 miscellaneous , personal information to</p>

<u>Governance</u>			Service Manager Response/Recommendations/Requirements	<u>Action Taken</u>	<u>Response</u>
Does the corporation have written policies governing its standards for the collection, use, safeguarding and disclosure of personal information received?	Date established in Minutes:		to-Income Service Agreement with the City contain prescribed standards for the collection, use, disclosure, and safeguarding of personal information received. To ensure compliance with HSA, O. Reg. 367/11, s. 145-147 and your Rent Geared-to-Income Service Agreement we require that the Board establish processes and procedures that set clear guidelines for directors and staff with regards to handling personal information.	compliance with HSA “Confidentiality Policy.” For instance, how personal and confidential information of members are stored, disposed of and shared. Our guidelines also include a system that permits regularly Board reviews to safeguard confidentiality by both the management staffs and Board directors.	membership - under Occupancy by-law no 6 revised Feb 10, 2015
	Other Comments:		Please refer to our website's tool for assistance: https://www.toronto.ca/community-people/community-partners/social-housing-providers/policy-and-procedures-development-tools/confidentiality-policy-development-tool/		Web link information printed for further use.
12) <u>Records Management (Housing Services Act O.Reg. 367/11, s.102)</u>	YES/NO:	No	The Corporation does not have written processes and procedures in place for records management. HSA, O.Reg. 367/11, s.102 and the terms of your Rent Geared-to-Income Service Agreement require that	Adding Risk management head under schedule B – Board Responsibilities page 38 of organizational by-law ➤ We have implemented a record	Noted for compliance

<u>Governance</u>			Service Manager Response/Recommendations/Requirements	<u>Action Taken</u>	<u>Response</u>
Does the corporation have written processes and procedures governing records management?	Date established in Minutes:		financial and project records be kept for at least seven (7) years. Rent-Geared-to-Income household files must be kept for the period that a household lives in a project and at least seven (7) years after the expiration of your Rent Geared-to-Income Service Agreement.	keeping system with guidelines for managing “Rent-Geared-to-Income financial records—this system will ensure that RGI supporting documents are kept for the duration of occupancy and seven (7) years thereafter.	Web link information printed for further use.
	Other Comments:		<p>We require that the Board implement a documented process that ensures that records are managed in accordance with the requirements of the HSA and your Rent Geared-to-Income Service Agreement.</p> <p>Please refer to the tool on our website for assistance:</p> <p>https://www.toronto.ca/community-people/community-partners/social-housing-providers/policy-and-procedures-development-tools/records-management-policy-tool/</p>		
13) <u>Occupancy Agreements (HSA O.Reg. 367/11, s.100) (City Guideline 2007-2)</u>	YES/NO:	No	The Corporation does not have a documented process in place to ensure that occupancy agreements are updated to reflect all legislated requirements.	By-law no 6 revised in place passed by the members on Feb 10, 2015	Article 6 Use of Units 6.2 Principal Residence - under Occupancy by-law no 6 revised Feb 10, 2015 – A member may not be absent from the coop unit for a total of more
Does the corporation have processes and procedures to	Date established in Minutes:		<p>Occupancy agreements should include all requirements of the HSA, the Residential Tenancies Act, and any other relevant legislation and City Guideline 2007-2.</p> <p>We require that the Board develop, document and implement a system that ensures that the</p>	<p>Updating application from 120 to 90 days point 19.</p> <p>➤ Coupled with the Harry Sherman’s Crowe’s By-law, we have implemented an updated Occupancy Agreement that incorporates the</p>	

<u>Governance</u>			Service Manager Response/Recommendations/Requirements	<u>Action Taken</u>	<u>Response</u>
ensure that occupancy agreements are periodically updated to reflect all legislated requirements?	Other Comments:	Occupancy agreements still refer to outdated RGI administration rules for e.g. the absence from the unit rule still refers to 120 days out of the unit.	information in their standard occupancy agreement is kept current. This system must include annual confirmation by the Board (documented in the Board minutes) that your standard occupancy agreement has been updated as required and is current.	Residential Tenancies Act, and the City's guidelines to achieve relevancy.	than three months (90 days) in any year. Will update the application form.
14) Documented processes for Rent-Geared-to-Income Administration	YES/NO:	Yes	The Corporation has not properly documented its processes for Rent-Geared-to-Income administration.	Rent-Geared-to-Income documents printed and file in the binder.	Following the city guidelines
Does the corporation have documented processes and procedures governing all aspects of rent geared-to-income administration?	Date established in Minutes:	No	Documented business processes enable the Board to establish expectations for how they expect business to be conducted. It also assists staff in ensuring that they are completing transactions properly. Processes and procedures relating to legislated policy requirements and Rent-Geared-to-Income administration must be documented.	<ul style="list-style-type: none"> ➤ We have develop a Manual using the City's guidelines that will ensure our Co-op's annual review of income and eligibility for those receiving RGI are done within the timeframe set by HAS. We have also included in the RGI Manual directions for filling RGI vacancies, using those guidelines set out in the City's RGI policies and procedures. 	Web link information printed for further use.
	Other Comments:	It is not a process approved by the Board. It is an excerpt from RGI Manual	We require that the corporation document their process for the annual review of income and eligibility for those receiving Rent-Geared-to-Income assistance. This should include the corporation's process for pursuit of income.	<ul style="list-style-type: none"> ➤ The board has ensured that the management staff involved with RGI review is fully trained and up to date 	
			Please refer to the development tool on our website for assistance:		

<u>Governance</u>			Service Manager Response/Recommendations/Requirements	Action Taken	Response
			https://www.toronto.ca/community-people/community-partners/social-housing-providers/policy-and-procedures-development-tools/business-process-for-annual-income-and-asset-review/	with the RGI administration requirements ➤ The board has incorporated regular updates on RGI administration process into monthly board meeting package	
15) Documented process for filling Rent-Geared-to-Income units	YES/NO:	No	The Corporation has not documented its process for filling rent-geared-to-income units. The process shall include the requirements for selecting waiting households in City Guideline 2012-1.	➤ Manual has been created and easily access by management staffs.	Noted for compliance
	Date established in Minutes:	No	Documented business processes enable the Board to establish expectations for how business is to be conducted. They also assist staff in ensuring that they are completing transactions properly. Processes and procedures relating to legislated policy requirements and rent-geared-to-income administration should be documented.		
Does the corporation have processes and procedures governing how it fills vacant rent geared-to-income units?	Other Comments:	No It is not a process approved by the Board. It is an excerpt from RGI Manual	We require that the corporation document its process for filling rent-geared-to-income units. Please refer to our website's tool for assistance: https://www.toronto.ca/community-people/community-partners/social-housing-providers/policy-and-		Web link information printed for use.

<u>Governance</u>			Service Manager Response/Recommendations/Requirements	<u>Action Taken</u>	<u>Response</u>
			procedures-development-tools/selecting-households-for-rent-gearred-to-income-units-procedure-development-tool/		
<u>16) Access Plan – Alternative Housing</u>	YES/NO/Not Applicable:	Not Applicable			
<u>17) Centralized Waiting List</u> Based on the walk-through of the housing provider's process used to fill one or more recent RGI vacancies is the housing provider filling RGI vacancies properly?	YES/NO:	Since staff is new appointed and do not have access yet to CWL, we were unable to carry on the walk-through process.	<p>We require that you immediately direct your staff to follow your documented procedures for filling RGI vacancies when filling any RGI vacancy.</p> <p>We require that all staff involved in the filling of RGI units register for the next Waiting List Management training session and successfully complete it.</p> <p>We require that until notified otherwise by the City you must seek the approval of your Housing Consultant before offering an RGI vacancy to any applicant other than the #1 applicant on your current subsidiary waiting list.</p>	<p>Relevant staff just complete the course</p> <ul style="list-style-type: none"> ➤ There is a RGI Manual/binder with guidelines for management staff to follow when filling RGI vacancies. 	Noted for compliance

This is Exhibit "E" referred to in
the Affidavit of Julie Western
Set, sworn on the 10th day of
November, 2022.

A handwritten signature in black ink, appearing to read "Mark Siboni". The signature is written in a cursive style with a large initial "M" and a distinct "S".

Mark Siboni
A Commissioner for taking Affidavits

From: [Suzana Lama](#)
To: ["harrysherman@bellnet.ca"](mailto:harrysherman@bellnet.ca)
Cc: ["saud@mpmg.ca"](mailto:saud@mpmg.ca); ["Rosell Kerr"](#)
Subject: Operational and RGI Review Response
Date: July 7, 2020 3:45:10 PM
Attachments: [H01- OR Report 2019 reply Feb 4 2020.doc](#)
[Harry Sherman - RGI Review result letter 2019.pdf](#)
[H04- RGI Review Checklist-Board Version.pdf](#)
[image001.png](#)

Hi Rosell,

Hope you and your family are doing well.

I am writing to bring to your attention that a follow up response for the Operational Review 7 out of 16 outstanding items was due on March 26, 2020. I also want to mention that a specific response related to the RGI review is not submitted as required. I attached for your convenience both reports and my comments sent on Feb 10, 2020 in the email below.

The outstanding issues require the Board's immediate attention. Please respond by **August 10, 2020** stating the status of the completion of the outstanding items and an action plan of addressing the ones that are still in progress.

Please let me know if you have any questions or need clarifications.

Regards,

Suzana

Suzana Lama

Housing Consultant

Shelter, Support & Housing Administration

[City of Toronto](#)

416-338-8210



From: Suzana Lama

Sent: February 10, 2020 5:52 PM

To: 'Kerr, Rosell'

Cc: rosellkerr5@gmail.com

Subject: RE: SKM_C335120020615590.pdf

Hi Rosell,

Thank you for your response to our latest Operational and RGI reviews. I commend the Board for dealing with a number of items that were listed in the original report in a timely fashion.

Here are my detailed comments on each of the outstanding items:

1. **Internal Transfer Policy** – it is required to be submitted to the City of Toronto as per City Guideline 2012-1; This item will be listed as **outstanding** till this policy is submitted to the City.
2. **System for Dealing with Reviews** – it is mentioned on the comments column that *"we send a cover letter after annual review we mentioned in the letter that "You may ask for review of this decision by submitting a written letter 10 days after receiving this notice"*. This still refers to SHRA requirements. SHRA is replaced by HSA since 2011. Please refer to the link provided in the report to get the latest requirement on this particular policy and update yours accordingly. – This item is still **outstanding**
3. **Guest Policy** - it is required to be submitted to the City of Toronto. It will be listed as

- outstanding** till it is submitted.
4. **Dealing with Information** - Please submit a copy for our review and documentation. it will be listed as **outstanding** till submitted
 5. **Records Management** – in the comments column it is stated as "*Noted for compliance*". Please set a date when the corporation will have this policy in place and approved by the Board and send a copy to the City. – This item is still **outstanding**.
 6. **Occupancy Agreements** – this item requires the corporation to have a policy in place to ensure that Occupancy Agreements are up to date with legislation requirements. Refer to City Guideline 2007-2 - This item is still **outstanding**
 7. **Documented process for filling RGI units** - in the comments column it is stated as "*Noted for compliance*". Please set a date when the corporation will have this policy in place and approved by the Board and send a copy to the City. – This item is still **outstanding**

Please report back on the completion/progress of the above listed outstanding items by March 26, 2020. I have attached the report for your reference.

Please let me know if you have any questions or need assistance to develop the above noted policies/procedures.

Regards,

Suzana

Suzana Lama

Housing Consultant

Shelter, Support & Housing Administration

Housing Stability Services (HSS)

416-338-8210

suzana.lama@toronto.ca

Metro Hall, 6th Floor

55 John Street

Toronto, ON M5V 3C6

From: Kerr, Rosell [<mailto:Rosell.Kerr@sinaihealth.ca>]

Sent: February 6, 2020 4:11 PM

To: Suzana Lama

Cc: rosellkerr5@gmail.com

Subject: SKM_C335120020615590.pdf

Hello Suzana,

Please find in the attachments task taken responses to the RGI and Operation review report.

Thanks,

Rosell

This e-mail may contain confidential and/or privileged information for the sole use of the intended recipient. If you are not the intended recipient, you are strictly prohibited from reviewing, copying or disclosing this e-mail. If you have received this e-mail in error, please immediately notify the sender and delete all copies.

This is Exhibit "F" referred to in
the Affidavit of Julie Western
Set, sworn on the 10th day of
November, 2022.

A handwritten signature in black ink, appearing to read "Mark Siboni", written over a horizontal line.

Mark Siboni
A Commissioner for taking Affidavits

Completed by:

In Attendance

City of Toronto: Suzana Lama

Harry Sherman Crowe Housing Co-op
Sehrish Arsalan – housing administrator
Muhamed Kaleem – property manager

**Housing Provider
Information**

Program: Sec 103

Mandate: N/A

of Units: 164

Targeting Plan: 82 (after increase min 90 RGI units)

Internal tracking summary

Date issued: **November 18, 2019** # of outstanding requirements: **12 out of 16**

Response deadline: February 6, 2020

Follow-up date: **February 10, 2020** # of outstanding requirements: **7 out of 16**

Follow-up date: August 31, 2020__# of outstanding requirements **6 out of 16**

Response deadline: November 5, 2020

Follow-up date_____ # of outstanding requirements_____

Follow-up date_____ # of outstanding requirements_____

Please note that this report may include information which is protected under the Housing Services Act and Regulations (hereinafter referred to collectively as "HSA"). No personal information contained in this report should be released except in the manner prescribed by the HSA and Regulations. This report may also include information that is protected under the Municipal Freedom of Information and Protection of Privacy Act. No information contained in this report should be released except as prescribed by the Municipal Freedom of Information and Protection of Privacy Act.

The purpose of this Operational Review is to evaluate how well **Harry Sherman Crowe Housing Co-op** is meeting the requirements of the HSA and the Corporation's Rent Geared-to-Income Service Agreement (if applicable). This report does not indicate compliance with any other legal requirement. This report does not provide a complete statement of issues and concerns arising from the operation of the housing project. This report is not intended to be relied upon by any third party.

The City of Toronto, its employees, consultants and agents are not liable for any injury or damage (including death), property loss, damage, costs or expenses sustained by or claims or actions against the housing provider, its directors, officers, employees, independent contractors, residents, members or any third party, which may arise directly or indirectly from oral or written statements made by the City, its employees, consultants or agents as a result of the Operational Review conducted by the City.

The housing provider is advised to take all steps which may be needed to satisfy itself as to the validity of the advice and recommendations made by the City, and as to its compliance with the City's requirements and at law.

This report is provided in confidence for the sole use of the housing provider. The recipient shall keep the contents of this report confidential and shall not disclose any part of its contents to any other person without the prior written consent of the City of Toronto.

The purpose of this report is to assist **Harry Sherman Crowe Housing Co-op** in meeting its contractual obligations to the City of Toronto regarding the management and maintenance of the housing project that is the subject of this report. This report does not indicate compliance with any other legal requirement. This report does not provide a complete statement of issues and concerns arising from the operation of the housing project. This report is not intended to be relied upon by any third party.

The City of Toronto, its employees, consultants and agents are not liable for any injury or damage (including death), property loss, damage, costs or expenses sustained by or claims or actions against the housing provider, its directors, officers, employees, independent contractors, residents, members or any third party, which may arise directly or

indirectly from oral or written statements made by the City, its employees, consultant or agents as a result of the review conducted by the City.

The housing provider is advised to take all steps which may be needed to satisfy itself as to the validity of the advice and recommendations made by the City, and as to its compliance with the City's requirements and at law.

Governance			Service Manager Response/Recommendations/Requirements	Action Taken	Response
<p>1) Process for the Management of Policies and Procedures Documentation</p> <p>Does the corporation maintain a policies and procedures binder that contains original copies of all approved policies?</p>	<p>YES/NO:</p> <p>Other Comments:</p>	<p>No</p> <p>Corporate has an outdated set of by-laws which do not reflect the changes in</p>	<p>A policies and procedures manual will outline the various roles of staff and the Board with regard to each decision and action taken on behalf of the corporation. Staff must know what the Board's expectations are and the Board must have an accountability framework against which to evaluate their staff and themselves.</p> <p>Throughout this report, reference is made to the corporation's management of Board approved policy and procedure documentation. Document management is critical to ensuring that actions taken on behalf of the board are consistent with board expectations.</p> <p>We require the Board to develop a process for the management of policies and procedures documentation. Upon approval of a board policy or procedure, original copies of the documents should be:</p> <p>a. Signed and dated; b. Affixed with a reference to the board meeting in which they were approved; and,</p>	<p>Binder of By-laws & Policy are in place</p> <ul style="list-style-type: none"> ➤ We have now implemented a Procedural Manual for both the Board of Directors and our staffs to use if needed as quick references. This Manual defines the roles of the Board and the roles of our Management staffs as it pertains to the corporation. We have established transparency between the Board and Management staffs. ➤ We understand the importance of having a clear understanding of roles and expectations. An effective way to accomplish this is through clear documentation of policies and procedures. 	<p>Kindly note that By-laws and policy binder for Harry Sherman in place with the Index reference with complete detail about approval and signed</p> <p>Action required: Please ensure that the by-laws are up to date</p>

<u>Governance</u>			Service Manager Response/Recommendations/Requirements	<u>Action Taken</u>	<u>Response</u>										
		HSA requirements	<p>c. Secured in a policies and procedures binder. This binder should have a contents list at the front of the binder that also contains a cross reference to board approval dates.</p> <p>Quick access to approved policies and procedures can be achieved if they are scanned and stored in a computer drive or web site that has word search capability. These documents Should be fully accessible to the board and designated staff.</p>		Binder also scanned and saved in the system for further use.										
2) Did the Board meet and have a quorum at least four times in the past year (HSA O.Reg. 367/11 s. 100)	Meeting dates for past year:	Yes	<table border="0"> <tr> <td>Dec 11, 2019</td> <td>Jan 29, 2019</td> </tr> <tr> <td>Feb 26, 2019</td> <td>March 19, 2019</td> </tr> <tr> <td>May 28, 2019</td> <td>August 13, 2019</td> </tr> <tr> <td>August 27, 2019</td> <td>Sep 24, 2019</td> </tr> <tr> <td>Oct 22, 2019</td> <td>Nov 5, 2019</td> </tr> </table>	Dec 11, 2019	Jan 29, 2019	Feb 26, 2019	March 19, 2019	May 28, 2019	August 13, 2019	August 27, 2019	Sep 24, 2019	Oct 22, 2019	Nov 5, 2019		Quorum achieved
Dec 11, 2019	Jan 29, 2019														
Feb 26, 2019	March 19, 2019														
May 28, 2019	August 13, 2019														
August 27, 2019	Sep 24, 2019														
Oct 22, 2019	Nov 5, 2019														
3) Does the corporation maintain a minute book in an organized manner?	YES/NO:	<p>Yes</p> <p>However, not all of them were signed and dated</p>	<p>The Housing Services Act O. Reg. 367/11, s.92 requires that you are in good standing under the <i>Co-operative Corporations Act</i>. One of the requirements of this Act is that you keep proper corporate minutes.</p> <p>Our review of the minutes of Board meetings indicates that the minutes are not being properly kept. For example. Not all of them were signed and dated.</p>	Getting signature from July 2019 onward	As our management took over the site from July, 2019 we are getting signatures on the approved minutes each time.										

<u>Governance</u>			Service Manager Response/Recommendations/Requirements	<u>Action Taken</u>	<u>Response</u>
			<p>We require that the minutes of the meetings of the Board of Directors be maintained in accordance with the requirements of the Co-operative Corporation's Act] For instance, minutes of all proceedings at meetings of the members, directors, and any executive committee must be recorded and kept in books for that purpose. Also, the minutes must be properly certified (approved, dated and signed) by the chairperson and the secretary of the meeting at which the proceedings were held or by the chair and secretary of the next succeeding meeting.</p> <p>We require that you develop a Corporate Minutes - Records Management Policy that ensures you are in compliance with the Co-operative Corporation's Act. Please see the tool on our website to assist you:</p> <p>https://www.toronto.ca/community-people/community-partners/social-housing-providers/policy-and-procedures-development-tools/corporate-minutes-records-management-policy-development-tool/</p>		<p>Web link checked and print the required information for practice.</p>
4) a) Are all City Guidelines, and other correspondence from the City	YES/NO:	Yes	<p>During our review of the corporate minutes, we found that the Board has formally received the correspondence from the City.</p> <p>However, they are not addressed to the Board to ensure</p>	<p>➤ (4-B)Correspondences from the City are being added to Board meeting's agendas and the property management team provides recommendation when necessary. We</p>	

<u>Governance</u>			Service Manager Response/Recommendations/Requirements	<u>Action Taken</u>	<u>Response</u>
received by the Board? b) Do the minutes show that action taken where appropriate?		No	<p>that they are sufficiently informed to make necessary decisions, implement any action required (including amending by-laws, as necessary) and direct staff accordingly. The Board must take action where appropriate upon receipt of these documents.</p> <p>We require that the corporation:</p> <p>a. Implement a process to ensure that all City Guidelines and other correspondence from the City are received by the Board; This process must include:</p> <ol style="list-style-type: none"> 1. Add 'City Correspondence' as a standing agenda item for all Board meetings; and, 2. Require management to summarize and make recommendations on any action required arising out of any City correspondence. <p>To assist you in this process, all City Guidelines are available on the City's website. All guidelines contain a section called 'Action Required'.</p> <p>To give the Board an assurance that they are up to date and complying with all City requirements, you may want to require your manager to copy the 'Action Required' section from City Guidelines and paste it (with recommendations) into the Manager's Report for Board meetings.</p>	have created a binder for all pertinent updates and correspondence from the City's website that are printed and store.	City correspondence shared with the board after operational review during the board meeting

<u>Governance</u>			Service Manager Response/Recommendations/Requirements	<u>Action Taken</u>	<u>Response</u>
5) a) Does the Board receive vacancy reports, that provide sufficient information for decision making, on a regular basis? b) Do the minutes document that the board has taken appropriate action, to remedy the reported vacancies?	YES/NO:	Yes Yes			Vacancy report is a part of our in-camera monthly board meeting
6) a) Does the Board receive arrears reports, that provide sufficient information for decision making, on a regular basis? b) Do the minutes document that the	YES/NO:	Yes Yes			Arrears report is a regular part of our monthly in-camera board meeting

<u>Governance</u>			<u>Service Manager Response/Recommendations/Requirements</u>	<u>Action Taken</u>	<u>Response</u>
Board has taken appropriate action to remedy the reported arrears?					Yes, as per the board advise we are taking action for arrears
7) a) Are year-to-date spending analysis reports received by the Board on a regular basis (at least quarterly)? b) Do the minutes show that the Board has taken appropriate action if there are significant variances from the approved annual budget?	YES/NO: Yes NO	<p>We require that the Board receive regular financial reports that include year-to-date revenue and spending analyses, at least quarterly. This information will allow the Board to identify variances from budgeted and expected results and take appropriate corrective action. Taking prompt corrective action when variances arise helps ensure that the corporation does not encounter financial difficulty.</p> <p>During the year the Board received variance reports. We could find no evidence that the Board considered these reports and took action to correct the variances or took these variances into consideration when making other spending decisions.</p> <p>The Board should review variance reports and ensure that they understand why significant variances have occurred. If possible, corrective action should be taken to correct the variance. For example, discretionary spending in that category could be reduced for the rest of the year. Alternatively, the Board should ensure that the variance is taken into account when other financial</p>	<p>Board discussed during Jan 21, 2020 meeting</p> <ul style="list-style-type: none"> ➤ Our Property Management staffs presented to the Board a monthly financial statement. We the Board of Directors have created a Financial Statement Manual. Thus, each month the Board has a “Special Meeting” where we examined and discussed various issues including variances in our Financial Statements. We then address this at the next scheduled Board meeting. 	<p>We are providing financials on monthly basis to the board.</p> <p>Board discussed during Jan 21, 2020 meeting about variances and start working on the reduction plan.</p>	

<u>Governance</u>			Service Manager Response/Recommendations/Requirements	<u>Action Taken</u>	<u>Response</u>
			<p>decisions are being made to ensure that they are able to achieve their overall budgeted results for the year. This can be done by increasing revenue to offset increased spending or by using under spending in one expense to offset overspending in another expenses.</p> <p>We require that the Board review its processes to ensure that it reviews the variance and other financial reports it receives and takes appropriate follow-up action.</p>		
<u>Rent Geared-to-Income Administration</u>					
<u>8) Internal Transfer Policy (Housing Services Act O.Reg 367/11 s. 47)</u>	YES/NO	No	<p>The Board has not established written processes and procedures for internal transfers.</p> <p>City Guideline 2012-1 requires that every housing provider establish policies and procedures for internal transfers and establish and maintain a waiting list for internal transfers. You must submit a copy of your internal transfer policy to the City.</p>	Member Selection and Unit Allocation By-law in place – By- law no. 18	<p>By law no 18 in place for Article 5 / 6</p> <p>Action required:</p> <ul style="list-style-type: none"> ○ Please ensure that the by-laws are up to date ○ please submit
Does the corporation have an Internal	Date established in Minutes:	Mar 26, 2001 passed by the members	In accordance with City Guideline 2012-1, housing providers must continue to follow the internal transfer	➤ As mentioned above, RGI internal transfers are in accordance with City guideline and can be found in our By-Law book. However, we took your advice and created a “RGI Internal Transfer Policies and Procedures Manual” which includes a waiting list that is influenced by special	

<u>Governance</u>			Service Manager Response/Recommendations/Requirements	<u>Action Taken</u>	<u>Response</u>
Transfer Policy that complies with SHRA regulation 339?	Other Comments:	No	<p>rules as set out in the former SHRA, Regulation 339.</p> <p>We require that the Board establish policies and procedures for internal transfers and submit this to the City of Toronto, as required by the City Guideline 2012-1. Please refer to our website tool for assistance in developing policies and procedures related to internal transfers:</p> <p>https://www.toronto.ca/community-people/community-partners/social-housing-providers/policy-and-procedures-development-tools/internal-transfer-policy/</p>	<p>circumstances. To illustrate, priority is given to households with medical conditions, over-households, and under housed households. Our By-law supports this process.</p>	<p>signed and dated policy and reflect the approval in the Board Minutes</p> <p>Web link information download and file for further use.</p>
9) <u>System for Dealing with Reviews (Housing Services Act s. 155-158)</u>	YES/NO:	No	<p>The Board has not established written processes and procedures for dealing with reviews.</p> <p>Under the Housing Services Act a member of a household may, on behalf of the household, request a review of certain decisions. Housing providers are required to follow specific notification requirements for Rent-Geared-to-Income (RGI) applicants and</p>	<p>➤ Again, we adhered and created a Manual that contains guidelines when dealing with review request.</p>	<p>Please note that whenever we send a cover letter after annual review we mentioned in the letter that “You may ask for review</p>
Does the corporation have a system for dealing with reviews	Date established in Minutes:				

<u>Governance</u>			Service Manager Response/Recommendations/Requirements	<u>Action Taken</u>	<u>Response</u>
that complies with HSA, s. 155-158?			households. The rules for proper notification and holding the “Review” are outlined in Chapter 7 of the RGI Administration Manual.		of this decision by submitting a written letter 10 days after receiving this notice.”
	Other Comments:		<p>We require that the Board update and implement a system for dealing with reviews that complies with HSA, s. 155-158. Please refer to Chapter 7 in the RGI Administration Manual as well as the tool on our website for assistance in developing policies and procedures related to reviews:</p> <p>https://www.toronto.ca/community-people/community-partners/social-housing-providers/policy-and-procedures-development-tools/developing-a-system-for-dealing-with-reviews-policy-tool/</p>		<p>Action required:</p> <p>1. The policy should clearly state the type of decisions that are subject to HP reviews.</p> <ul style="list-style-type: none"> ○ eligibility for RGI assistance ○ size and type of unit that a household is eligible for ○ amount of rent payable ○ eligibility for special needs housing <p>- It should</p>

<u>Governance</u>			Service Manager Response/Recommendations/Requirements	<u>Action Taken</u>	<u>Response</u>
					<p>clearly state that losing eligibility for RGI assistance decision is reviewed by City of Toronto.</p> <p>2. Please ensure that the letter is updated. The 10 days rule is no longer in effect. Please refer to letter templates contained in the RGI Administration Manual.</p> <p>Web link information printed for further use.</p>

Governance			Service Manager Response/Recommendations/Requirements	Action Taken	Response
10) <u>Guest Policy (Housing Services Act O.Reg. 367, s.96.(4))</u>	YES/NO:	No	The Board has not established written rules for the temporary accommodation of guests. The Housing Services Act O. Reg. 367/11, s. 96 (4) requires housing providers to have a Guest Policy.	By-law no 6 revised in place passed by the members on Feb 10, 2015. ➤ We have now established a Manual binder with copies from our by-law that reflects the Housing Service Act when governing “temporary guests in “RGI units”	Article 8 members household and guests – by-law in place under Occupancy by-law no 6 revised Feb 10, 2015
Does the corporation have a guest policy that complies with HSA, regulation 367/11 s. 96(4)?	Date established in Minutes:	No	Boards must: 1) Establish a Guest Policy that outlines the rules governing the temporary accommodation of guests in rent geared-to-income units. 2) Submit a copy of your Guest Policy to the City of Toronto. 3) Provide a copy of your Guest Policy to tenants that request one.		
	Other Comments:		We require that the Board establish policies and procedures for the temporary accommodation of guests in Rent-Geared-to-Income units and submit this to the City of Toronto as required under the Housing Services Act O. Reg. 367/11, s. 96 (4). Please refer to the tool on our website for assistance in developing policies and procedures related to the temporary accommodation of guests: https://www.toronto.ca/community-people/community-partners/social-housing-providers/policy-and-procedures-development-tools/guest-policy-development-tool/		Action required: ○ please submit signed and dated policy and reflect the approval in the Board Minutes

<u>Governance</u>			<u>Service Manager Response/Recommendations/Requirements</u>	<u>Action Taken</u>	<u>Response</u>
					Web link information printed for further use.
11) <u>Dealing with Information (HSA O.Reg. 367/11, s.145-147)</u>	YES/NO: No		The Corporation does not have written processes and procedures in place for the collection, use, disclosure and safeguarding of personal information received.	By-law no 6 revised in place passed by the members on Feb 10, 2015. ➤ We have created a binder with context from our By-Law and are in compliance with HSA “Confidentiality Policy.” For instance, how personal and confidential information of members are stored, disposed of and shared. Our guidelines also include a system that permits regularly Board reviews to safeguard confidentiality by both	Article 17 miscellaneous , personal information to membership - under Occupancy by-law no 6 revised Feb 10, 2015 Action required: ○ please submit
Does the corporation have written policies governing its standards for the collection, use, safeguarding and disclosure of personal information received?	Date established in Minutes:		HSA, O.Reg. 367/11, s.145-147 and the Rent-Geared-to-Income Service Agreement with the City contain prescribed standards for the collection, use, disclosure, and safeguarding of personal information received. To ensure compliance with HSA, O. Reg. 367/11, s. 145-147 and your Rent Geared-to-Income Service Agreement we require that the Board establish processes and procedures that set clear guidelines		

<u>Governance</u>			Service Manager Response/Recommendations/Requirements	<u>Action Taken</u>	<u>Response</u>
	Other Comments:		<p>for directors and staff with regards to handling personal information.</p> <p>Please refer to our website's tool for assistance: https://www.toronto.ca/community-people/community-partners/social-housing-providers/policy-and-procedures-development-tools/confidentiality-policy-development-tool/</p>	the management staffs and Board directors.	<p>signed and dated policy and reflect the approval in the Board Minutes</p> <p>Web link information printed for further use.</p>
12) <u>Records Management (HSA O.Reg. 367/11, s.102)</u>	YES/NO:	No	<p>The Corporation does not have written processes and procedures in place for records management.</p> <p>HSA, O.Reg. 367/11, s.102 and the terms of your Rent Geared-to-Income Service Agreement require that financial and project records be kept for at least seven (7) years. Rent-Geared-to-Income household files must be kept for the period that a household lives in a project and at least seven (7) years after the expiration of your Rent Geared-to-Income Service Agreement.</p>	<p>Adding Risk management head under schedule B – Board Responsibilities page 38 of organizational by-law</p> <ul style="list-style-type: none"> ➤ We have implemented a record keeping system with guidelines for managing “Rent-Geared-to-Income financial records—this system will ensure that RGI supporting 	<p>Noted for compliance</p> <p>Action required:</p> <ul style="list-style-type: none"> ○ please submit signed and dated policy and reflect the approval in the Board Minutes
Does the corporation have written processes and procedures governing records management?	Date established in Minutes:				

<u>Governance</u>			Service Manager Response/Recommendations/Requirements	<u>Action Taken</u>	<u>Response</u>
	Other Comments:		<p>We require that the Board implement a documented process that ensures that records are managed in accordance with the requirements of the HSA and your Rent Geared-to-Income Service Agreement.</p> <p>Please refer to the tool on our website for assistance: https://www.toronto.ca/community-people/community-partners/social-housing-providers/policy-and-procedures-development-tools/records-management-policy-tool/</p>	documents are kept for the duration of occupancy and seven (7) years thereafter.	Web link information printed for further use.
13) <u>Occupancy Agreements (HSA O.Reg. 367/11, s.100) (City Guideline 2007-2)</u>	YES/NO:	No	<p>The Corporation does not have a documented process in place to ensure that occupancy agreements are updated to reflect all legislated requirements.</p> <p>Occupancy agreements should include all requirements of the HSA, the Residential Tenancies Act, and any other relevant legislation and City Guideline 2007-2.</p> <p>We require that the Board develop, document and implement a system that ensures that the information in their standard occupancy agreement is kept current. This system must include annual confirmation by the Board (documented in the Board minutes) that your standard occupancy agreement</p>	<p>By-law no 6 revised in place passed by the members on Feb 10, 2015</p> <p>Updating application from 120 to 90 days point 19.</p> <ul style="list-style-type: none"> ➤ Coupled with the Harry Sherman's Crowe's By-law, we have implemented an updated Occupancy Agreement that incorporates the Residential Tenancies Act, and the City's guidelines to achieve relevancy. 	Article 6 Use of Units 6.2 Principal Residence - under Occupancy by-law no 6 revised Feb 10, 2015 – A member may not be absent from the coop unit for a total of more than three months (90 days) in any year. Will update the application
Does the corporation have processes and procedures to ensure that occupancy agreements are periodically updated to reflect all	Date established in Minutes: Other Comments:	Occupancy agreements still refer to outdated RGI administration			

<u>Governance</u>			Service Manager Response/Recommendations/Requirements	<u>Action Taken</u>	<u>Response</u>
legislated requirements?		rules for e.g. the absence from the unit rule still refers to 120 days out of the unit.	has been updated as required and is current.		form. Action required: <ul style="list-style-type: none"> ○ Please confirm that the application form is updated. ○ please submit signed and dated policy and reflect the approval in the Board Minutes
14) Documented processes for Rent-Geared-to-Income Administration	YES/NO:	Yes	The Corporation has not properly documented its processes for Rent-Geared-to-Income administration.	Rent-Geared-to-Income documents printed and file in the binder.	Following the city guidelines
Does the corporation have documented processes and procedures governing all aspects of rent geared-to-income	Date established in Minutes:	No	Documented business processes enable the Board to establish expectations for how they expect business to be conducted. It also assists staff in ensuring that they are completing transactions properly. Processes and procedures relating to legislated policy requirements and Rent-Geared-to-Income administration must be documented. We require that the corporation document their	<ul style="list-style-type: none"> ➤ We have develop a Manual using the City's guidelines that will ensure our Co-op's annual review of income and eligibility for those receiving RGI are done within the timeframe set by HAS. We have also included in the RGI Manual directions for filling RGI vacancies, using those 	

<u>Governance</u>			Service Manager Response/Recommendations/Requirements	<u>Action Taken</u>	<u>Response</u>
administration?			process for the annual review of income and eligibility for those receiving Rent-Geared-to-Income assistance. This should include the corporation's process for pursuit of income.	<p>guidelines set out in the City's RGI policies and procedures.</p> <ul style="list-style-type: none"> ➤ The board has ensured that the management staff involved with RGI review is fully trained and up to date with the RGI administration requirements ➤ The board has incorporated regular updates on RGI administration process into monthly board meeting package 	Web link information printed for further use.
	Other Comments:	It is not a process approved by the Board. It is an excerpt from RGI Manual	<p>Please refer to the development tool on our website for assistance: https://www.toronto.ca/community-people/community-partners/social-housing-providers/policy-and-procedures-development-tools/business-process-for-annual-income-and-asset-review/</p>		
15) Documented process for filling Rent-Geared-to-Income units	YES/NO:	No	The Corporation has not documented its process for filling rent-geared-to-income units. The process shall include the requirements for selecting waiting households in City Guideline 2012-1.	<ul style="list-style-type: none"> ➤ Manual has been created and easily access by management staffs. 	Noted for compliance
	Date established in Minutes:	No	Documented business processes enable the Board to establish expectations for how business is to be conducted. They also assist staff in ensuring that they are completing transactions properly. Processes and procedures relating to legislated policy requirements and rent-geared-to-income administration should be documented.		
Does the corporation have processes and procedures governing how it fills vacant rent geared-to-income units?	Other Comments:	No It is not a process approved by the Board. It is an excerpt from RGI			

<u>Governance</u>			Service Manager Response/Recommendations/Requirements	<u>Action Taken</u>	<u>Response</u>
		Manual	<p>We require that the corporation document its process for filling rent-gear-to-income units.</p> <p>Please refer to our website's tool for assistance: https://www.toronto.ca/community-people/community-partners/social-housing-providers/policy-and-procedures-development-tools/selecting-households-for-rent-gear-to-income-units-procedure-development-tool/</p>		Web link information printed for use.
<u>16) Access Plan – Alternative Housing</u>	YES/NO/Not Applicable:	Not Applicable			
<u>17) Centralized Waiting List</u> Based on the walk-through of the housing provider's process used to fill one or more recent RGI vacancies is the housing provider filling RGI vacancies properly?	YES/NO:	Since staff is new appointed and do not have access yet to CWL, we were unable to carry on the walk-through process.	<p>We require that you immediately direct your staff to follow your documented procedures for filling RGI vacancies when filling any RGI vacancy.</p> <p>We require that all staff involved in the filling of RGI units register for the next Waiting List Management training session and successfully complete it.</p> <p>We require that until notified otherwise by the City you must seek the approval of your Housing Consultant before offering an RGI vacancy to any applicant other than the #1 applicant on your current subsidiary waiting list.</p>	Relevant staff just complete the course ➤ There is a RGI Manual/binder with guidelines for management staff to follow when filling RGI vacancies.	Noted for compliance

This is Exhibit "G" referred to
in the Affidavit of Julie Western
Set, sworn on the 10th day of
November, 2022.

A handwritten signature in black ink, appearing to read "Mark Siboni", written over a horizontal line.

Mark Siboni
A Commissioner for taking Affidavits

From: [Suzana Lama](#)
To: "Kerr, Rosell"
Cc: ["harrysherman@bellnet.ca"](mailto:harrysherman@bellnet.ca)
Subject: RE: Harry Sherman's Policies - feedback
Date: October 1, 2020 12:14:57 PM
Attachments: [Harry Sherman - RGI Review result letter 2019.pdf](#)
[H04- RGI Review Checklist-Board Version.pdf](#)
[image001.png](#)
[H01- OR Report 2019 reply Aug 31, 2020.doc](#)

Hi Rosell,

Thank you for submitting the policies as per the last operational Review report. I also want to mention that a specific **response related to the RGI review is not submitted as required** and is still outstanding. I attached the report to this email for your easy reference.

Here are my comments regarding the Operational Review response:

There were 7 out of 16 outstanding items as per Operational Review report dated November 18, 2019 and the comments sent on Feb 10, 2020 after the first response submitted by the Board of Directors. I added below the comments regarding the latest submission (as of August 31, 2020):

1. **Internal Transfer Policy** – The policy refers back to the Co-op's internal Transfer by-law which is approved by membership on May 6, 2001. Legislative changes have happened since then and need to be reflected in the by-law so the policy and the by-law will be aligned. This policy submitted is considered draft till it is approved by the Board. If this is already approved, please submit signed and dated policy and reflect the approval in the Board Minutes. The item is still **outstanding**.
2. **System for Dealing with Reviews** The policy should clearly state the type of decisions that are subject to HP reviews.
 - eligibility for RGI assistance
 - size and type of unit that a household is eligible for
 - amount of rent payable
 - eligibility for special needs housing

It should clearly state that losing eligibility for RGI assistance decision is reviewed by City of Toronto.

Action required:

Please ensure that the letter is updated. The 10 days rule is no longer in effect.

Please refer to letter templates contained in the RGI Administration Manual. The item is still **outstanding**

3. **Guest Policy** - This policy submitted is considered draft till it is approved by the Board. If this is already approved, please submit signed and dated policy and reflect the approval in the Board Minutes. The item is still **outstanding**.
4. **Dealing with Information** - This policy submitted is considered draft till it is approved by the Board. If this is already approved, please submit signed and dated policy and reflect the approval in the Board Minutes. The item is still **outstanding**
5. **Records Management** – This policy submitted is considered draft till it is approved by the Board. If this is already approved, please submit signed and dated policy and reflect the approval in the Board Minutes. The item is still **outstanding**
6. **Occupancy Agreements** – **Action required:** Please confirm that the application form is updated. This policy submitted is considered draft till it is approved by the Board. If this is already approved, please submit signed and dated policy and reflect the

approval in the Board Minutes. The item is still **outstanding**

7. **Documented process for filling RGI units** – It is our understanding that the process is developed based on the RGI Administration Manual. This item is **complete**.

I also updated the Operational Review report based on the latest policy submission. Please respond to outstanding items as listed above, actions required and the response to RGI Review report by **November 5, 2020**.

The policies refer to specific co-op by-laws. Please ensure that the by-laws itself are up to date. I strongly suggest that board of directors contact and work with CHFT to ensure that the co-op by-laws are up to date.

Please contact me if you have any questions or need clarifications.

Regards,

Suzana Lama

Housing Consultant

Shelter, Support & Housing Administration

[City of Toronto](#)

416-338-8210



From: Kerr, Rosell [mailto:Rosell.Kerr@sinaihealth.ca]

Sent: August 31, 2020 5:18 PM

To: Suzana Lama

Subject: Harry Sherman's Policies

Hello Suzana,

Sorry for the delay.

Thanks,

Rosell

This e-mail may contain confidential and/or privileged information for the sole use of the intended recipient. If you are not the intended recipient, you are strictly prohibited from reviewing, copying or disclosing this e-mail. If you have received this e-mail in error, please immediately notify the sender and delete all copies.

This is Exhibit "H" referred to
in the Affidavit of Julie Western
Set, sworn on the 10th day of
November, 2022.

A handwritten signature in black ink, appearing to read "Mark Siboni", written over a horizontal line.

Mark Siboni
A Commissioner for taking Affidavits

--ooOoo--

REPORT OF EXAMINATION
HARRY SHERMAN CROWE HOUSING CO-OPERATIVE INC.

Toronto, Ontario

June 30, 2019

--ooOoo--

--ooOoo--

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**To the Members of:
Harry Sherman Crowe Housing Co-operative Inc.**

Opinion

I have audited the financial statements of Harry Sherman Crowe Housing Co-operative Inc. (the Co-operative) which comprise the balance sheet as at June 30, 2019 and the statements of revenue and expenditure, reserve for future capital replacement, accumulated surplus and cash flows for the year then ended and notes to the financial statements, including a summary of significant accounting policies. These financial statements have been prepared by management to satisfy the financial reporting requirements of the Housing Services Act (HSA).

In my opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Harry Sherman Crowe Housing Co-operative Inc. as at June 30, 2019 and the results of its operations and changes in its cash flows for the year then ended in accordance with the financial reporting requirements of the HSA.

Basis for Opinion

I conducted my audit in accordance with Canadian generally accepted auditing standards (GAAS). My responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of my report. I am independent of the Co-operative in accordance with the ethical requirements that are relevant to my audit of the financial statements in Canada, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Basis of Accounting and Restriction on Use

Without modifying my opinion, I draw attention to Note 1 to the financial statements which describes the basis of accounting. The financial statements are prepared to assist Harry Sherman Crowe Housing Co-operative Inc. to comply with the financial reporting requirements of the HSA. As a result, the financial statements may not be suitable for another purpose. My report is intended solely for the members of Harry Sherman Crowe Housing Co-operative Inc. and the City of Toronto and should not be used by other parties.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation of the financial statements in accordance with the financial reporting requirements of the HSA and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error:

In preparing the financial statements, management is responsible for assessing the Co-operative's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Co-operative or to cease operations or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Co-operative's financial reporting process.

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian GAAS will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements

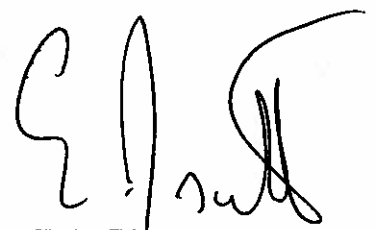
As part of an audit in accordance with Canadian GAAS, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Co-operative's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast doubt on the Co-operative's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosure in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Co-operative to cease to continue as a going concern.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

Willowdale, Ontario

October 8, 2019



CPA, CA
Licensed Public Accountant

June 30,

ASSETS

	2019	2018
Current		
Cash on hand and on deposit, NOTE 8	\$ 347,558	\$ 97,716
Accounts receivable		
Member arrears (less allowance for doubtful accounts 2019 - \$ 8,523, 2018 - \$ 3,049)	31,198	28,285
Monthly subsidy, NOTE 5	132,500	119,180
Reconciled subsidy due from City, NOTE 5	0	3,967
HST rebate	105,617	187,340
Miscellaneous	9,108	5,887
Prepays	<u>12,471</u>	<u>83,268</u>
Total Current Assets	<u>638,452</u>	<u>525,643</u>
 Capital Assets, NOTE 1,11		
Leasehold interest and buildings	23,336,792	23,336,792
Sector support	<u>235,769</u>	<u>235,769</u>
	23,572,561	23,572,561
Less : accumulated amortization	<u>(12,251,376)</u>	<u>(11,329,130)</u>
	<u>11,321,185</u>	<u>12,243,431</u>
 S.H.R.R.P. capital costs, NOTE 12	105,835	158,755
 Reserve Funds, NOTE 8		
Future capital replacement	271,468	309,819
	<u>271,468</u>	<u>309,819</u>
	<u>\$ 12,336,940</u>	<u>\$ 13,237,648</u>

APPROVED ON BEHALF OF THE BOARD


Rosell M. Kerr
 Director


Lessley Manso
 Director

LIABILITIES AND NET ASSETS

	2019	2018
Current		
Accounts payable and accrued charges	\$ 232,584	\$ 94,744
HST payable on commercial parking	3,033	0
Reconciled subsidy due to City, NOTE 5	76,301	0
Due to City, share of retroactive hydro rebate	0	25,328
Accrued mortgage payment	135,089	135,089
Members' deposits	<u>117,875</u>	<u>117,649</u>
Total Current Liabilities	<u>564,882</u>	<u>372,810</u>
Deferred S.H.R.R.P. funding, NOTE 12	105,835	158,755
Term Debt, NOTE 4	11,321,186	12,243,431
Net Assets		
Externally Restricted Net Assets, NOTE 6		
Capital Replacement Reserve	271,468	309,819
Per schedule		
Unrestricted Net Assets		
Contributed Surplus	10,325	10,300
Per schedule		
Accumulated Surplus (Deficit)	<u>63,244</u>	<u>142,533</u>
Per schedule		
	<u>\$ 12,336,940</u>	<u>\$ 13,237,648</u>

The notes on pages 11 through 16 form an integral part of these financial statements.

Year ended June 30, 2019

	2019	2018
STATEMENT OF RESERVE FOR FUTURE CAPITAL REPLACEMENT		
Balance, beginning	\$ 309,819	\$ 335,523
Add		
Appropriation from operations	101,361	99,981
Re-allocation of surplus otherwise refundable to City	0	16,400
Investment income (loss)	<u>7,137</u>	<u>(250)</u>
	418,317	451,654
Less		
Expenditures, NOTE 7	<u>(146,849)</u>	<u>(141,835)</u>
BALANCE JUNE 30	\$ 271,468	\$ 309,819

STATEMENT OF CONTRIBUTED SURPLUS

Balance, beginning	\$ 10,300	\$ 10,300
Add		
Membership fees collected	<u>25</u>	<u>0</u>
BALANCE JUNE 30	\$ 10,325	\$ 10,300

STATEMENT OF ACCUMULATED SURPLUS (DEFICIT)

Balance, beginning	\$ 142,533	\$ 114,981
Add (less)		
Difference in retroactive hydro rebate repayable to City	4,464	0
Net revenue (expense) for the year	<u>(83,753)</u>	<u>27,552</u>
BALANCE JUNE 30	\$ 63,244	\$ 142,533

HARRY SHERMAN CROWE HOUSING CO-OPERATIVE INC.

For the year ending June 30, 2019

	(NOTE 10) 2018/19 BUDGET	2019	2018
REVENUE			
Housing charges			
Market	\$ 963,635	\$ 998,507	\$ 947,989
Geared-to-income	1,199,688	343,948	357,794
City of Toronto subsidy, NOTE 5			
Operating subsidy	571,764	571,701	624,708
Property tax subsidy	145,649	157,138	147,316
Rent geared-to-income subsidy	<u>0</u>	<u>817,216</u>	<u>819,559</u>
	2,880,736	2,888,510	2,897,366
Non occupancy charges, NOTE 9	132,908	148,441	140,476
S.H.R.R.P. grant	52,920	52,920	52,920
Vacancy loss on market units	<u>(20,000)</u>	<u>(18,276)</u>	<u>(10,096)</u>
TOTAL REVENUE	<u>3,046,564</u>	<u>3,071,595</u>	<u>3,080,666</u>
EXPENSES, shelter			
Administrative expense, per schedule	272,424	202,867	263,295
Insurance	44,400	49,560	43,960
Mortgage interest	747,198	691,834	732,791
Amortization	857,579	913,024	872,068
Maintenance contract	0	106,520	24,303
Materials and services, per schedule	267,530	299,715	283,450
Municipal taxes	145,649	157,138	147,316
Utilities	475,000	533,039	474,769
Waste management	42,000	49,145	44,937
Replacement reserve appropriation	101,361	101,361	99,981
Bad debts	5,000	5,474	0
S.H.R.R.P. amortization	<u>52,920</u>	<u>52,920</u>	<u>52,920</u>
TOTAL SHELTER EXPENSE	<u>3,011,061</u>	<u>3,162,597</u>	<u>3,039,790</u>
NET SHELTER REVENUE (EXPENSE)	35,503	(91,002)	40,876
SURPLUS REPAYMENT	<u>0</u>	<u>0</u>	<u>(20,479)</u>
	35,503	(91,002)	20,397
Non-Shelter Component			
Sector support revenue	23,472	23,460	23,365
Interest expense	(7,511)	(6,989)	(8,809)
Amortization expense	<u>(8,700)</u>	<u>(9,222)</u>	<u>(7,401)</u>
	<u>7,261</u>	<u>7,249</u>	<u>7,155</u>
	\$ 42,764	\$ (83,753)	\$ 27,552

HARRY SHERMAN CROWE HOUSING CO-OPERATIVE INC.

For the year ending June 30, 2019

	(NOTE 10) 2018/19 BUDGET	2019	2018
Administrative Overhead			
Management fees	\$ 205,800	\$ 138,987	\$ 194,471
Materials and services	48,524	45,153	52,688
Other	<u>18,100</u>	<u>18,727</u>	<u>16,136</u>
	<u>\$ 272,424</u>	<u>\$ 202,867</u>	<u>\$ 263,295</u>
 Materials and Services			
Building general	\$ 118,510	\$ 104,988	\$ 114,125
Elevators	26,180	22,236	32,533
Electrical systems	10,200	18,386	6,709
Heating, ventilation, plumbing	37,880	73,820	68,916
Grounds	32,300	44,836	27,179
Painting	17,800	6,440	583
Security/life safety systems	<u>24,660</u>	<u>29,009</u>	<u>33,405</u>
	<u>\$ 267,530</u>	<u>\$ 299,715</u>	<u>\$ 283,450</u>
 Utilities			
Electricity	\$ 225,000	\$ 270,303	\$ 256,653
Fuel	85,000	68,562	71,229
Water and sewage	<u>165,000</u>	<u>194,174</u>	<u>146,887</u>
	<u>\$ 475,000</u>	<u>\$ 533,039</u>	<u>\$ 474,769</u>

HARRY SHERMAN CROWE HOUSING CO-OPERATIVE INC.

For the year ending June 30, 2019

	2019	2018
CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES		
Net revenue (expense) for the year	\$ (83,753)	\$ 27,552
Adjusted for non-cash charges		
Amortization	922,246	880,877
Appropriation to reserve	<u>101,361</u>	<u>99,981</u>
	939,854	1,008,410
Changes in non-cash working capital components		
Accounts receivable - arrears	(2,913)	(9,230)
- monthly subsidy	(13,320)	14,810
- HST rebate	81,723	(1,723)
- miscellaneous	(3,221)	36,772
Prepays	70,797	(49,448)
Accounts payable and accrued charges	195,814	(49,402)
Members' deposits	226	514
Contributed surplus	<u>25</u>	<u>0</u>
CASH PROVIDED BY OPERATING ACTIVITIES	<u>1,268,985</u>	<u>950,703</u>
CASH USED IN CAPITAL ACTIVITIES		
Payment of mortgage principal	<u>(922,246)</u>	<u>(880,877)</u>
CASH USED IN CAPITAL ACTIVITIES	<u>(922,246)</u>	<u>(880,877)</u>
CASH PROVIDED BY RESERVE FUND ACTIVITIES		
Change in reserve funds	38,351	25,704
Investment income (loss) on reserve funds	7,137	(250)
Other additions to reserve	4,464	16,400
Expenditures	<u>(146,849)</u>	<u>(141,835)</u>
CASH USED IN RESERVE FUND ACTIVITIES	<u>(96,897)</u>	<u>(99,981)</u>
Net cash (decrease) increase during the year	249,842	(30,155)
Cash position, beginning of year	<u>97,716</u>	<u>127,871</u>
Cash position, end of year	<u>\$ 347,558</u>	<u>\$ 97,716</u>

HARRY SHERMAN CROWE HOUSING CO-OPERATIVE INC.

June 30, 2019

STATUS AND NATURE OF ORGANIZATION

The Co-operative was incorporated under the Co-operative Corporations Act, 1973 on September 29, 1988 as a Corporation without share capital and operating exclusively for social welfare, it is exempt from income tax under Section 149 (1) (l) of the Income Tax Act.

The Co-operative became fully operational on the mortgage interest adjustment date of July 1, 1993. No portion of the Co-operative's income is available for the benefit of any member. A Board of Directors, which serves without remuneration, is elected from the membership.

The Co-operative receives subsidy from the City of Toronto and provides subsidized housing to its members. The Co-operative is dependent on this funding for its continued operation.

NOTE 1 SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The Co-operative follows accounting policies set out by the HSA under the procedures and policies contained in the Act and as set out by the City of Toronto. Some of these policies are not consistent with Canadian accounting standards for not-for-profit organizations, specifically:

- (a) amortization of capital assets includes amortization of land and is equal to the principal repaid on the mortgage, rather than on the estimated useful lives of the related assets,
- (b) capital expenditures incurred are charged to the capital replacement reserve, rather than capitalized and amortized over their estimated useful lives,
- (c) a replacement reserve is appropriated from operations,
- (d) investment income earned on the replacement reserve, which consists of distributions from the Social Housing Funds as well as realized and unrealized capital gains, is credited directly to the reserve, rather than to operations,
- (e) long-term debt is not segregated between current and long-term on the balance sheet.

Use of Estimates

The preparation of financial statements requires the Board of Directors to make assumptions about future events that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. A significant item subject to such estimates is the allowance for doubtful accounts. Actual results could differ from these estimates.

HARRY SHERMAN CROWE HOUSING CO-OPERATIVE INC.

June 30, 2019

NOTE 1 SIGNIFICANT ACCOUNTING POLICIES - continued

Revenue Recognition

Housing charges are recognized at the beginning of each month, when they are due. City subsidy is recognized using the deferral method of accounting for contributions. All other income is recognized as it is earned.

NOTE 2 FINANCIAL INSTRUMENTS

The Co-operative's financial instruments consist of cash and temporary investments, accounts receivable, current liabilities and long-term debt.

Cash and temporary investments - measured at fair value, as determined by quoted market values.

Accounts receivable - initially recorded at fair value but recorded at cost.

Current liabilities - initially recorded at fair value but carried at cost

Long-term debt - recorded at amortized cost using the effective interest rate method.

Credit Risk

The Co-operative has exposure to credit risk to the extent that some members may fall into housing charge arrears. This risk is offset somewhat by the Co-operative holding some deposits.

Interest Rate Risk

The Co-operative manages its investments based on its cash flow needs, with a view to maximizing investment income.

The mortgage bears a fixed rate of interest.

NOTE 3 TRANSACTIONS WITH MEMBERS

In excess of 80% of the earned revenue reflected in these financial statements was derived from, or on behalf of, members of the Co-operative.

HARRY SHERMAN CROWE HOUSING CO-OPERATIVE INC.

June 30, 2019

NOTE 4 TERM DEBT

The mortgage on the property is held by the TD Bank and fully insured by Canada Mortgage and Housing Corporation under Section 6 of the National Housing Act. The details are as follows:

Renewed principal balance	\$ 22,854,707
Interest rate	5.94 %
Monthly payment	\$ 135,089
Term	30 years
Maturity date	July 1, 2028

The approximate principal repayments for the next five years are as follows:

2020 - \$	983,574
2021 -	1,042,868
2022 -	1,105,734
2023 -	1,166,686
2024 -	1,231,452

NOTE 5 CITY OF TORONTO SUBSIDY

The City of Toronto has agreed to supplement the operating budget of the Co-operative by advancing a monthly subsidy of \$ 132,500. At the end of each fiscal year, a reconciliation is performed to determine how much subsidy the Co-operative is entitled to keep.

The reconciliation for 2018/19 is as follows:

Operating subsidy received	\$ 571,701	
Property tax subsidy received	139,011	
R.G.I. subsidy received	<u>879,288</u>	\$ 1,590,000
Operating subsidy earned	571,701	
Property tax subsidy earned	157,138	
R.G.I. subsidy earned	<u>817,216</u>	<u>1,546,055</u>
		43,945
Surplus repayable to City		0
Additional transfer to reserve		<u>0</u>
Due to City		\$ 43,945

HARRY SHERMAN CROWE HOUSING CO-OPERATIVE INC.

June 30, 2019

NOTE 6 EXTERNALLY RESTRICTED NET ASSETS

The Co-operative's capital replacement reserve is externally restricted by the City of Toronto. Expenditures charged to this reserve may be disallowed by the City.

NOTE 7 RESERVE EXPENDITURES

Expenditures charged to the capital replacement reserve are as follows:

	2019	2018
Elevator upgrades	\$ 0	\$ 8,538
VFD replacement	0	8,167
Door operators	4,884	14,694
Access system	20,262	0
Security cameras	13,723	0
Common area painting	0	33,972
Unit renovations	34,801	0
Fire-rated doors	18,537	0
Electrical panels	4,220	0
Furnace	3,024	0
Engineering/consulting	7,577	13,728
Flooring/carpeting	21,491	43,892
Appliances	<u>18,330</u>	<u>18,844</u>
	<u>\$ 146,849</u>	<u>\$ 141,835</u>

NOTE 8 CASH ON HAND AND ON DEPOSIT

The total cash on hand and in the reserve fund is:

	2019	2018
Cash on hand and on deposit	\$ 347,558	\$ 97,716
Reserve funds	<u>271,468</u>	<u>309,819</u>
	<u>\$ 619,026</u>	<u>\$ 407,535</u>
Represented by:		
Petty cash	\$ 500	\$ 500
Current account	265,969	311,618
Credit union shares	206	204
Social Housing Funds	<u>352,351</u>	<u>95,213</u>
	<u>\$ 619,026</u>	<u>\$ 407,535</u>

HARRY SHERMAN CROWE HOUSING CO-OPERATIVE INC.

June 30, 2019

NOTE 9 NON-OCCUPANCY CHARGES

Non-occupancy charges are as follows:

	2019	2018
Parking revenue	\$ 109,059	\$ 104,902
Laundry revenue	28,126	25,705
Investment income	5,876	4,958
Other	<u>5,380</u>	<u>4,911</u>
	<u>\$ 148,441</u>	<u>\$ 140,476</u>

NOTE 10 BUDGET FIGURES

Budget figures are provided for comparison purposes only and have not been audited.

NOTE 11 LAND LEASE

The Co-operative was constructed on land leased from York University. The term of the lease is 45 years, effective January 31, 1992. The entire lease payment of \$ 3,533,000 was paid up front and is reflected in Leasehold Interest and Buildings.

NOTE 12 SOCIAL HOUSING RENOVATION AND RETROFIT PROGRAM (S.H.R.R.P.)

In 2010/11 the Co-operative was approved for funding under S.H.R.R.P for the following projects:

Boiler replacement	\$ 142,342
Replacement of 2 make-up air units	100,896
Solar panels	285,957
Building condition analysis	3,580

The boiler, make-up air units and solar panels as well as the related funding are being amortized over ten years effective 2011/12. The schedule is as follows:

	Cost	Accumulated Amortization	Net Book Value
Boiler	\$ 142,342	\$ 113,872	\$ 28,470
Make-up air units	100,896	80,718	20,178
Solar water re-heating	<u>285,957</u>	<u>228,770</u>	<u>57,187</u>
	<u>\$ 529,195</u>	<u>\$ 423,360</u>	<u>\$ 105,835</u>

HARRY SHERMAN CROWE HOUSING CO-OPERATIVE INC.

June 30, 2019

NOTE 12 SOCIAL HOUSING RENOVATION AND RETROFIT PROGRAM (S.H.R.R.P.) - continued

The cost and funding for the building condition analysis has been recorded in operations for 2011/12.

The funding is in the form of a forgivable loan, which will be fully forgiven after ten years provided the Co-operative meets certain guidelines including maintaining its not-for-profit status over that period.

NOTE 13 CAPITAL MANAGEMENT

The Co-operative defines its capital as the amounts included in net assets. It manages its unrestricted accumulated surplus to ensure its ability to continue operations as a going concern so that it can continue to provide affordable housing to its members. It does this through cash flow management as well as having a yearly member-approved budget in place. The portion of its net assets pertaining to the externally restricted reserve must be invested and spent in accordance with requirements set out by the funder.

NOTE 14 SUBSEQUENT EVENT

In July 2019, the Co-operative was victimized by a series of unauthorized EFT withdrawals from its current account totalling \$ 158,333. The financial institution is currently conducting an investigation and a resolution had not been reached as of the date of this audit.

This is Exhibit "I" referred to in
the Affidavit of Julie Western
Set, sworn on the 10th day of
November, 2022.

A handwritten signature in black ink, appearing to read "Mark Siboni", written over a horizontal line.

Mark Siboni
A Commissioner for taking Affidavits

Ed M. Roscetti, B. Comm.

CHARTERED ACCOUNTANT

September 24, 2019

The Board of Directors
Harry Sherman Crowe Housing Co-operative Inc.
51 The Chimneystack Rd.
Toronto, Ontario
M6J 3L9

Dear Members of the Board:

I have recently completed the audit of Harry Sherman Crowe Housing Co-operative Inc. for the fiscal year ended June 30, 2019.

The objective of my audit was to obtain reasonable assurance that the financial statements were free of material misstatement. My audit was not designed for the purpose of identifying matters to communicate. Accordingly, my audit would not usually identify all such matters that may be of interest to you and it is inappropriate to conclude that no such matters exist.

High Rate of Management Turnover

Over the last few years, the Co-operative has experienced an unusually high rate of management turnover. This lack of continuity in the office has contributed to many of the items that will be discussed below

Commercial Parking Accounts

My review of the non-member parking accounts revealed that there continues to be a problem with the accuracy/completeness of the list. A number of accounts required adjustment, and there will more likely be more. The issue is that whenever a parking spot turns over the list is not updated resulting in errors in the financial records.

Please review the commercial parking accounts to ensure that they are all up to date and accurate.

Townhouse Hydro Accounts

The townhouses are being charged a flat monthly amount for hydro, but each account is supposed to be reconciled to an actual reading at some point during the year.

These reconciliations have not been done in some time, as a result, some townhouses are being charged unfairly high or low monthly amounts.

AUDITING & ACCOUNTING • CORPORATE & PERSONAL TAX • MANAGEMENT CONSULTING

439 Connaught Ave., Willowdale, Ontario M2R 2M4 Tel: (416) 221-6779 Fax: (416) 221-7961

Petty Cash

My review of the Petty Cash fund revealed that it had not been reconciled. My discussion with office staff revealed that the fund apparently had not been used in some time.

I would recommend that the fund be closed off if it is not being used.

Board Minutes

My review of the Board minutes revealed that they had not been signed by Board members. Board minutes are essential in providing support for key financial decision made during the year, if they are unsigned then they are unauthorized.

Please make sure that all minutes are signed when approved.

Unsupported Expenditures

My review of Co-operative operations revealed that not all expenditures had appropriate support and authorization.

All Co-operative expenditures must have support in the form of an invoice/bill attached to a cheque requisition which is to be signed/initialed by a Board member having authority to do so.

This communication is prepared solely for the information of Harry Sherman Crowe Housing Co-operative Inc. and is not intended for any other purpose. I accept no responsibility to a third party who uses or relies on it.

Should you have any questions about this letter, please do not hesitate to call me.

Very truly yours,


Ed Roscetti

This is Exhibit "J" referred to in
the Affidavit of Julie Western
Set, sworn on the 10th day of
November, 2022.

A handwritten signature in black ink, appearing to read "Mark Siboni", written over a horizontal line.

Mark Siboni
A Commissioner for taking Affidavits

Social Housing Annual Information Return

Identification

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Corporation name
Harry Sherman Crowe Housing Co-operative Inc.
CMSM/DSSAB
City of Toronto

I.D. No.	Year end (mm/dd/yyyy)
H04-900	June 30, 2019

Corporation address	Mailing address
Co-op Off-51 Chimneystack Rd Toronto Ontario M3J 3L9	Co-op Off-51 Chimneystack Rd Toronto Ontario M3J 3L9

Program type	Y/N	# of units
1. Public Housing 2. Rent Supplement 3. Section 26/27 4. Section 95 - PNP 5. Section 95 - MNP 6. Part VII - Mixed 7. Part VII - 100% RGI 8. Other 9. Urban Native	Y	164

Contact name	Position
Mr. Saud Ahmed	Manager
	eMail address

Telephone number	Fax number
416-736-8889	

Status	Name	Approval Date
Approved	Housing Stability Services	August 6, 2020

Instructions

This form to be used by all Private Non-Profit Housing Corporations, Municipal Non-Profit Housing Corporations, and Co-operative Housing Corporations. It may be used by Local Housing Corporations.

Social Housing Annual Information Return

Year End: June 30, 2019

Corporation: Harry Sherman Crowe Housing Co-operative Inc

Management Representation Report

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Note 1: The Housing Services Act and its regulations are referred to as HSA throughout these representations.

Note 2: If the answer to any question, other than number 5, is "No", please provide explanatory details.

Note 3: All questions are to be answered as of the end of the fiscal year. Question 11 to 13 should cover the fiscal year as well as the months preceding the filing of this report.

The following questions relate to both formerly federal and formerly provincial projects. The questions should be answered with respect to the provisions of the HSA and/or any formerly federal operating agreement that your corporation may be governed by.

GOVERNANCE

1) Does the corporation follow the required conflict of interest provisions? Y N NA

RESIDENT RELATIONS

2) Did the corporation select applicants as required? Y N

3) Were all RGI households charged the rent required? Y N NA

4) Did the corporation comply with its mandate and targeting plan in housing applicants, if applicable? Y N NA

FINANCIAL MANAGEMENT

5) Did the corporation receive a management letter from its auditors reporting serious deficiencies in internal controls or operations? (If yes, attach a copy of the letter.) Y N

6) Were expenses allocated to any non-shelter component as required? Y N NA

7) Was the shelter component of the corporation's revenue used only for shelter purposes? Y N NA

8) Did the corporation invest its Capital Reserve Fund as required? Y N NA

9) Did the corporation make all transfers to and expenditures from the Capital Reserve Fund as required? Y N NA

10) Did the corporation comply with the requirement in the HSA to participate in a system for group insurance of housing providers? Y N NA

MORTGAGE

11) Is the corporation in compliance with its obligation not to mortgage or encumber, replace or amend the mortgage? Y N

12) Are all other mortgages the corporation may have in good standing? Y N NA

13) Is the corporation free and clear of material contingent liabilities and legal disputes? Y N

Social Housing Annual Information Return

Year end: June 30, 2019

Corporation: Harry Sherman Crowe Housing Co-operative Inc.

Statement of Financial Position (Balance Sheet)

Page A3

ASSETS

Cash and investments	- capital reserve fund	310	271,468
	- other	312	347,558

Subsidies receivable from the service manager	320	132,500
---	-----	---------

Accounts Receivable - tenants	321	31,198
-------------------------------	-----	--------

Accounts Receivable - other	322	114,725
-----------------------------	-----	---------

Capital assets (at cost):

Shelter	325	23,865,987
---------	-----	------------

Non-shelter	327	
-------------	-----	--

Sector support (co-ops only)	329	235,769
------------------------------	-----	---------

Total	330	24,101,756
-------	-----	------------

Lines 325 to 329

Accumulated amortization	334	12,674,736
--------------------------	-----	------------

Net capital assets	335	11,427,020
--------------------	-----	------------

Lines 330 - 334

Other assets	350	12,471
--------------	-----	--------

TOTAL ASSETS	355	12,336,940
---------------------	-----	-------------------

Lines 310 + 312 + 320 + 335 + 350

LIABILITIES

Subsidies payable to the service manager	360	76,301
--	-----	--------

Mortgage loans	368	11,321,186
----------------	-----	------------

Other loans	370	105,835
-------------	-----	---------

Other liabilities	375	505,146
-------------------	-----	---------

SURPLUS

Contributed surplus	380	10,325
---------------------	-----	--------

Capital reserve fund (housing)	384	255,108
--------------------------------	-----	---------

Line 690

Other reserves	386	
----------------	-----	--

Accumulated surplus/(deficit)	390	63,039
-------------------------------	-----	--------

TOTAL LIABILITIES AND SURPLUS	395	12,336,940
--------------------------------------	-----	-------------------

Lines 360 to 390

SHB 01/02

Social Housing Annual Information Return

Year end: June 30, 2019

Corporation: Harry Sherman Crowe Housing Co-operative Inc.

Statement of Operations and Accumulated Surplus

Page A4

I. Statement of Operations (Revenue and Expenses)

Occupancy revenue

Rent-geared-to-income units	501	343,948
Market units	502	998,507
Rent-geared-to-income subsidy	503	817,216
Gross occupancy revenue	Lines 501 + 502 + 503 504	2,159,671
Less: Vacancy loss on market units	505	18,276
Subtotal	Lines 504 - 505 510	2,141,395

Investment income

Non-rental revenue (parking, laundry, etc.)	521	5,876
Subsidy 100% RGI providers	Line 1319 522	142,565
Net operating subsidy	Line 1289 less Line 1272 523	-
	525	728,839

Section 95 & Urban Native (federal) subsidy

Line 1525 - 1572 or Line 1680 or Line 3550

Public Housing Subsidy	527	-
Other <u>SHRRP grant</u>	528	-
	529	52,920

Total revenue

Lines 510 to 529

Shelter expenses

Maintenance	541	455,380
Utilities	542	533,039
Administration	543	202,867
Insurance	544	49,560

Capital reserve from previous year

545 99,981

Capital reserve index

Provided by MMAH
546 1,0138

Mandatory transfer to capital reserve fund	Lines 545 x 546 547	101,361
Transfer to Section 95 and Urban Native Capital Reserve	Line 1548 or 1648 548	-
Property taxes	549	157,138
Mortgage principal and interest (excluding Sector Support and/or non-shelter component)	550	1,604,858
Transfers to other funds	551	-
Transfers to subsidy surplus fund	Line 1561 561	-
Bad Debts	562	5,474
Other <u>SHRRP amortization</u>	563	52,920
Subtotal	(Lines 541 to 544) + (lines 547 to 563) 565	3,162,597

NET INCOME (LOSS) - Housing

Lines 530 - 565

Gifts and donations

572 -

Non shelter revenue (net)

Line 629 Col 3 + Line 1574 Col 1

573 -

Sector support (net) (co-ops only)

574 7,249

Other programs and activities (net)

575

NET INCOME (LOSS)

Lines 570 to 575

580 (83,753)

II. Statement of Accumulated Surplus (Deficit)

BALANCE, BEGINNING OF YEAR

Previous year's line 599

590 142,328

Net income for the year

Line 580

591 (83,753)

Other

592 4,464

BALANCE, END OF YEAR

Lines 590 to 592

599 63,039

Social Housing Annual Information Return

Year end: June 30, 2019

Corporation: Harry Sherman Crowe Housing Co-operative Inc.

Non-Shelter Income (Loss) - Part VII of the Housing Services Act

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NON-SHELTER REVENUE		Care 01	Commercial & Other 02	Total 03
Commercial rent	610	-	-	-
Grants from Ministry of Health	611	-	-	-
Grants from Ministry of Community & Social Services	612	-	-	-
Other (describe) _____	613	-	-	-
Other (describe) _____	614	-	-	-
Total non-shelter revenue	Lines 610 to 614 615	-	-	-
NON-SHELTER EXPENSES				
Operating costs				
Maintenance salaries, wages and benefits	620	-	-	-
Maintenance materials and services	621	-	-	-
Utilities	622	-	-	-
Administration	623	-	-	-
Other (describe) _____	624	-	-	-
Total non-shelter operating costs	Lines 620 to 624 625	-	-	-
Municipal taxes	626	-	-	-
Mortgage payments	627	-	-	-
Total non-shelter expenses	Lines 625 to 627 628	-	-	-
NET NON-SHELTER REVENUE (LOSS)	Lines 615 - 628 629	-	-	-

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Social Housing Annual Information Return

Year end: June 30, 2019

Corporation: Harry Sherman Crowe Housing Co-operative Inc.

Capital Reserve Fund - Part VII of the Housing Services Act and Federal 95, 26/27

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BALANCE, BEGINNING OF YEAR	Previous year's line 690	651	293,459	293,459
Revenue				
Mandatory transfer from operations	Line 547 and/or line 548	652	101,361	
Investment income		654	7,137	
Other		655		
Total	Lines 651 to 655	660	401,957	
Expenses (by item or category)				
_____		671		
Door operators		672	4,884	
Access system		673	20,262	
Security cameras		674	13,723	
Unit renovations		675	34,801	
Fire-rated doors		676	18,537	
Electrical panels		677	4,220	
Furnace		678	3,024	
Engineering		679	7,577	
Flooring		680	21,491	
Appliances		681	18,330	
_____		682		
_____		683		
Total expenses	Lines 671 to 683	685	146,849	
BALANCE, END OF YEAR	Lines 651 + 660 - 685	690	255,108	
ASSETS, END OF YEAR				
Cash and investments	Line 310	695	271,468	
DIFFERENCE	Lines 695 - 690	699	16,360	

Instructions:

If the difference on line 699 is greater than \$1,000, provide an explanation for the difference and the corporation's plan to bring the fund into balance.

Social Housing Annual Information Return

Year end: June 30, 2019

Corporation: Harry Sherman Crowe Housing Co-operative Inc.

General Subsidy - Part VII of the Housing Services Act - Mixed

Page B1

I. Operating Subsidy

Principal and interest payable during year	1201	1,604,777
Excess of Indexed benchmark costs over indexed benchmark revenue	1202	(1,033,076)
Operating Subsidy	Line 1201 + Line 1202 1205	571,701
Subsidy phase-in	1206	-
Operating Subsidy	Lines 1201 - 1208 1209	571,701

II. RGI subsidy

Indexed market rents for RGI units	Sch. D1 Col. 09 1213	1,161,164
Actual market rents for RGI units	Sch. D1 Col. 8 1214	1,187,418
Lesser of Line 1213 or Line 1214	1215	1,161,164
Actual rental income from RGI households	Sch. D1 Col. 10 1218	343,948
RGI subsidy	Line 1215 - 1218 1219	817,216

III. a) Indexed Benchmark Revenue

Benchmark Non Rental Revenue	1220	122,277
Indexed Market Rent	1221	2,155,824
Indexed Vacancy Loss	1222	32,865
Total Indexed Benchmark Revenue	Line 1220 + 1221 - 1222 1223	2,245,236

b) Indexed Benchmark Operating Costs

Administration and Maintenance	1225	547,854
Insurance	1226	47,476
Bad Debt	1227	15,077
Electricity	1228	231,412
Water	1230	161,392
Gas	1231	107,588
Capital Reserves	1232	101,361
Total Indexed Operating Costs	Line 1225 + 1226 + 1227 + 1228 + 1230 + 1231 + 1232 1233	1,212,160
Excess of Indexed Benchmark Costs Over Indexed Benchmark Revenue	1234	(1,033,076)

IV. Surplus repayment

Revenue:

Market units	1241	980,231
RGI units	Line 1218 1242	343,948
RGI subsidy	Line 1219 1243	817,216
Subtotal	Lines 1241 to 1243 1245	2,141,395
Investment	1247	5,876
Non-rental revenue	1248	142,565
Total revenue	Lines 1245 to 1248 1250	2,289,836
Operating costs	Operating costs for shelter component of projects under the SHRA 1251	1,347,681

Social Housing Annual Information Return

Year end: June 30, 2019

Corporation: Harry Sherman Crowe Housing Co-operative Inc.

General Subsidy - Part VII of the Housing Services Act - Mixed

Page B1

Net operating income	Line 1250 - 1251	1252	942,155
Less:			
Excess of Indexed Benchmark Revenues Over Indexed Benchmark Cost:	Line 1234	1255	1,033,076
Operating reserve allowance	Line 3085 or 3095	1257	-
Subtotal	Line 1255 to 1257	1259	1,033,076
Surplus	Line 1252 - 1259	1260	(90,921)
Energy Efficiency Incentive (City Guideline 2013-4)		1262	
Less: Service manager approved reduction (if less than 50%)		1264	
Net surplus repayable	Line 1262 - 1264	1269	-

V. Subsidy for the year

Operating Subsidy	Line 1209	1271	571,701
RGI subsidy	Line 1219	1272	817,216
Property taxes		1273	157,138
Additional subsidy		1274	-
Subtotal	Line 1271 to 1274	1279	1,546,055
Less:			
Surplus repayment	Line 1269	1282	-
Late filing penalty from prior year		1283	-
Subtotal	Line 1282 to 1283	1285	-
Net subsidy for the year	Line 1279 - 1285	1289	1,546,055

VI. Current year settlement

Net subsidy for the year	Line 1289	1291	1,546,055
Less Subsidy per subsidy request		1292	1,590,000
Current year settlement	Line 1291 - 1292	1295	(43,945)

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Social Housing Annual Information Return

Year end: June 30, 2019

Corporation: Harry Sherman Crowe Housing Co-operative Inc.

General Subsidy - Part VII of the Housing Services Act

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Revenue			(Formerly 103)	(Formerly 106)
Occupancy Revenue			Mixed	100% RGI
Rent-geared-to-income rent	1401	343,948	343,948	
Market Rent	1402	998,507	998,507	
Gross occupancy revenue	Line 1401 to 1402 1404	1,342,455	1,342,455	-
Less: vacancy loss on market units	1405	18,276	18,276	
Subtotal	Line 1404 - 1405 1410	1,324,179	1,324,179	-
Investment income	1421	5,876	5,876	
Non-rental income	1422	142,565	142,565	
Subsidy	1425	1,546,055	1,546,055	-
Total	Line 1410 to 1425 1430	3,018,675	3,018,675	-
Operating costs:				
Maintenance	1441	455,380	455,380	
Utility costs	1442	533,039	533,039	
Administration costs	1443	202,867	202,867	
Insurance	1444	49,560	49,560	
Capital reserve contribution	1448	101,361	101,361	
Property taxes	1449	157,138	157,138	
Mortgage principal and interest	1450	1,604,858	1,604,858	
Bad Debts	1451	5,474	5,474	
Other (describe):	1461	-		
Total	Line 1441 to 1461 1465	3,109,677	3,109,677	-
Net income (loss) - Housing	Line 1430 - 1465 1470	(91,002)	(91,002)	-
Gifts and donations	1471	-		
Sector support (co-op only)	1472	7,249	7,249	
Non-shelter revenue (net)	1473	-	-	-
Surplus/deficit	Line 1470+1471+1472+1473 1480	(83,753)	(83,753)	-

SHB 01/02

Social Housing Annual Information Return

Year end: June 30, 2019

Corporation: Harry Sherman Crowe Housing Co-operat

Statistical Information

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		Unit of Measure	Rent Supplement 02	Strong Communities 03	Section 26 & 27 04	Section 95 PNP/MNP 05	Provincial Reformed 06	Urban Native 07
I. Households assisted by program type								
RGI households with incomes at or below the HILS								
Households assisted by program (at end of year)	2101	Households				-	87	
Non-RGI households and RGI households with incomes above the HILS								
Households assisted by program (at end of year)	2105	Households				-	77	
Vacant Units	2106	Households				-	-	
II. Household types assisted and average gross incomes (at year end)								
Families							(91)	
RGI households with incomes at or below the HILS								
Total number of targeted households	2111	Households					69	
Average annual gross household income	2113	\$					14,282	
Non-RGI households and RGI households with incomes above the HILS								
Total number of non-targeted households	2115	Households						
Seniors								
RGI households with incomes at or below the HILS								
Total number of targeted households	2121	Households					97	
Average annual gross household income	2123	\$					924	
Non-RGI households and RGI households with incomes above the HILS								
Total number of non-targeted households	2125	Households						
Non-elderly singles								
RGI households with incomes at or below the HILS								
Total number of targeted households	2131	Households					12	
Average annual gross household income	2133	\$					6,906	
Non-RGI households and RGI households with incomes above the HILS								
Total number of non-targeted households	2135	Households						
Special needs								
RGI households with incomes at or below the HILS								
Total number of targeted households	2141	Households						
Average annual gross household income	2143	\$						
Non-RGI households and RGI households with incomes above the HILS								
Total number of non-targeted households	2145	Households						

		Unit of Measure	Rent Supplement 02	Provincial Reformed 06
III. ADDITIONAL REQUIREMENTS				
Households receiving RGI whose household income is at or below the household income limit established in regulation.	2101	2151	Households	
				-
				87
High need households	2152	Households		
Units modified to provide physical accessibility	2153	Households		
Households receiving support services	2154	Households		
(All of the above information is as of year end.)				

**Social Housing
Annual Information Return**

Year end: June 30, 2019

Corporation: Harry Sherman Crowe Housing Co-operat

Statistical Information

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Social Housing Annual Information Return

Year end: June 30, 2019

Corporation: Harry Sherman Crowe Housing Co-operative Inc.

Targeting Plans - Part VII of the Housing Services Act

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I. Minimum RGI Unit Requirements

Project		
	Required	Actual
Harry Sherman Crowe Housing Co-op	82	86
	-	
	-	
	-	
	-	
	-	
	-	
	-	
	-	
	-	
	-	
	-	
	-	
	-	
Total	82	86

II. Move-ins and Vacancies

	Required number of units	Move-ins during year	Vacancy months during year	Vacant units at year end
Geared-to-income		-	-	-
Special needs units	-			
Modified units	-			

Special needs units, including modified units, must be filled with households requiring those units.

How many special needs units, including modified units, were filled with households which did not require those services or units? Number

SHB 01/02

Year end: June 30, 2019

General Subsidy - Part VII of the Housing Services Act- Market Rent Index

		A	B	C	D	E	F	G	H	
Rent guideline for the year	TPA Guideline	2000	1.0180							
M1D4										
Unit types		2011	1 Bedroom - Townhouse	2 Bedroom - Townhouse	3 Bedroom - Townhouse	4 Bedroom - Townhouse	5 Bedroom - Townhouse	1 Bedroom - Apartment	2 Bedroom - Apartment	3 Bedroom - Apartment
Percentage change in market rent	Provided by MMAH	2012	1.0180	1.0180	1.0180	1.0180	1.0180	1.0180	1.0180	1.0180

RGI Rental Schedule

Project	Unit Type	Market Rent per month for current year	Prior Year's Benchmark or indexed market rent	Market Rent Index	Current Year's Benchmark or indexed market Rent	Unit Months		Actual Market Rents (RGI units)	Indexed Market Rents (RGI units)	Rental Income (RGI units)
						All Units	RGI Units			
	1	2	3	(Line 2019) 4	col.3 X col.4 5	6	7	col. 2 x col. 7 8	col. 5 x col. 7 9	10
Harry Sherman Crowe Housing Co-op	1 Bedroom - Townhouse				-	-	-	-	-	343,948
Harry Sherman Crowe Housing Co-op	2 Bedroom - Townhouse				-	-	-	-	-	
Harry Sherman Crowe Housing Co-op	3 Bedroom - Townhouse	1,293.00	1,204	1.018	1,226	192.00	156.00	201,708	191,256	
Harry Sherman Crowe Housing Co-op	4 Bedroom - Townhouse	1,439.00	1,344	1.018	1,368	264.00	216.00	310,824	295,488	
Harry Sherman Crowe Housing Co-op	5 Bedroom - Townhouse				-	-	-	-	-	
Harry Sherman Crowe Housing Co-op	1 Bedroom - Apartment	856.00	841	1.018	856	360.00	180.00	154,080	154,080	
Harry Sherman Crowe Housing Co-op	2 Bedroom - Apartment	1,041.00	1,022	1.018	1,040	780.00	319.00	332,079	331,760	
Harry Sherman Crowe Housing Co-op	3 Bedroom - Apartment	1,181.00	1,159	1.018	1,180	360.00	147.00	173,607	173,460	
Harry Sherman Crowe Housing Co-op	4 Bedroom - Apartment	1,260.00	1,238	1.018	1,260	12.00	12.00	15,120	15,120	
Harry Sherman Crowe Housing Co-op	5 Bedroom - Apartment				-	-	-	-	-	
Harry Sherman Crowe Housing Co-op	Bachelor				-	-	-	-	-	
Harry Sherman Crowe Housing Co-op	Hostel				-	-	-	-	-	
Harry Sherman Crowe Housing Co-op	1 Bedroom - Stacked				-	-	-	-	-	
Harry Sherman Crowe Housing Co-op	2 Bedroom - Stacked				-	-	-	-	-	
Harry Sherman Crowe Housing Co-op	3 Bedroom - Stacked				-	-	-	-	-	
Harry Sherman Crowe Housing Co-op	4 Bedroom - Stacked				-	-	-	-	-	
Harry Sherman Crowe Housing Co-op	5 Bedroom - Stacked				-	-	-	-	-	
	Total		2,156,124	1.018		1,968	1,030	1,187,418	1,161,164	343,948

SHB 01/02

Social Housing Annual Information Return

Corporation: Harry Sherman Crowe Housing Co-operative Inc.

Page D1

I	J	K	L	K	L	K	L	K
4 Bedroom - Apartment	5 Bedroom - Apartment	Bachelor	Hostel	1 Bedroom - Stacked	2 Bedroom - Stacked	3 Bedroom - Stacked	4 Bedroom - Stacked	5 Bedroom - Stacked
1.0180	1.0180	1.0180	1.0180	1.0180	1.0180	1.0180	1.0180	1.0180

Social Housing Annual Information Return

Year end: June 30, 2019

Corporation: Harry Sherman Crowe Housing Co-operat

General Subsidy - Part VII of the Housing Services Act - Operating Reserve

Page D3

Has the provider had an accumulated surplus at the beginning of any previous fiscal year since the termination of its operating agreement of \$300 per unit or greater?

3000

Total surplus, beginning of year
Accumulated surplus (deficit)

Line 590 3002 142,328

Number of units
Allowable operating reserve per unit
Total allowable operating reserve

Page A1 3025 -
3030 -
Line 3025 x line 3030 3035 -

If line 3002 is greater than line 3035 the provider is not eligible for any operating reserve in the calculation of surplus.

Calculation for General Subsidy - Part VI SHRA

Total surplus, beginning of year
Net operating income
Affordable mortgage payment
Mandatory payment
Subtotal of affordable mortgage payment and mandatory payment
Net operating income less affordable mortgage and mandatory payments
Subtotal of accumulated surplus and net operating income less payments
Operating reserve eligibility determinant

Line 3002 3040 -
Line 1252 3045 -
Line 1205 3047 1,033,076
Line 1239 3048 -
Line 3047 + Line 3048 3050 -
Line 3045 - Line 3050 3055 -
Line 3040 + Line 3055 3060 -
Line 3035 - Line 3060 3070 -

If line 3070 is nil or negative operating reserve calculation is:

Total allowable operating reserve
Accumulated surplus, beginning of year

Line 3035 3075 -
Line 3040 3080 -
Line 3075 - Line 3080 3085 -

Operating reserve allowance (to line 1257)

If line 3070 is a positive value operating reserve calculation is:

Net operating income
Affordable mortgage payment plus mandatory payment

Line 3045 3090 -
Line 3050 3091 -
Line 3090 - Line 3091 (if positive) 3095 -

Operating reserve allowance (to line 1257)

Calculation for General Subsidy - Part VI SHRA - 100% RGI

Accumulated surplus beginning of year
Indexed operating costs for the year
Actual operating costs for the year
Difference

Line 3002 3100 -
Line 1305 3101 -
Line 1322 3102 -
Line 3101 - 3102 3103 -
Line 3035 - (3100 + 3103) 3104 -

Operating reserve eligibility determinant

If line 3104 is nil or negative operating reserve calculation is:

Total allowable operating reserve
Accumulated surplus, beginning of year

Line 3035 3105 -
Line 3002 3106 -
Line 3105 less Line 3106 3107 -

Operating reserve allowance (to line 1323)

If line 3104 is positive operating reserve calculation is:

Indexed operating costs
Actual operating costs

Line 3101 3110 -
Line 3102 3111 -
Line 3110 less 3111 3112 -

Operating reserve allowance (to line 1323)

**Social Housing
Annual Information Return**

Year end: June 30, 2019

Corporation: Harry Sherman Crowe Housing Co-operative Inc.

Unit Activity Data Report - Part VII of the Housing Services Act, Section 95 and Rent Supplement

Page D4

Project: Harry Sherman Crowe Housing Co-op

Classification	Unit Type	1st Month		2nd Month		3rd Month		4th Month		5th Month		6th Month		7th Month		8th Month		9th Month		10th Month		11th Month		12th Month		Total Units	Total Units Average Occupied	Total Units Vacant Months
		Occ	Vac	Occ	Vac	Occ	Vac	Occ	Vac	Occ	Vac	Occ	Vac	Occ	Vac	Occ	Vac	Occ	Vac	Occ	Vac	Occ	Vac	Occ	Vac	Occ & Vacant		
Geared - to-income	1 Bedroom - Townhouse	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	2 Bedroom - Townhouse	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	3 Bedroom - Townhouse	13.00	-	13.00	-	13.00	-	13.00	-	13.00	-	13.00	-	13.00	-	13.00	-	13.00	-	13.00	-	13.00	-	13.00	-	13.00	13.00	
	4 Bedroom - Townhouse	18.00	-	18.00	-	18.00	-	18.00	-	18.00	-	18.00	-	18.00	-	18.00	-	18.00	-	18.00	-	18.00	-	18.00	-	18.00	18.00	
	5 Bedroom - Townhouse	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	1 Bedroom - Apartment	15.00	-	15.00	-	15.00	-	15.00	-	15.00	-	15.00	-	15.00	-	15.00	-	15.00	-	15.00	-	15.00	-	15.00	-	15.00	15.00	
	2 Bedroom - Apartment	24.00	-	25.00	-	25.00	-	27.00	-	28.00	-	28.00	-	27.00	-	27.00	-	27.00	-	27.00	-	27.00	-	27.00	-	27.00	26.58	
	3 Bedroom - Apartment	13.00	-	13.00	-	12.00	-	11.00	-	11.00	-	10.00	-	12.00	-	13.00	-	13.00	-	13.00	-	13.00	-	13.00	-	13.00	12.25	
	4 Bedroom - Apartment	1.00	-	1.00	-	1.00	-	1.00	-	1.00	-	1.00	-	1.00	-	1.00	-	1.00	-	1.00	-	1.00	-	1.00	-	1.00	1.00	
	5 Bedroom - Apartment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	Bachelor	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	Hostel	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	1 Bedroom - Stacked	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	2 Bedroom - Stacked	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	3 Bedroom - Stacked	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	4 Bedroom - Stacked	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	5 Bedroom - Stacked	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	Total		84.00	-	85.00	-	84.00	-	85.00	-	86.00	-	85.00	-	86.00	-	87.00	-	87.00	-	87.00	-	87.00	-	87.00	-	85.83	85.83
	Market	1 Bedroom - Townhouse																									-	
		2 Bedroom - Townhouse																									-	
3 Bedroom - Townhouse		3.00	-	3.00	-	3.00	-	3.00	-	3.00	-	3.00	-	3.00	-	3.00	-	3.00	-	3.00	-	3.00	-	3.00	-	3.00	3.00	
4 Bedroom - Townhouse		4.00	-	4.00	-	4.00	-	4.00	-	4.00	-	4.00	-	4.00	-	4.00	-	4.00	-	4.00	-	4.00	-	4.00	-	4.00	4.00	
5 Bedroom - Townhouse																										-		
1 Bedroom - Apartment		15.00	-	15.00	-	15.00	-	15.00	-	15.00	-	15.00	-	15.00	-	15.00	-	15.00	-	15.00	-	15.00	-	15.00	-	15.00	15.00	
2 Bedroom - Apartment		40.00	1.00	38.00	2.00	38.00	2.00	37.00	1.00	36.00	1.00	36.00	1.00	37.00	1.00	37.00	1.00	38.00	-	38.00	-	38.00	-	38.00	-	38.42	37.58	
3 Bedroom - Apartment		17.00	-	17.00	-	17.00	1.00	18.00	1.00	18.00	1.00	18.00	2.00	17.00	1.00	17.00	-	17.00	-	17.00	-	17.00	-	17.00	-	17.75	17.25	
4 Bedroom - Apartment																										-		
5 Bedroom - Apartment																										-		
Bachelor																										-		
Hostel																										-		
1 Bedroom - Stacked																										-		
2 Bedroom - Stacked																										-		
3 Bedroom - Stacked																										-		
4 Bedroom - Stacked																										-		
5 Bedroom - Stacked																										-		
Total			79.00	1.00	77.00	2.00	77.00	3.00	77.00	2.00	76.00	2.00	76.00	3.00	76.00	2.00	76.00	1.00	77.00	-	77.00	-	77.00	-	77.00	-	78.17	76.83

Total Units	Unit Type	Value
	1 Bedroom - Townhouse	-
	2 Bedroom - Townhouse	-
	3 Bedroom - Townhouse	16.00
	4 Bedroom - Townhouse	22.00
	5 Bedroom - Townhouse	-
	1 Bedroom - Apartment	30.00
	2 Bedroom - Apartment	65.00
	3 Bedroom - Apartment	30.00
	4 Bedroom - Apartment	1.00
	5 Bedroom - Apartment	-
	Bachelor	-
	Hostel	-
	1 Bedroom - Stacked	-
	2 Bedroom - Stacked	-

3 Bedroom - Stacked	-
4 Bedroom - Stacked	-
5 Bedroom - Stacked	-
Total	164.00

Instructions:

- (1) Include the number of units available at the end of each period (whether occupied or vacant) for each classification
- (2) The average number of units occupied or vacant shall be calculated to 2 decimal points
- (3) A unit which becomes vacant retains its classification until it becomes occupied, at which time it assumes the classification of the new occupant

Housing Provider Checklist

Social Housing Annual Information Return

If you have a "NO" answer to any of the items below, please correct before sending in your AIR and Financial Statements.
(AIRs with " NO" no answers will be rejected back to you for correction and will be considered not received.)

Submissions Requirements:

1. - The Audited Financial Statements and the Annual Information Return are electronically submitted together.
2. - The Auditor's Report has been signed by the auditor (individually or corporately)
3. - All three sections of the Unit Statistical Information page have been completed
4. - Enter the following from your Financial Statements

YES
YES
YES

- Subsidy Earned for the year
- Rent-Gearred-to Income revenue from tenants
- Net Income for the year
- Accumulated Surplus, end of year balance
- Subsidy Surplus Fund (Section 95 only)
- Total Assets
- Total amount invested (Part VII with Worldsource Financial Management only)

F/S	AIR	
1,546,055	1,546,055	YES
343,948	343,948	YES
(83,753)	(83,753)	YES
63,244	63,039	HSS ADJ
	-	YES
12,336,940	12,336,940	YES
271,468	255,108	YES
Investments	Total Fund	

System Checks on the Annual Information Return

- A2 - Questions 1-13 have been answered?
- A2 - You have answered yes to question 5 on page A2, please provide the management letter?
- A3 - Does Line 355 Total Assets = Line 390 Total Liabilities plus Surplus (Deficit)?
- A3 - Does the Accumulated Surplus (Deficit), end of year, line 599 equal line 390 plus 386 (Section 95 - line 390 only)?
- B3 - Does the market revenue = the market unit count on page D4 x the market rents on page D1 (Part VII only)?
- C2 - Have the Minimum RGI Target and Minimum Market Target been met (Part VII only)

YES
PROVIDE
YES
YES
YES
YES

Market Rent Variance

1 Bedroom - Townhouse	-	-	-
2 Bedroom - Townhouse	-	-	-
3 Bedroom - Townhouse	36.00	1,293.00	46,548.00
4 Bedroom - Townhouse	48.00	1,439.00	69,072.00
5 Bedroom - Townhouse	-	-	-
1 Bedroom - Apartment	180.00	856.00	154,080.00
2 Bedroom - Apartment	461.00	1,041.00	479,901.00
3 Bedroom - Apartment	213.00	1,181.00	251,553.00
4 Bedroom - Apartment	-	1,260.00	-
5 Bedroom - Apartment	-	-	-
Bachelor	-	-	-
Hostel	-	-	-
1 Bedroom - Stacked	-	-	-
2 Bedroom - Stacked	-	-	-
3 Bedroom - Stacked	-	-	-
4 Bedroom - Stacked	-	-	-
5 Bedroom - Stacked	-	-	-
Total of Market Units times Market Rents			1,001,154.00
Market Revenue from line 1402			998,507.00
Variance			2,647.00
Average Market Rent			1,067
Number of Months			2.48
% of Variance to Market Revenue			0.265%

This is Exhibit "K" referred to
in the Affidavit of Julie Western
Set, sworn on the 10th day of
November, 2022.



Mark Siboni
A Commissioner for taking Affidavits

Ed M. Roscetti, B. Comm.

CHARTERED ACCOUNTANT

PRIVATE AND CONFIDENTIAL

September 12, 2018

The Board of Directors
Harry Sherman Crowe Housing Co-operative Inc.
51 The Chimneystack Rd.
Toronto, Ontario
M6J 3L9

Dear Members of the Board:

I have recently completed the audit of Harry Sherman Crowe Housing Co-operative Inc. for the fiscal year ended June 30, 2018.

The objective of my audit was to obtain reasonable assurance that the financial statements were free of material misstatement. My audit was not designed for the purpose of identifying matters to communicate. Accordingly, my audit would not usually identify all such matters that may be of interest to you and it is inappropriate to conclude that no such matters exist.

Commercial Parking Accounts

My review of the non-member parking accounts revealed that there could be a number of accounts that require adjustment. The issue seemed to be that whenever a parking spot turned over, it was not always reflected accurately in the financial records.

Please review the commercial parking accounts to ensure that they are all up to date and accurate.

Townhouse Hydro Accounts

The townhouses are being charged a flat monthly amount for hydro, but each account is supposed to be reconciled to an actual reading at some point during the year.

These reconciliations have not been done, as a result, some townhouses are being charged unfairly high or low monthly amounts.

Please consider this issue to assess how best to proceed going forward in dealing with these accounts.

This communication is prepared solely for the information of Harry Sherman Crowe Housing Co-operative Inc. and is not intended for any other purpose. I accept no responsibility to a third party who uses or relies on it.

AUDITING & ACCOUNTING • CORPORATE & PERSONAL TAX • MANAGEMENT CONSULTING

439 Connaught Ave., Willowdale, Ontario M2R 2M4 Tel: (416) 221-6779 Fax: (416) 221-7961

TOTAL P.01

Should you have any questions about this letter, please do not hesitate to call me.

Very truly yours,


Ed Roscetti

This is Exhibit “L” referred to in
the Affidavit of Julie Western
Set, sworn on the 10th day of
November, 2022.

Mark Siboni
A Commissioner for taking Affidavits

**Shelter, Support & Housing Administration
Mary-Anne Bédard, General Manager**

**Housing Stability Services
Doug Rollins, Director**

Metro Hall, 6th Floor
55 John Street
Toronto, ON M5V 3C6
Tel: 416-338-3138
Fax: 416-696-3718
Julie.WesternSet@toronto.ca
www.toronto.ca

October 6, 2020

Board of Directors
Harry Sherman Crowe Non-Profit Housing Co-operative Inc.
51 The Chimneystack Rd
Toronto Ontario M3J 3L9

Re: Board Governance and Management

Dear Board Members:

Thank you for taking the time to meet with the City of Toronto on September 18, 2020. The City requested the meeting to bring to the attention of the Board of Directors the concerns expressed by a number of co-op members regarding the process for maintenance and work orders. The meeting was also an opportunity to discuss the approach of the Board of Directors in dealing with the capital repairs to the building and residential units while considering the short and long term financial viability of the corporation.

The discussion that took place with the Board President and other directors participating in the meeting raised concerns for the City of Toronto in our role of the Service Manager:

- the Board of Directors did not demonstrate that a financial plan was in place to deal with the maintenance of and capital repairs to the building and units;
- the Board of Directors did not demonstrate a clear and well planned approach to setting priorities regarding decisions on maintenance and capital repair expenses;
- the Board did not demonstrate a willingness to co-operate with the City or sector organizations

Additionally, the co-op financial position is of concern. Specifically, the corporation's audited financial statement as of June 30, 2019 showed an in year deficit of \$83,753 and the Capital Reserve Fund balance was at \$271,468.

During the meeting the City raised concerns about the cash flow because the co-op had received a \$120,000 advance subsidy that will be repaid by reduction of the October and November subsidies payable on November 1, 2020 and December 1, 2020. Although the Board President, the Board Treasurer and other Board Directors in attendance at the meeting dismissed the concern about cash flow as invalid, the City continues to be

concerned about the cash flow and the short and long term viability of the operation of the Harry Sherman Co-op.

We are requesting that you reach out to your sector organization to assist and advise you, in reviewing Board governance and operational matters in order to establish financial stability and improved operational efficiency.

The City of Toronto has a strong interest in seeing that Harry Sherman Crowe Co-op operates efficiently. Sound Board governance and management are key to successful housing organizations. Running a housing corporation is not an easy task. The Board and staff have a variety of issues to attend to, including but not limited to: the Co-op's financial health, maintenance and preservation of the Co-op's assets (the buildings), quality service to members and compliance with legal requirements.

As Service Manager, the City is responsible for housing provider compliance with the *Housing Services Act*, 2011. Necessary steps will be taken by the City to fulfil our responsibilities to the members of Harry Sherman Crowe Co-op, in the event that the Board of Directors doesn't take the steps needed to improve the financial situation of the corporation through spending controls, capital and maintenance plan and reduction of vacancy loss and arrears. The City continues to be available to support Harry Sherman in these efforts.

Should you have any questions, do not hesitate to contact Suzana Lama at 416-338-8210 or via email at Suzana.Lama@toronto.ca.

Sincerely,



Julie Western Set

Manager
Housing Stability Services
Shelter, Support & Housing Administration
416-338-3138

C. Michelle Arscott, Advisor, CHFT, michelle@coophousing.com
Saud Ahmad, Property Manager, saud@mpmg.ca

This is Exhibit "M" referred to
in the Affidavit of Julie Western
Set, sworn on the 10th day of
November, 2022.

A handwritten signature in black ink, appearing to read "Mark Siboni", written over a horizontal line.

Mark Siboni
A Commissioner for taking Affidavits

Shelter, Support & Housing Administration
Mary-Anne Bédard, General ManagerHousing Stability Services
Doug Rollins, DirectorMetro Hall
55 John St., 6th Floor
Toronto, Ontario M5V 3C6
Tel: 416-338-8210
Fax: 416-696-3718
Suzana.Lama@toronto.ca

October 9, 2020

Ms. Rosell Kerr
Harry Sherman Crowe Housing Co-operative Inc.
Co-op Off - 51 Chimneystack RD
Toronto, ON M3J 3L9

Dear Rosell Kerr:

Re: Financial Statements and Annual Information Return – June 30, 2019

We have completed our review of the corporation's Annual Information Return (AIR) and audited financial statements for the year ended June 30, 2019.

Subsidy Earned

The corporation's total subsidy earned for the year was \$1,546,055. The corporation was overfunded by \$43,945 for the year and this amount will be deducted from your November 1, 2020 subsidy payment. Please see attached the revised Payment Schedule for year ending June 30, 2021.

Management Letter

In management letter, the auditors identified significant deficiencies in internal controls. The deficiencies listed in the previous year management letter are still outstanding and are not addressed by the Board as of yet.

- 1) High Rate of Management Turnover;
- 2) Commercial Parking Accounts – there are a number of accounts that require adjustments. **This is a repeated concern by the auditors that Board should address in the near future.**
- 3) Townhouse Hydro Accounts – the reconciliations have not been done resulting in incorrect charges. **This is a repeated concern by the auditors that Board should address in the near future.**
- 4) Petty Cash;
- 5) Board Minutes;
- 6) Unsupported Expenditures – not all expenditures had appropriate support and authorization.

Please provide an update on what the corporation is doing to address these issues by **November 25, 2020**.

In-Year Deficit

During our review, we noticed that Maintenance Costs increased by \$102,690 or 29.12% (2019 \$455,380, 2018 \$352,690), Utility Costs increased by \$58,270 or 12.27% (2019 \$533,039, 2018 \$474,769), Insurance Costs increased by \$5,600 or 12.74%, (2019 \$49,560, 2018 \$43,960), Bad Debts increased by \$5,474 or 100% (2019 \$5,474, 2018 \$0). Additionally, the co-operative reported

16 vacant months for its market rent units across the fiscal year, causing a significant loss of revenue for the corporation in the amount of \$18,276.

As a result, the co-operative incurred an in-year deficit of \$83,753.

Capital Reserve Fund

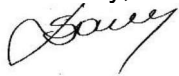
The opening balance of your Capital Reserve Fund (\$309,819) in the submitted 2019 AIR did not agree with the approved 2018 ending balance (\$293,459). Please ensure that this is correctly reflected in your upcoming financial statements.

Arrears

Arrears were at \$31,198 or 2.36% of total revenue. This continues to be high for a project of your size and may reflect ineffective controls on the collection of housing charges. Please provide an explanation for this high arrears and how your corporation will address this issue **by November 25, 2020**.

Thank you in advance for your response. Should you have any questions, do not hesitate to contact me at 416-338-8210 or via email at Suzana.Lama@toronto.ca.

Sincerely,



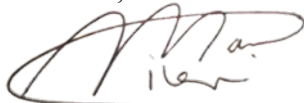
Suzana Lama
Housing Consultant

c.c. Saud Ahmad, Property Manager

Payment schedule:

Expected Payment Date	Total Payment	Section 103 \$1,424,760	Y/E Settlement \$-76,301
August 01, 2020	96,374	128,730	-32,356
September 01, 2020	128,730	128,730	0
October 01, 2020	128,730	128,730	0
November 01, 2020	84,785	128,730	-43,945
December 01, 2020	68,730	68,730	0
January 01, 2021	68,730	68,730	0
February 01, 2021	128,730	128,730	0
March 01, 2021	128,730	128,730	0
April 01, 2021	128,730	128,730	0
May 01, 2021	128,730	128,730	0
June 01, 2021	128,730	128,730	0
July 01, 2021	128,730	128,730	0
Total	1,348,459	\$1,424,760	\$-76,301

This is Exhibit "N" referred to
in the Affidavit of Julie Western
Set, sworn on the 10th day of
November, 2022.

A handwritten signature in black ink, appearing to read "Mark Siboni". The signature is written in a cursive style with a large, sweeping initial "M".

Mark Siboni
A Commissioner for taking Affidavits

From: [Rosell Kerr](#)
To: [Julie Western Set](#)
Cc: [Suzana Lama](#); michelle@coophousing.com; [saud](#); [kaleem](#); [teshawnabruce](#); [sareeda22](#); [lesslee542](#); [lesfac lesfac](#)
Subject: HSC Board response letter
Date: October 26, 2020 2:41:36 PM
Attachments: [Attention Julie Western response to letter to board 3.docx](#)

Good day Julie Western,
Please find in the attachment a letter from Harry Sherman Crowe Board of Directors.
Thanks,
Rosell Kerr

Dear Julie Western,

Please allow us to address your letter to the Board dated September 18, 2020. Your letter accused the Board of inadequate governance which is unfair and is grossly unmerited. It must be admitted that Suzana Lama's meeting with the Board and Management was based on her belief that we are incapable of not being fair, or intelligent enough to make decisions about prioritizing workorders. We have been on the Board for a little over one year, and from the very beginning, communicating with the City representative have been very negative. This we believe is influenced by defamation of the Board's character from previous board members who did not want to relinquish years of sitting on the Board, even though they had no meaningful accomplishments. There are five Black women presently on the Board of directors at HSC, and our experiences from the start, have been unwarranted racial and gender attacks after attacks. It is not lost on us the advantage we would have, had we been five white men or five white women. Perhaps, the interactions with City representative, CHFT and sector organizations would be supportive and respectful towards us. As a result of the recent scrutiny, we see it necessary to layout in this letter our experiences, concerns and accomplishments as Board directors.

It is undeniable the endless responsibilities the Board faces every day, but it becomes easier with meaningful support. For this reason, we take offense to the insolence of your letter. The letter refers to the directors as "other", and this expression sets a tone of insignificance. It shows a disrespect for the Co-op's directors. No Board member is less significant than the president. Being the president and liaison allows me to take on some responsibilities with support from the team. We were also disappointed and offended when Suzana Lama kept rolling her eyes at us during the recent meeting. If her intention was to give support and direction to the Board, then it failed miserably. By saying we were yelling when we weren't, creates an image of the stereotype of "Angry Black Women". Consequently, we are being told that we showed no interest in co-operating with the City, CHFT and sector organization, which is not the case. On the contrary, we have reached out to the City and CHFT during the fraud investigation for help. I reached out to Tom Climent after being told by a longstanding Board member that Mr. Climent sits on the Alterna Board, but after a couple emails, I heard nothing further from him. We believe his actions or lack there of, are also influenced against this Board.

The Board has always co-operated regardless of who initiates contact. In this instance, Suzana Lama asked to meet with me and the Co-op's property Manager Saud Ahmad, this was right after we were elected as Board members. We met with her and it was also during the time when \$230,000 went missing from the Co-op's account. She inquired about the fraud investigation and advice the Board to maintained internal control, which we adhere to and continue to do. I inquired about getting financial assistant from the City; as at the time, the Co-op had no cashflow.

Moreover, the Co-op needed renovations. I knew the eroded conditions members are forced to live in as it was true for all the Board members including myself. She responded that the City will not give us anymore money than we are getting per month for RGI payments, and that I will have to figure it out. She also informed us to watch out for grants posting on the City web page which we have been doing. Regardless of being told to figure out how we were going to manage after losing \$230,000 from the Co-op's account, we were hopeful, as we were told that two other Co-ops recently had the same experience and the bank return their monies.

The kind of assumption that the Board lacks capability to manage the "financial position" of the Co-op exacerbated the intention to blame and belittle the Board's tireless effort in keeping the Co-op running after confronting fraud, without acknowledging the time and effort it took to maintain stability in the Co-op--without causing fear and chaos within our community. Clearly, we could not prevent the fraud as we had just taken over from the previous Board that did not have any record keeping or meaningful information to hand off to the new Board. Nonetheless, we caught the fraud and brought it to the bank attention before it went over \$65,000. Had the bank acted immediately it never would have reached \$230,000.

It should be concerning that at the end of June 2019, fiscal year the audit report shows a deficit of \$83, 753. However, its imperative to make clear that this Board and Management were not responsible for 2018/2019 fiscal year deficit. Rather, an inheritance that was left for us from the previous Board. We got on the Board in April 2019, two months before the end of the fiscal year, and the deficit was already over \$83,000. However, the previous Board and Management had no significant work to show for that deficit, other than legal fees caused by a harassment investigation against a Board member at the time. Cashflow was not an issue for them, because after major expenses were paid there were still \$230,000 setting in the Co-op's account unknown to this Board, waiting to be stolen. There were also \$250,000 in the reserve. We did however, had many questions about the spending, considering the Co-op needed renovations and some of that funds should have been used for those purposes. However, these questions were sidetracked by the dysfunction of the former Board and threats that the Co-op could be sued as a result of the property management allegation against a Board member. Consequently, it is the same previous Board member that is now trying to disrupt this Board by having his wife and comrades called the City, CHFT and Anthony Perruzza with untruth. Their goal is to have these authorities harassed the Board and Management because they can no longer harass the Board and Management themselves after they received sound warning from the police.

Regardless of the complaints from a few members, majority of our members are pleased with the positive changes that are now visible in our Co-op since we began serving on the Board, and they let us now at every opportunity. Even those waiting to get renovations done in their dwellings appreciate the improvement with the cleanliness of the building. They are pleased that we are holding members accountable when they don't abide by the rules. Noise late at night has completely stopped since we sent out warning letters early this year that no loud music or

hanging out after 10:00pm. We have installed eight new cameras in problem areas that assist management and the Board in holding members and their guest accountable.

The 2019/2020 deficit that this Board accumulates is a direct result from the previous Board and Management neglect, and from the Co-op account being frauded. After it was determined that the Co-op's account was robbed and the behaviour of the property manager at the time, prompted us to safeguard the Co-op in its entirety. The first action we took was to terminate their contract. Consequently, we had to pay them out for the remaining months that was left in the contract; as a result, the cost is added to the deficit. When it became apparent that the bank did not want to communicate with the Board and Management, we had no other choice but to retain a lawyer to recover the \$230,000, and to possibly hold someone accountable. Hence, that cost is also added to the deficit. Although we were able to recover around \$80,000, the balance is still out standing. We are still doing everything within our reach to get more of the funds back. Last month, on September 18, 2020, I participated in three hours of sworn interview with the Co-op's insurance company and their lawyer to recover one hundred thousand dollars of the stolen money. This money we plan on using to replace the funds in the capital reserve.

On November 18, 2019, I was accompanied by another Board member and a management staff to attend the CHFT Fall Education event, where we engaged in conversations with other Co-op Board members. Not only were the workshops useful and empowering, but we were able to converse and formed alliances. Hence, I recalled speaking to Board members from other Co-op's that were in greater deficit than ours, and they were not dealing with fraud as we were. A few Board members shared information that their Co-op did not have \$20,000 good dollars in their reserve funds. Moreover, since the COVID-19 pandemic, I regularly join Iler Campbell's webinars that is designed to help Co-ops navigate through these unusual times. As a result, I have gained a lot of information and learned that one Co-op gave their members free housing charges for the month of April.

We were told not to send out notices to members that did not pay their housing charges for March and April due to COVID-19. By the end of May, we were more than \$75,000 in arrears. By June, the arrears had gone up and presently we have only reclaimed \$25 to \$30 thousand of these arrears. Thus, it is deeply disturbing that we are expected to repay \$60,000 of the \$120,000 that was loan to us during the first phase of the pandemic. Hence, we are now asked to repay these monies during the second phase of the pandemic. Given the financial hit that this Co-op have experience over the last year and considering we went through the entire year with limited cashflow, we would expect the City to at least give us a smaller repayment option or a later repayment date in the New Year. The Board and Management are dealing with a lot especially during these unusual times coupled with the many COVID-19 restrictions. Not to mention those households in our Co-op, both in the building and townhouse that contracted COVID-19 illness. We asked our property manager to reach out to the City or CHFT for assistant with getting disinfectant to aid with prevention. Thus far, we have gotten no help. At the same time, we

learned that other Co-ops in Peel region had the same experience with COVID-19 cases and received financial assistance to help with disinfectant.

We are not seeking to paint a lavish picture of the Board and Management having a sound financial plan but considering all the challenges we face throughout 2019 /2020, however, its uncontested that this Board has always focus on budgeting. For instance, at the beginning of 2020, we cut maintenance and cleaner cost by more than 50%. Although we are paying less, we ensured that more work is being done. We cleared up workorders that was dated as far back as 2018. We also cut landscaping cost last summer by more than 50%. We have organized a team of contractors that provide us with high quality renovations for less cost than we were paying various contractors, and to date over 38 units/townhomes have been renovated. Our service contractors such as plumber, and electrician provides us with high quality work, and we make certain that the Co-op is getting excellent services. This is reflected in the reduction of our utility bills as we have replaced pipes in renovated units, as well as those in other units that also had frequent water leaks. These were causing damages not only to the units but to most of the building. All our disability units had water leaks and we have completely renovating all their bathrooms.

The Board has always demonstrated strong leadership in every facet of the Co-op. Last month the Board initiated a meeting with York University; our landlord, to discussed reductions in fees and shared services in the future. At the meeting, we suggested sharing snow removal, security, landscaping, and requested assistant in installing more security cameras on the Co-op's property. We also asked for support in programs implementation for our members and youths. These are only a few of the ideas that we brought to the table.

From the start, one of the Board's vision is to improve the standard of living for all members by eventually renovating all the units and townhomes that needs renovations, after years of neglect. During the fourteen months of us serving on the Board, as mentioned before, we have renovated over thirty-eight units and townhomes. This include fully installed kitchen cupboards, sinks, faucets, counter tops, kitchen floors, we have fully renovated bathrooms with new bathtubs, sinks, vanity, faucets and floorings. In addition, we have installed brand new flooring in living rooms and bedrooms, and these are quality renovations at a negotiated cost. We fully renovated our laundry room that was literally rotting down and infested with rats and cockroaches. We also purchased brand new machines that are now generating revenues to the Co-op.

We were clear about the process that is in place for dealing with the overwhelming work-orders that we feel are sensible, and fair. Having a process that dealt with emergency work-orders first over nonemergency work-orders makes sense. Work-orders that were submitted back in 2018 and 2019, also takes preference over recent submissions. Work-orders by members who are requesting renovation to their units or townhomes are prioritized based on the length of time the member have been living in the same unit with the same eroded conditions as other units. Moreover, we know that the complaints of the workorders not being prioritized properly were

not the issue for those members that are complaining. Frankly, how would they know which situation is more urgent than the others.

In every community safety is an issue, and at this Co-op its no different. We have fixed all the lights in the underground parking garage that was not working for years. Some of them were completely burned out while some electrical wires were cut for reasons unknown to us. We have also installed three more cameras to the underground parking which makes members feel safer. Our fire inspection when we got on the Board failed miserably from previous years of neglect and lack of record keeping. We spent over \$13,000 to fixed fire violations such as doors, floor numbers in the staircases, and water pumps to name a few. The Co-op in 2019 had two fires within the space of two weeks caused from electrical problems where two households were displaced for over two months until we renovated their unit and townhouse. Since then, the Board ensure that every unit that is renovated underwent electrical wire checked, plugs checked and replacements.

In addition, to assist the Board and encourage a collaborative social media platform, when we got on the Board, we started a committee “member support member,” This committee has no limit in the number of members that can join. The purpose is to share ideas and support the Board in the improvement of the Co-op. This ranged from helping to enforce rules, policies and suggestions. Some of the initiatives that assisted the Board and Management are members posting suggestion about areas of the Co-op that need upgrading. This group of members have helped to eradicate the improper disposal of garbage by taking pictures of garbage not disposed of properly. These pictures are sent to our management office to be posted with a fined warning. Members will attest that they have seen improvement daily with garbage being disposed of properly. The Board and Management are also in the process of fixing the outside garbage issue with the townhomes. We contacted the City last November to provide the townhouses with three garbage bins that will assist in moving the bins that are stored outside. It has been an uphill battle with promises being broken by the City. This effort is still in progress as COVID-19 becomes the new setbacks.

Parking has always been an issue at our Co-op. However, late last year, the Board and Management met with the parking company that ticket vehicles on the Co-op’s property, a meeting initiated by the Board, to discuss appropriate ways of serving members and their guests. This meeting was triggered by the many complaints from members that their guests were being unfairly ticketed. We came up with a method that promotes prompt responses from the parking company that enhanced the time frame Management resolved unfair ticketing. We also reached a resolution that forced those members dodging parking fees to start paying for parking spot. COVID-19 affected our parking revenue, as some of our underground parking spots were rented by York University staffs. Thus, the Board along with Management worked together to ensure that members who were waiting for extra parking spot were assigned a spot. This compensated for what would have been a lost in parking revenue. These are only a few of the many issues both the Board and Management with the help of members have successfully resolved.

We would like to take a moment and talk about the cell of members that are calling the City instead of bringing any unfair treatment from the Board to the membership. Consequently, implementing and enforcing positive changes does not come without displeasing some members. For every rule we enforced, are met with threats, bullying and complaints to the City. Both the Board and Management encounter these intimidating conducts regularly. There are members that believe calling the City representative will prevent them from abiding by the rules. For instance, ignoring Notice to Appear before the Board to name a few. This is true in one incident involving the member whose husband terrorized both former Board and Management and has done the same with this Board and Management. After they refused to comply with a Notice to Appear before the Board, they called Suzana Lama knowing that they were in arrears for several months and refused to sign a payment arrangement. Eventually they signed the agreement when they received an eviction notice. However, Suzana Lama called the office and told our staff to accept the late agreement that was returned one month late. It is this same member and her husband that has been encouraging their friends to call Suzana in hopes to force management and the Board to conform to their demands.

These are only a fraction of the issues that this Board and Management are encountering from a few members. However, it is concerning that when this practice gets out that they can bully the Board and Management through the City, CHFT and other sectors to avoid abiding by the rules, the Co-op will soon go back to being lawless and fall apart. These two members have already gotten away from being held accountable for so many violations. As a result, there is no end in sight. If they truly feel that the Board is treating them and other members unfairly, they know the By-law, her husband was on the Board only one year ago.

However, they are aware of the process of bringing their issues to the membership and have us removed from the Board. However, they preferred not to as members are aware that her husband was on the Board and was denied re-election. They're afraid that it will get out that he had demanded ten thousand dollars from the Board to retain a lawyer to stop the investigation against him for harassment, after he refuses to comply with the investigation, and which this Board denied him the funds. They also know that some members are aware that they purchased bathroom sink, bathroom vanity, kitchen counter, sink and faucets on the Co-op's Home Depot card during the time her husband was on the Board. Moreover, they moved her father into a vacant unit without Management and Board approval. They dug up their flooring and demand that the Co-op replace it. They called public health and standard of living numerous of times because the Board told them they need to pay the cost of damaging the Co-op's property. So, to normalize their behaviour they have encouraged their friends to damage their units as well to get bumped to the top of the renovation list. They recently called public health again and walked the worker throughout the Co-op to three of their comrade's units. Most recently, around last week they started going door to door telling member that Suzana Lama and CHFT told them to collect signatures to remove the Board as members are not happy. Certainly, they have forgotten that these are the same members that denied her husband from being re-elected and so, they are getting nowhere with their petition.

Although this issue was not apart of the scrutiny in your letter, its nonetheless of great concern to the Board and Management. We are aware of the present housing crisis and talks of building more affordable housing, or the urgency to create new affordable housing. However, we are facing two issues here at our Co-op with this new prospect. One is hearing members talked about getting on the waiting list of newly built housing for the sake of living in a newly renovated space. This exemplified the problem with existing affordable housing not being maintained to a proper standard of living. Second, at our Co-op we are facing a second generation of members. By this we mean children that were born at this Co-op, are now adults and are having children of their own. They are now on our Co-op waiting list as they are over housed, and we are being told that we must accommodate individuals that are on the City waiting list. This is becoming a problem and warrant serious consideration. To illustrate, when we have vacancies, we consider the internal waiting list first. However, the City recently increased the benchmark for RGI, which creates an issue as we are now below RGI by eight or nine units. But how about those members that have been waiting for many years some ten years for subsid. They should be able to get subsidy, and this would assist our Co-op in reaching the new benchmark. This makes sense as we don't see nine units becoming available within one or even two years.

In sum, contrary to how this Board is seen, we are a team of volunteers that works endlessly and effectively with our Management company. Saud will be cc'd on this letter; therefore, we have no reason to exaggerate our performance and governance. The Board isn't sitting back and leaving the responsibilities of the Co-op entirely in the hands of the Management company. There are no idiots on the Board, four members have gone through secondary educations and the youngest Board member is pursuing her college diploma. We are sometimes overwhelmed with dealing with the businesses of the Co-op during this difficult time. But we are resilient women and are equipped with problem solving and critical thinking skills to name a few. It is not lost on us, that the Co-op is in deficit, however; we are exploiting ways of bringing our spending under control without affecting the businesses of the Co-op. We are presently over \$40,000 in arrears, but we encouraged Management to continue pursuing members in keeping a consistent payment arrangement plan. Moreover, we are still working on recovering \$100,000 of the Co-op's stolen funds which will assist in bringing down our deficit, and we are also expecting to get \$137, 000 in HST rebate. Our plan is to replenish our capital reserve with these monies. The renovations of the Co-op need to continue, as we cannot have members living in eroded conditions, who thinks the only way for them to get renovations is to call Public Health. Based on the 40 units that have already undergone renovations and repairs; it will cost approximately another \$150,000, each year, for five years to completely renovate the remaining units and townhomes.

Sincerely,

Board Directors

This is Exhibit "O" referred to
in the Affidavit of Julie Western
Set, sworn on the 10th day of
November, 2022.

A handwritten signature in black ink, appearing to read "Mark Siboni", written over a horizontal line.

Mark Siboni
A Commissioner for taking Affidavits

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REPORT OF EXAMINATION

HARRY SHERMAN CROWE HOUSING CO-OPERATIVE INC.

Toronto, Ontario

June 30, 2020

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**To the Members of:
Harry Sherman Crowe Housing Co-operative Inc.**

Opinion

I have audited the financial statements of Harry Sherman Crowe Housing Co-operative Inc. (the Co-operative) which comprise the balance sheet as at June 30, 2020 and the statements of revenue and expenditure, reserve for future capital replacement, accumulated surplus and cash flows for the year then ended and notes to the financial statements, including a summary of significant accounting policies. These financial statements have been prepared by management to satisfy the financial reporting requirements of the Housing Services Act (HSA).

In my opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Harry Sherman Crowe Housing Co-operative Inc. as at June 30, 2020 and the results of its operations and changes in its cash flows for the year then ended in accordance with the financial reporting requirements of the HSA.

Basis for Opinion

I conducted my audit in accordance with Canadian generally accepted auditing standards (GAAS). My responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of my report. I am independent of the Co-operative in accordance with the ethical requirements that are relevant to my audit of the financial statements in Canada, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Basis of Accounting and Restriction on Use

Without modifying my opinion, I draw attention to Note 1 to the financial statements which describes the basis of accounting. The financial statements are prepared to assist Harry Sherman Crowe Housing Co-operative Inc. to comply with the financial reporting requirements of the HSA. As a result, the financial statements may not be suitable for another purpose. My report is intended solely for the members of Harry Sherman Crowe Housing Co-operative Inc. and the City of Toronto and should not be used by other parties.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation of the financial statements in accordance with the financial reporting requirements of the HSA and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Co-operative's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Co-operative or to cease operations or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Co-operative's financial reporting process.

Auditor's Responsibility for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian GAAS will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements


As part of an audit in accordance with Canadian GAAS, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Co-operative's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast doubt on the Co-operative's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosure in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Co-operative to cease to continue as a going concern.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

Willowdale, Ontario

October 21, 2020



CPA, CA
Licensed Public Accountant

ASSETS

	2020	2019
Current		
Cash on hand and on deposit, NOTE 8	\$ 174,402	\$ 347,558
Accounts receivable		
Member arrears (less allowance for doubtful accounts 2020 - \$ 7,126, 2019 - \$ 8,523)	28,212	31,198
Monthly subsidy, NOTE 5	188,590	132,500
HST rebate	137,909	105,617
Miscellaneous	7,173	9,108
Prepays	<u>7,708</u>	<u>12,471</u>
Total Current Assets	<u>543,994</u>	<u>638,452</u>
Capital Assets, NOTE 1,11		
Leasehold interest and buildings	23,336,792	23,336,792
Sector support	<u>235,769</u>	<u>235,769</u>
	23,572,561	23,572,561
Less : accumulated amortization	<u>(13,240,360)</u>	<u>(12,251,376)</u>
	<u>10,332,201</u>	<u>11,321,185</u>
S.H.R.R.P. capital costs, NOTE 12	52,915	105,835
Reserve Funds, NOTE 8		
Future capital replacement	50,617	271,468
	<u>50,617</u>	<u>271,468</u>
	<u>\$ 10,979,727</u>	<u>\$ 12,336,940</u>

APPROVED ON BEHALF OF THE BOARD

R. Kerr
Director

L. Manso
Director

LIABILITIES AND NET ASSETS

	2020	2019
Current		
Accounts payable and accrued charges	\$ 215,610	\$ 232,584
HST payable on commercial parking	1,193	3,033
Reconciled subsidy due to City, NOTE 5	192,866	76,301
Accrued mortgage payment	135,089	135,089
Members' deposits	<u>117,998</u>	<u>117,875</u>
Total Current Liabilities	<u>662,756</u>	<u>564,882</u>
Deferred S.H.R.R.P. funding, NOTE 12	52,915	105,835
Term Debt, NOTE 4	10,332,201	11,321,186
Net Assets		
Externally Restricted Net Assets, NOTE 6		
Capital Replacement Reserve		
Per schedule	50,617	271,468
Unrestricted Net Assets		
Contributed Surplus		
Per schedule	10,325	10,325
Accumulated Surplus (Deficit)		
Per schedule	<u>(129,087)</u>	<u>63,244</u>
	<u>\$ 10,979,727</u>	<u>\$ 12,336,940</u>

The notes on pages 11 through 16 form an integral part of these financial statements.

HARRY SHERMAN CROWE HOUSING CO-OPERATIVE INC.

Year ended June 30, 2020

2020

2019

STATEMENT OF RESERVE FOR FUTURE CAPITAL REPLACEMENT

Balance, beginning	\$ 271,468	\$ 309,819
Add		
Appropriation from operations	103,662	101,361
Re-allocation of surplus otherwise refundable to City	0	0
Investment income (loss)	<u>1,971</u>	<u>7,137</u>
	377,101	418,317
Less		
Expenditures, NOTE 7	<u>(326,484)</u>	<u>(146,849)</u>
BALANCE JUNE 30	\$ 50,617	\$ 271,468
	=====	=====

STATEMENT OF CONTRIBUTED SURPLUS

Balance, beginning	\$ 10,325	\$ 10,300
Add		
Membership fees collected	<u>0</u>	<u>25</u>
BALANCE JUNE 30	\$ 10,325	\$ 10,325
	=====	=====

STATEMENT OF ACCUMULATED SURPLUS (DEFICIT)

Balance, beginning	\$ 63,244	\$ 142,533
Add (less)		
Difference in retroactive hydro rebate repayable to City	0	4,464
Net revenue (expense) for the year	<u>(192,331)</u>	<u>(83,753)</u>
BALANCE JUNE 30	\$ (129,087)	\$ 63,244
	=====	=====

STATEMENT OF REVENUE AND EXPENDITURE

HARRY SHERMAN CROWE HOUSING CO-OPERATIVE INC.

For the year ending June 30, 2020

(NOTE 10)
2019/20 BUDGET

2020

2019

REVENUE

Housing charges

Market

\$ 973,188 \$ 1,011,627 \$ 998,507

Geared-to-income

1,225,344 334,337 343,948

City of Toronto subsidy, NOTE 5

Operating subsidy

571,764 530,013 571,701

Property tax subsidy

155,231 169,271 157,138

Rent geared-to-income subsidy

0 847,231 817,216

2,925,527 2,892,479 2,888,510

Non occupancy charges, NOTE 9

143,200 142,174 148,441

S.H.R.R.P. grant

52,920 52,920 52,920

Vacancy loss on market units

(20,000) (5,295) (18,276)

TOTAL REVENUE

3,101,647 3,082,278 3,071,595

EXPENSES, shelter

Administrative expense, per schedule

243,150 264,245 202,867

Insurance

53,004 64,608 49,560

Mortgage interest

1,621,069 625,762 691,834

Amortization

0 979,095 913,024

Maintenance contract

107,000 108,296 106,520

Materials and services, per schedule

244,680 269,606 299,715

Municipal taxes

155,231 169,271 157,138

Utilities

481,500 435,930 533,039

Waste management

50,000 52,145 49,145

Replacement reserve appropriation

103,662 103,662 101,361

Bad debts

3,000 7,126 5,474

S.H.R.R.P. amortization

52,920 52,920 52,920

TOTAL SHELTER EXPENSE

3,115,216 3,132,666 3,162,597

NET SHELTER REVENUE (EXPENSE)

(13,569) (50,388) (91,002)

SURPLUS REPAYMENT

0 0 0

Net shelter revenue (expense) for the year

(13,569) (50,388) (91,002)

Non-Shelter Component

Sector support revenue

23,616 23,412 23,460

Interest expense

0 (6,322) (6,989)

Amortization expense

0 (9,889) (9,222)

Net non-shelter revenue for the year

10,047 7,201 7,249

10,047 (43,187) (83,753)

Loss due to fraud - unauthorized electronic fund transfers, Note 14

0 (149,144) 0

Net revenue (expense) for the year

\$ 10,047 \$ (192,331) \$ (83,753)

SCHEDULES OF EXPENSES

HARRY SHERMAN CROWE HOUSING CO-OPERATIVE INC.

For the year ending June 30, 2020

	(NOTE 10) 2019/20 BUDGET	2020	2019
Administrative Overhead			
Management fees	\$ 155,000	\$ 164,351	\$ 138,987
Materials and services	65,750	79,308	45,153
Other	<u>22,400</u>	<u>20,586</u>	<u>18,727</u>
	<u>\$ 243,150</u>	<u>\$ 264,245</u>	<u>\$ 202,867</u>
Materials and Services			
Building general	\$ 101,500	\$ 107,933	\$ 104,988
Elevators	20,480	23,693	22,236
Electrical systems	12,000	10,117	18,386
Heating, ventilation, plumbing	37,500	58,612	73,820
Grounds	36,200	34,980	44,836
Painting	9,500	663	6,440
Security/life safety systems	<u>27,500</u>	<u>33,608</u>	<u>29,009</u>
	<u>\$ 244,680</u>	<u>\$ 269,606</u>	<u>\$ 299,715</u>
Utilities			
Electricity	\$ 246,500	\$ 193,011	\$ 270,303
Fuel	70,000	68,383	68,562
Water and sewage	<u>165,000</u>	<u>174,536</u>	<u>194,174</u>
	<u>\$ 481,500</u>	<u>\$ 435,930</u>	<u>\$ 533,039</u>

STATEMENT OF CASH FLOWS

HARRY SHERMAN CROWE HOUSING CO-OPERATIVE INC.

For the year ending June 30, 2020

	2020	2019
CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES		
Net revenue (expense) for the year	\$ (192,331)	\$ (83,753)
Adjusted for non-cash charges		
Amortization	988,984	922,246
Appropriation to reserve	<u>103,662</u>	<u>101,361</u>
	900,315	939,854
Changes in non-cash working capital components		
Accounts receivable - arrears	2,986	(2,913)
- monthly subsidy	(56,090)	(13,320)
- HST rebate	(32,292)	81,723
- miscellaneous	1,935	(3,221)
Prepays	4,763	70,797
Accounts payable and accrued charges	97,750	195,814
Members' deposits	123	226
Contributed surplus	<u>0</u>	<u>25</u>
CASH PROVIDED BY OPERATING ACTIVITIES	<u>919,490</u>	<u>1,268,985</u>
CASH USED IN CAPITAL ACTIVITIES		
Payment of mortgage principal	<u>(988,984)</u>	<u>(880,877)</u>
CASH USED IN CAPITAL ACTIVITIES	<u>(988,984)</u>	<u>(880,877)</u>
CASH PROVIDED BY RESERVE FUND ACTIVITIES		
Change in reserve funds	220,851	38,351
Investment income (loss) on reserve funds	1,971	7,137
Other additions to reserve	0	4,464
Expenditures	<u>(326,484)</u>	<u>(146,849)</u>
CASH USED IN RESERVE FUND ACTIVITIES	<u>(103,662)</u>	<u>(96,897)</u>
Net cash (decrease) increase during the year	(173,156)	249,842
Cash position, beginning of year	<u>347,558</u>	<u>97,716</u>
Cash position, end of year	<u><u>\$ 174,402</u></u>	<u><u>\$ 347,558</u></u>

NOTES TO FINANCIAL STATEMENTS

HARRY SHERMAN CROWE HOUSING CO-OPERATIVE INC.

June 30, 2020

STATUS AND NATURE OF ORGANIZATION

The Co-operative was incorporated under the Co-operative Corporations Act, 1973 on September 29, 1988 as a Corporation without share capital and operating exclusively for social welfare, it is exempt from income tax under Section 149 (1) (l) of the Income Tax Act.

The Co-operative became fully operational on the mortgage interest adjustment date of July 1, 1993. No portion of the Co-operative's income is available for the benefit of any member. A Board of Directors, which serves without remuneration, is elected from the membership.

The Co-operative receives subsidy from the City of Toronto and provides subsidized housing to its members. The Co-operative is dependent on this funding for its continued operation.

NOTE 1 SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The Co-operative follows accounting policies set out by the HSA under the procedures and policies contained in the Act and as set out by the City of Toronto. Some of these policies are not consistent with Canadian accounting standards for not-for-profit organizations, specifically:

- (a) amortization of capital assets includes amortization of land and is equal to the principal repaid on the mortgage, rather than on the estimated useful lives of the related assets,
- (b) capital expenditures incurred are charged to the capital replacement reserve, rather than capitalized and amortized over their estimated useful lives,
- (c) a replacement reserve is appropriated from operations,
- (d) investment income earned on the replacement reserve, which consists of distributions from the Social Housing Funds as well as realized and unrealized capital gains, is credited directly to the reserve, rather than to operations,
- (e) long-term debt is not segregated between current and long-term on the balance sheet.

Use of Estimates

The preparation of financial statements requires the Board of Directors to make assumptions about future events that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. A significant item subject to such estimates is the allowance for doubtful accounts. Actual results could differ from these estimates.

NOTES TO FINANCIAL STATEMENTS

HARRY SHERMAN CROWE HOUSING CO-OPERATIVE INC.

June 30, 2020

NOTE 1 SIGNIFICANT ACCOUNTING POLICIES - continued

Revenue Recognition

Housing charges are recognized at the beginning of each month, when they are due. City subsidy is recognized using the deferral method of accounting for contributions. All other income is recognized as it is earned.

NOTE 2 FINANCIAL INSTRUMENTS

The Co-operative's financial instruments consist of cash and temporary investments, accounts receivable, current liabilities and long-term debt.

Cash and temporary investments - measured at fair value, as determined by quoted market values.

Accounts receivable - initially recorded at fair value but recorded at cost.

Current liabilities - initially recorded at fair value but carried at cost

Long-term debt - recorded at amortized cost using the effective interest rate method.

Credit Risk

The Co-operative has exposure to credit risk to the extent that some members may fall into housing charge arrears. This risk is offset somewhat by the Co-operative holding some deposits.

Interest Rate Risk

The Co-operative manages its investments based on its cash flow needs, with a view to maximizing investment income.

The mortgage bears a fixed rate of interest.

NOTE 3 TRANSACTIONS WITH MEMBERS

In excess of 80% of the earned revenue reflected in these financial statements was derived from, or on behalf of, members of the Co-operative.

NOTES TO FINANCIAL STATEMENTS

HARRY SHERMAN CROWE HOUSING CO-OPERATIVE INC.

June 30, 2020

NOTE 4 TERM DEBT

The mortgage on the property is held by the TD Bank and fully insured by Canada Mortgage and Housing Corporation under Section 6 of the National Housing Act. The details are as follows:

Renewed principal balance	\$ 22,854,707
Interest rate	5.94 %
Monthly payment	\$ 135,089
Term	30 years
Maturity date	July 1, 2028

The approximate principal repayments for the next five years are as follows:

2021 -	\$ 1,042,868
2022 -	1,105,734
2023 -	1,166,686
2024 -	1,231,452
2025 -	1,298,118

NOTE 5 CITY OF TORONTO SUBSIDY

The City of Toronto has agreed to supplement the operating budget of the Co-operative by advancing a monthly subsidy of \$ 128,590. At the end of each fiscal year, a reconciliation is performed to determine how much subsidy the Co-operative is entitled to keep.

The reconciliation for 2019/20 is as follows:

Operating subsidy received	\$ 530,013	
Property tax subsidy received	149,511	
R.G.I. subsidy received	<u>863,556</u>	\$ 1,543,080
Operating subsidy earned	530,013	
Property tax subsidy earned	169,271	
R.G.I. subsidy earned	<u>847,231</u>	<u>1,546,515</u>
		3,435
Repayable pandemic relief advances		<u>(120,000)</u>
		(116,565)
Balance yet to be recovered for 2017/18		(32,356)
Balance yet to be recovered for 2018/19		<u>(43,945)</u>
		(192,866)
Due to City		\$ (192,866)

NOTES TO FINANCIAL STATEMENTS

HARRY SHERMAN CROWE HOUSING CO-OPERATIVE INC.

June 30, 2020

NOTE 6 EXTERNALLY RESTRICTED NET ASSETS

The Co-operative's capital replacement reserve is externally restricted by the City of Toronto. Expenditures charged to this reserve may be disallowed by the City.

NOTE 7 RESERVE EXPENDITURES

Expenditures charged to the capital replacement reserve are as follows:

	2020	2019
Lighting retrofit	\$ 26,099	\$ 0
Laundry equipment	37,714	0
Door operators	0	4,884
Access system	0	20,262
Boiler upgrades	7,358	0
Security cameras	8,900	13,723
Garage door	4,912	0
Unit renovations	143,024	34,801
Fire-rated doors	0	18,537
Fire alarm upgrades	18,631	0
Electrical panels	0	4,220
Furnace	0	3,024
Parking gate arms	5,149	0
Engineering/consulting	0	7,577
Flooring/carpeting	51,560	21,491
Appliances	<u>23,137</u>	<u>18,330</u>
	<u>\$ 326,484</u>	<u>\$ 146,849</u>

NOTE 8 CASH ON HAND AND ON DEPOSIT

The total cash on hand and in the reserve fund is:

	2020	2019
Cash on hand and on deposit	\$ 174,402	\$ 347,558
Reserve funds	<u>50,617</u>	<u>271,468</u>
	<u>\$ 225,019</u>	<u>\$ 619,026</u>
Represented by:		
Petty cash	\$ 296	\$ 500
Current account	13,356	265,969
Credit union shares	208	206
Social Housing Funds	<u>211,159</u>	<u>352,351</u>
	<u>\$ 225,019</u>	<u>\$ 619,026</u>

NOTES TO FINANCIAL STATEMENTS

HARRY SHERMAN CROWE HOUSING CO-OPERATIVE INC.

June 30, 2020

NOTE 9 NON-OCCUPANCY CHARGES

Non-occupancy charges are as follows:

	2020	2019
Parking revenue	\$ 103,598	\$ 109,059
Laundry revenue	28,967	28,126
Investment income	7,237	5,876
Other	<u>2,372</u>	<u>5,380</u>
	<u>\$ 142,174</u>	<u>\$ 148,441</u>

NOTE 10 BUDGET FIGURES

Budget figures are provided for comparison purposes only and have not been audited.

NOTE 11 LAND LEASE

The Co-operative was constructed on land leased from York University. The term of the lease is 45 years, effective January 31, 1992. The entire lease payment of \$ 3,533,000 was paid up front and is reflected in Leasehold Interest and Buildings.

NOTE 12 SOCIAL HOUSING RENOVATION AND RETROFIT PROGRAM (S.H.R.R.P.)

In 2010/11 the Co-operative was approved for funding under S.H.R.R.P for the following projects:

Boiler replacement	\$ 142,342
Replacement of 2 make-up air units	100,896
Solar panels	285,957
Building condition analysis	3,580

The boiler, make-up air units and solar panels as well as the related funding are being amortized over ten years effective 2011/12. The schedule is as follows:

	Cost	Accumulated Amortization	Net Book Value
Boiler	\$ 142,342	\$ 128,106	\$ 14,236
Make-up air units	100,896	90,808	10,088
Solar water re-heating	<u>285,957</u>	<u>257,366</u>	<u>28,591</u>
	<u>\$ 529,195</u>	<u>\$ 476,280</u>	<u>\$ 52,915</u>

NOTES TO FINANCIAL STATEMENTS

HARRY SHERMAN CROWE HOUSING CO-OPERATIVE INC.

June 30, 2020

NOTE 12 SOCIAL HOUSING RENOVATION AND RETROFIT PROGRAM (S.H.R.R.P.) - continued

The cost and funding for the building condition analysis has been recorded in operations for 2011/12.

The funding is in the form of a forgivable loan, which will be fully forgiven after ten years provided the Co-operative meets certain guidelines including maintaining its not-for-profit status over that period.

NOTE 13 CAPITAL MANAGEMENT

The Co-operative defines its capital as the amounts included in net assets. It manages its unrestricted accumulated surplus to ensure its ability to continue operations as a going concern so that it can continue to provide affordable housing to its members. It does this through cash flow management as well as having a yearly member-approved budget in place. The portion of its net assets pertaining to the externally restricted reserve must be invested and spent in accordance with requirements set out by the funder.

NOTE 14 LOSS DUE TO UNAUTHORIZED EFT'S

In July 2019, the Co-operative was victimized by a series of unauthorized EFT withdrawals from its current account. Although some funds were recovered, \$ 149,144 is still outstanding. The Co-operative continues to explore alternatives in its attempt to recover this balance.

This is Exhibit "P" referred to in
the Affidavit of Julie Western
Set, sworn on the 10th day of
November, 2022.

A handwritten signature in black ink, appearing to read "Mark Siboni", written over a horizontal line.

Mark Siboni
A Commissioner for taking Affidavits

September 10, 2020

The Board of Directors
Harry Sherman Crowe Housing Co-operative Inc.
51 The Chimneystack Rd.
Toronto, Ontario
M6J 3L9



Dear Members of the Board:

I have recently completed the audit of Harry Sherman Crowe Housing Co-operative Inc. for the fiscal year ended June 30, 2020.

The objective of my audit was to obtain reasonable assurance that the financial statements were free of material misstatement. My audit was not designed for the purpose of identifying matters to communicate. Accordingly, my audit would not usually identify all such matters that may be of interest to you and it is inappropriate to conclude that no such matters exist.

Weakening financial position

The Co-operative's financial picture has weakened over the last couple of years, and now reflects a capital replacement reserve balance of only about \$ 50,000 and an accumulated deficit balance of over \$ 129,000 (which includes a \$ 149,000 loss due to fraud in July 2019).

Please assess how the Co-operative plans to reverse this downward trend in its finances.

The Co-operative simply cannot afford to maintain expenditures at this level, it will run out of cash.

Member Subsidy Files

Each year, an important component of my audit is the review of a sample of member subsidy calculations.

My review this year found some deficiencies including missing and/or inaccurate calculations.

The Co-operative is entrusted by the City each year with a large amount of Rent Geared to Income subsidy. The Co-operative must ensure that these subsidy dollars are distributed in accordance with City guidelines and rules. Complete and accurate subsidy files are key in being able to substantiate how that subsidy was disbursed.

Monthly financial packages to Board members

It is extremely important for the Board be fully aware at all times of the Co-operative's financial picture, therefore, the monthly financial package provided to the Board each month must be comprehensive and include, at the very least, the following:

- 1) Balance sheet and Income Statement
- 2) Bank reconciliation and bank statement
- 3) Commercial parking arrears list
- 4) Member arrears listing, **but not by unit, instead, by case number**, for confidentiality purposes
- 5) Accounts payable listing
- 6) Capital replacement account showing all capital expenditures incurred.

Commercial Parking accounts

Even though my review of the non-member parking accounts revealed some improvement over last year, there were still a number of accounts that required adjustment.

Please review the commercial parking accounts to ensure that they are all up to date and accurate.

Townhouse Hydro Accounts

The townhouses are being charged a flat monthly amount for hydro, but each account is supposed to be reconciled to an actual reading at some point during the year.

These reconciliations have not been done in some time, as a result, some townhouses are being charged unfairly high or low monthly amounts.

Petty Cash

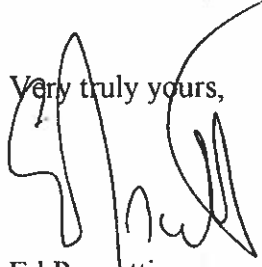
My review of the Petty Cash fund revealed that it had not been reconciled. My discussion with office staff revealed that the fund apparently is used quite sparingly.

If the Co-operative is to maintain a petty cash float, it needs to be always kept reconciled. I would recommend that the fund be closed off if it is not being used.

This communication is prepared solely for the information of Harry Sherman Crowe Housing Co-operative Inc. and is not intended for any other purpose. I accept no responsibility to a third party who uses or relies on it.

Should you have any questions about this letter, please do not hesitate to call me.

Very truly yours,

A handwritten signature in black ink, appearing to read 'Ed Roscetti', written over the closing text.

Ed Roscetti

This is Exhibit "Q" referred to
in the Affidavit of Julie Western
Set, sworn on the 10th day of
November, 2022.

A handwritten signature in black ink, appearing to read "Mark Siboni", written over a horizontal line.

Mark Siboni
A Commissioner for taking Affidavits

Social Housing Annual Information Return

Identification

Page A1

Corporation name
Harry Sherman Crowe Housing Co-operative Inc.
CMSM/DSSAB
City of Toronto

I.D. No.	Year end (mm/dd/yyyy)
H04-900	June 30, 2020

Corporation address	Mailing address
Co-op Off-51 Chimneystack Rd Toronto Ontario M3J 3L9	Co-op Off-51 Chimneystack Rd Toronto Ontario M3J 3L9

Program type	Y/N	# of units
1. Public Housing		
2. Rent Supplement		
3. Section 26/27		
4. Section 95 - PNP		
5. Section 95 - MNP		
6. Part VII - Mixed	Y	164
7. Part VII - 100% RGI		
8. Other		
9. Urban Native		

Contact name	Position
Mr. Saud Ahmed	Manager
	eMail address

Telephone number	Fax number
416-736-8889	

Status	Name	Approval Date
Approved	Housing Stability Services	January 13, 2021

Instructions

This form to be used by all Private Non-Profit Housing Corporations, Municipal Non-Profit Housing Corporations, and Co-operative Housing Corporations. It may be used by Local Housing Corporations.

Social Housing Annual Information Return

Year End: June 30, 2020

Corporation: Harry Sherman Crowe Housing Co-operative Inc

Management Representation Report

Page A2

Note 1: The Housing Services Act and its regulations are referred to as HSA throughout these representations.

Note 2: If the answer to any question, other than number 5, is "No", please provide explanatory details.

Note 3: All questions are to be answered as of the end of the fiscal year. Question 11 to 13 should cover the fiscal year as well as the months preceding the filing of this report.

The following questions relate to both formerly federal and formerly provincial projects. The questions should be answered with respect to the provisions of the HSA and/or any formerly federal operating agreement that your corporation may be governed by.

GOVERNANCE

1) Does the corporation follow the required conflict of interest provisions? Y N NA

RESIDENT RELATIONS

2) Did the corporation select applicants as required? Y N

3) Were all RGI households charged the rent required? Y N NA

4) Did the corporation comply with its mandate and targeting plan in housing applicants, if applicable? Y N NA

FINANCIAL MANAGEMENT

5) Did the corporation receive a management letter from its auditors reporting serious deficiencies in internal controls or operations? (If yes, attach a copy of the letter.) Y N

6) Were expenses allocated to any non-shelter component as required? Y N NA

7) Was the shelter component of the corporation's revenue used only for shelter purposes? Y N NA

8) Did the corporation invest its Capital Reserve Fund as required? Y N NA

9) Did the corporation make all transfers to and expenditures from the Capital Reserve Fund as required? Y N NA

10) Did the corporation comply with the requirement in the HSA to participate in a system for group insurance of housing providers? Y N NA

MORTGAGE

11) Is the corporation in compliance with its obligation not to mortgage or encumber, replace or amend the mortgage? Y N

12) Are all other mortgages the corporation may have in good standing? Y N NA

13) Is the corporation free and clear of material contingent liabilities and legal disputes? Y N

Social Housing Annual Information Return

Year end: June 30, 2020

Corporation: Harry Sherman Crowe Housing Co-operative Inc.

Statement of Financial Position (Balance Sheet)

Page A3

ASSETS

Cash and investments	- capital reserve fund	310	50,617
	- other	312	174,402
Subsidies receivable from the service manager			
Accounts Receivable - tenants		320	128,590
Accounts Receivable - other		321	28,212
		322	205,082
Capital assets (at cost):			
Shelter		325	23,865,987
Non-shelter		327	
Sector support (co-ops only)		329	235,769
Total		Lines 325 to 329 330	24,101,756
Accumulated amortization		334	13,716,640
Net capital assets		Lines 330 - 334 335	10,385,116
Other assets			
		350	7,708
TOTAL ASSETS		Lines 310 + 312 + 320 + 335 + 350 355	10,979,727

LIABILITIES

Subsidies payable to the service manager		360	45,622
Mortgage loans		368	10,332,201
Other loans		370	52,915
Other liabilities		375	638,811

SURPLUS

Contributed surplus		380	10,325
Capital reserve fund (housing)		Line 690 384	39,169
Other reserves		386	
Accumulated surplus/(deficit)		390	(139,316)
TOTAL LIABILITIES AND SURPLUS		Lines 360 to 390 395	10,979,727

SHB 01/02

Social Housing Annual Information Return

Year end: June 30, 2020

Corporation: Harry Sherman Crowe Housing Co-operative Inc.

Statement of Operations and Accumulated Surplus

Page A4

I. Statement of Operations (Revenue and Expenses)

Occupancy revenue

Rent-geared-to-income units	501	332,243
Market units	502	1,013,721
Rent-geared-to-income subsidy	503	842,119
Gross occupancy revenue	Lines 501 + 502 + 503 504	2,188,083
Less: Vacancy loss on market units	505	5,295
Subtotal	Lines 504 - 505 510	2,182,788

Investment income

Non-rental revenue (parking, laundry, etc.)	521	7,237
Subsidy 100% RGI providers	Line 1319 522	134,937
Net operating subsidy	Line 1289 less Line 1272 523	-
	525	819,284

Section 95 & Urban Native (federal) subsidy

Line 1525 - 1572 or Line 1680 or Line 3550

Public Housing Subsidy	527	-
Other <u>SHRRP grant</u>	528	-
	529	52,920

Total revenue

Lines 510 to 529

Shelter expenses

Maintenance	541	434,959
Utilities	542	435,930
Administration	543	264,245
Insurance	544	64,608

Capital reserve from previous year

545 101,361

Capital reserve index

Provided by MMAH
546 1,0227

Mandatory transfer to capital reserve fund	Lines 545 x 546 547	103,662
Transfer to Section 95 and Urban Native Capital Reserve	Line 1548 or 1648 548	-
Property taxes	549	169,271
Mortgage principal and interest (excluding Sector Support and/or non-shelter component)	550	1,604,857
Transfers to other funds	551	-
Transfers to subsidy surplus fund	Line 1561 561	-
Bad Debts	562	7,126
Other <u>SHRRP amortization & fraud loss</u>	563	202,064
Subtotal	(Lines 541 to 544) + (lines 547 to 563) 565	3,286,722

NET INCOME (LOSS) - Housing

Lines 530 - 565

Gifts and donations

572 -

Non shelter revenue (net)

Line 629 Col 3 + Line 1574 Col 1
573 -

Sector support (net) (co-ops only)

574 7,201

Other programs and activities (net) - Advance subsidy given to the provider

575 (120,000)

NET INCOME (LOSS)

Lines 570 to 575
580 (202,355)

II. Statement of Accumulated Surplus (Deficit)

BALANCE, BEGINNING OF YEAR

Previous year's line 599
590 63,039

Net income for the year

Line 580
591 (202,355)

Other

592 -

BALANCE, END OF YEAR

Lines 590 to 592
599 (139,316)

Social Housing Annual Information Return

Year end: June 30, 2020

Corporation: Harry Sherman Crowe Housing Co-operative Inc.

Non-Shelter Income (Loss) - Part VII of the Housing Services Act

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NON-SHELTER REVENUE		Care 01	Commercial & Other 02	Total 03
Commercial rent	610			-
Grants from Ministry of Health	611			-
Grants from Ministry of Community & Social Services	612			-
Other (describe) _____	613			-
Other (describe) _____	614			-
Total non-shelter revenue	Lines 610 to 614 615	-	-	-
NON-SHELTER EXPENSES				
Operating costs				
Maintenance salaries, wages and benefits	620			-
Maintenance materials and services	621			-
Utilities	622			-
Administration	623			-
Other (describe) _____	624			-
Total non-shelter operating costs	Lines 620 to 624 625	-	-	-
Municipal taxes	626			-
Mortgage payments	627			-
Total non-shelter expenses	Lines 625 to 627 628	-	-	-
NET NON-SHELTER REVENUE (LOSS)	Lines 615 - 628 629	-	-	-

SHB 01/02

Social Housing Annual Information Return

Year end: June 30, 2020

Corporation: Harry Sherman Crowe Housing Co-operative Inc.

Capital Reserve Fund - Part VII of the Housing Services Act and Federal 95, 26/27

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BALANCE, BEGINNING OF YEAR	Previous year's line 690	651	255,108	255,108
Revenue				
Mandatory transfer from operations	Line 547 and/or line 548	652	103,662	
Investment income		654	1,971	
Other		655		
Total	Lines 651 to 655	660	360,741	
Expenses (by item or category)				
<u>Lighting retrofit</u>		671		
<u>Laundry equipment</u>		672	26,099	
<u>Boiler upgrades</u>		673	37,714	
<u>Security cameras</u>		674	7,358	
<u>Garage door \$4,912 disallowed as CRF exp</u>		675	8,900	
<u>Unit renovations</u>		676	-	
<u>Fire alarm upgrades</u>		677	143,024	
<u>Fire alarm upgrades</u>		678	18,631	
<u>Parking gate arms</u>		679	5,149	
<u>Flooring/carpeting</u>		680	51,560	
<u>Appliances</u>		681	23,137	
		682		
		683		
Total expenses	Lines 671 to 683	685	321,572	
BALANCE, END OF YEAR	Lines 651 + 660 - 685	690	39,169	
ASSETS, END OF YEAR				
Cash and investments	Line 310	695	50,617	
DIFFERENCE	Lines 695 - 690	699	11,448	

Instructions:

If the difference on line 699 is greater than \$1,000, provide an explanation for the difference and the corporation's plan to bring the fund into balance.

Social Housing Annual Information Return

Year end: June 30, 2020

Corporation: Harry Sherman Crowe Housing Co-operative Inc.

General Subsidy - Part VII of the Housing Services Act - Mixed

Page B1

I. Operating Subsidy

Principal and interest payable during year	1201	1,604,777
Excess of Indexed benchmark costs over indexed benchmark revenue	1202	(1,074,764)
Operating Subsidy	Line 1201 + Line 1202 1205	530,013
Subsidy phase-in	1206	-
Operating Subsidy	Lines 1201 - 1208 1209	530,013

II. RGI subsidy

Indexed market rents for RGI units	Sch. D1 Col. 09 1213	1,174,362
Actual market rents for RGI units	Sch. D1 Col. 8 1214	1,191,318
Lesser of Line 1213 or Line 1214	1215	1,174,362
Actual rental income from RGI households	Sch. D1 Col. 10 1218	332,243
RGI subsidy	Line 1215 - 1218 1219	842,119

III. a) Indexed Benchmark Revenue

Benchmark Non Rental Revenue	1220	122,277
Indexed Market Rent	1221	2,194,704
Indexed Vacancy Loss	1222	33,457
Total Indexed Benchmark Revenue	Line 1220 + 1221 - 1222 1223	2,283,524

b) Indexed Benchmark Operating Costs

Administration and Maintenance	1225	560,290
Insurance	1226	49,043
Bad Debt	1227	15,348
Electricity	1228	206,165
Water	1230	169,623
Gas	1231	104,629
Capital Reserves	1232	103,662
Total Indexed Operating Costs	Line 1225 + 1226 + 1227 + 1228 + 1230 + 1231 + 1232 1233	1,208,760
Excess of Indexed Benchmark Costs Over Indexed Benchmark Revenue	1234	(1,074,764)

IV. Surplus repayment

Revenue:

Market units	1241	1,008,426
RGI units	Line 1218 1242	332,243
RGI subsidy	Line 1219 1243	842,119
Subtotal	Lines 1241 to 1243 1245	2,182,788
Investment	1247	7,237
Non-rental revenue	1248	134,937
Total revenue	Lines 1245 to 1248 1250	2,324,962
Operating costs	Operating costs for shelter component of projects under the SHRA 1251	1,459,674

Social Housing Annual Information Return

Year end: June 30, 2020

Corporation: Harry Sherman Crowe Housing Co-operative Inc.

General Subsidy - Part VII of the Housing Services Act - Mixed

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Net operating income	Line 1250 - 1251	1252	865,288
Less:			
Excess of Indexed Benchmark Revenues Over Indexed Benchmark Cost:	Line 1234	1255	1,074,764
Operating reserve allowance	Line 3085 or 3095	1257	-
Subtotal	Line 1255 to 1257	1259	1,074,764
Surplus	Line 1252 - 1259	1260	(209,476)
Energy Efficiency Incentive (City Guideline 2013-4)		1262	-
Less: Service manager approved reduction (if less than 50%)		1264	-
Net surplus repayable	Line 1262 - 1264	1269	-

V. Subsidy for the year

Operating Subsidy	Line 1209	1271	530,013
RGI subsidy	Line 1219	1272	842,119
Property taxes		1273	169,271
Additional subsidy		1274	120,000
Subtotal	Line 1271 to 1274	1279	1,661,403
Less:			
Surplus repayment	Line 1269	1282	-
Late filing penalty from prior year		1283	-
Subtotal	Line 1282 to 1283	1285	-
Net subsidy for the year	Line 1279 - 1285	1289	1,661,403

VI. Current year settlement

Net subsidy for the year	Line 1289	1291	1,661,403
Less Subsidy per subsidy request		1292	1,663,080
Current year settlement	Line 1291 - 1292	1295	(1,677)

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Social Housing Annual Information Return

Year end: June 30, 2020

Corporation: Harry Sherman Crowe Housing Co-operative Inc.

General Subsidy - Part VII of the Housing Services Act

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Revenue			(Formerly 103)	(Formerly 106)
Occupancy Revenue			Mixed	100% RGI
Rent-geared-to-income rent	1401	332,243	332,243	
Market Rent	1402	1,013,721	1,013,721	
Gross occupancy revenue	Line 1401 to 1402 1404	1,345,964	1,345,964	-
Less: vacancy loss on market units	1405	5,295	5,295	
Subtotal	Line 1404 - 1405 1410	1,340,669	1,340,669	-
Investment income	1421	7,237	7,237	
Non-rental income	1422	134,937	134,937	
Subsidy	1425	1,661,403	1,661,403	-
Total	Line 1410 to 1425 1430	3,144,246	3,144,246	-
Operating costs:				
Maintenance	1441	434,959	434,959	
Utility costs	1442	435,930	435,930	
Administration costs	1443	264,245	264,245	
Insurance	1444	64,608	64,608	
Capital reserve contribution	1448	103,662	103,662	
Property taxes	1449	169,271	169,271	
Mortgage principal and interest	1450	1,604,857	1,604,857	
Bad Debts	1451	7,126	7,126	
Other (describe):	1461	149,144	149,144	
Total	Line 1441 to 1461 1465	3,233,802	3,233,802	-
Net income (loss) - Housing	Line 1430 - 1465 1470	(89,556)	(89,556)	-
Gifts and donations	1471	-		
Sector support (co-op only)	1472	7,201	7,201	
Non-shelter revenue (net)	1473	-	-	-
Surplus/deficit	Line 1470+1471+1472+1473 1480	(82,355)	(82,355)	-

SHB 01/02

Social Housing Annual Information Return

Year end: June 30, 2020

Corporation: Harry Sherman Crowe Housing Co-operat

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		Unit of Measure	Rent Supplement 02	Strong Communities 03	Section 26 & 27 04	Section 95 PNP/MNP 05	Provincial Reformed 06	Urban Native 07
I. Households assisted by program type								
RGI households with incomes at or below the HILS								
Households assisted by program (at end of year)	2101	Households				-	81	
Non-RGI households and RGI households with incomes above the HILS								
Households assisted by program (at end of year)	2105	Households				-	81	
Vacant Units	2106	Households				-	2	
II. Household types assisted and average gross incomes (at year end)								
Families			-	-			(100)	-
RGI households with incomes at or below the HILS								
Total number of targeted households	2111	Households					65	
Average annual gross household income	2113	\$					14,639	
Non-RGI households and RGI households with incomes above the HILS								
Total number of non-targeted households	2115	Households						
Seniors								
RGI households with incomes at or below the HILS								
Total number of targeted households	2121	Households					105	
Average annual gross household income	2123	\$					854	
Non-RGI households and RGI households with incomes above the HILS								
Total number of non-targeted households	2125	Households						
Non-elderly singles								
RGI households with incomes at or below the HILS								
Total number of targeted households	2131	Households					11	
Average annual gross household income	2133	\$					6,061	
Non-RGI households and RGI households with incomes above the HILS								
Total number of non-targeted households	2135	Households						
Special needs								
RGI households with incomes at or below the HILS								
Total number of targeted households	2141	Households						
Average annual gross household income	2143	\$						
Non-RGI households and RGI households with incomes above the HILS								
Total number of non-targeted households	2145	Households						

		Unit of Measure	Rent Supplement 02	Provincial Reformed 06
III. ADDITIONAL REQUIREMENTS				
Households receiving RGI whose household income is at or below the household income limit established in regulation.	2101	2151	Households	
				-
				81
High need households	2152	Households		
Units modified to provide physical accessibility	2153	Households		
Households receiving support services	2154	Households		
(All of the above information is as of year end.)				

**Social Housing
Annual Information Return**

Year end: June 30, 2020

Corporation: Harry Sherman Crowe Housing Co-operat

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Social Housing Annual Information Return

Year end: June 30, 2020

Corporation: Harry Sherman Crowe Housing Co-operative Inc.

Targeting Plans - Part VII of the Housing Services Act

Page C2

I. Minimum RGI Unit Requirements

Project			
Harry Sherman Crowe Housing Co-op	Required	82	Actual
		-	83
		-	
		-	
		-	
		-	
		-	
		-	
		-	
		-	
		-	
		-	
		-	
Total		82	83

II. Move-ins and Vacancies

	Required number of units	Move-ins during year	Vacancy months during year	Vacant units at year end
Geared-to-income			15	-
Special needs units	-			
Modified units	-			

Special needs units, including modified units, must be filled with households requiring those units.

How many special needs units, including modified units, were filled with households which did not require those services or units? Number

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Year end: June 30, 2020

General Subsidy - Part VII of the Housing Services Act- Market Rent Index

		A	B	C	D	E	F	G	H
Rent guideline for the year	TPA Guideline	2000	1.0180						
M1D4									
Unit types	2011	1 Bedroom - Townhouse	2 Bedroom - Townhouse	3 Bedroom - Townhouse	4 Bedroom - Townhouse	5 Bedroom - Townhouse	1 Bedroom - Apartment	2 Bedroom - Apartment	3 Bedroom - Apartment
Percentage change in market rent	Provided by MMAH	2012	1.0180	1.0180	1.0180	1.0180	1.0180	1.0180	1.0180

RGI Rental Schedule

Project	Unit Type	Market Rent per month for current year	Prior Year's Benchmark or indexed market rent	Market Rent Index	Current Year's Benchmark or indexed market Rent	Unit Months		Actual Market Rents (RGI units)	Indexed Market Rents (RGI units)	Rental Income (RGI units)
						All Units	RGI Units			
		2	3	(Line 2019) 4	col.3 X col.4 5	6	7	col. 2 x col. 7 8	col. 5 x col. 7 9	10
Harry Sherman Crowe Housing Co-op	1 Bedroom - Townhouse				-	-	-	-	-	332,243
Harry Sherman Crowe Housing Co-op	2 Bedroom - Townhouse				-	-	-	-	-	
Harry Sherman Crowe Housing Co-op	3 Bedroom - Townhouse	1,293.00	1,226	1.018	1,248	192.00	156.00	201,708	194,688	
Harry Sherman Crowe Housing Co-op	4 Bedroom - Townhouse	1,439.00	1,368	1.018	1,393	264.00	216.00	310,824	300,888	
Harry Sherman Crowe Housing Co-op	5 Bedroom - Townhouse				-	-	-	-	-	
Harry Sherman Crowe Housing Co-op	1 Bedroom - Apartment	871.00	856	1.018	871	360.00	147.00	128,037	128,037	
Harry Sherman Crowe Housing Co-op	2 Bedroom - Apartment	1,059.00	1,040	1.018	1,059	780.00	315.00	333,585	333,585	
Harry Sherman Crowe Housing Co-op	3 Bedroom - Apartment	1,201.00	1,180	1.018	1,201	360.00	168.00	201,768	201,768	
Harry Sherman Crowe Housing Co-op	4 Bedroom - Apartment	1,283.00	1,260	1.018	1,283	12.00	12.00	15,396	15,396	
Harry Sherman Crowe Housing Co-op	5 Bedroom - Apartment				-	-	-	-	-	
Harry Sherman Crowe Housing Co-op	Bachelor				-	-	-	-	-	
Harry Sherman Crowe Housing Co-op	Hostel				-	-	-	-	-	
Harry Sherman Crowe Housing Co-op	1 Bedroom - Stacked				-	-	-	-	-	
Harry Sherman Crowe Housing Co-op	2 Bedroom - Stacked				-	-	-	-	-	
Harry Sherman Crowe Housing Co-op	3 Bedroom - Stacked				-	-	-	-	-	
Harry Sherman Crowe Housing Co-op	4 Bedroom - Stacked				-	-	-	-	-	
Harry Sherman Crowe Housing Co-op	5 Bedroom - Stacked				-	-	-	-	-	
Total			2,194,629	1.018		1,968	1,014	1,191,318	1,174,362	332,243

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Social Housing Annual Information Return

Corporation: Harry Sherman Crowe Housing Co-operative Inc.

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I	J	K	L	K	L	K	L	K
4 Bedroom - Apartment	5 Bedroom - Apartment	Bachelor	Hostel	1 Bedroom - Stacked	2 Bedroom - Stacked	3 Bedroom - Stacked	4 Bedroom - Stacked	5 Bedroom - Stacked
1.0180	1.0180	1.0180	1.0180	1.0180	1.0180	1.0180	1.0180	1.0180

Social Housing Annual Information Return

Year end: June 30, 2020

Corporation: Harry Sherman Crowe Housing Co-operat

General Subsidy - Part VII of the Housing Services Act - Operating Reserve

Page D3

Has the provider had an accumulated surplus at the beginning of any previous fiscal year since the termination of its operating agreement of \$300 per unit or greater?

3000

Total surplus, beginning of year
Accumulated surplus (deficit)

Line 590 3002

Number of units
Allowable operating reserve per unit
Total allowable operating reserve

Page A1 3025
3030
Line 3025 x line 3030 3035

If line 3002 is greater than line 3035 the provider is not eligible for any operating reserve in the calculation of surplus.

Calculation for General Subsidy - Part VI SHRA

Total surplus, beginning of year
Net operating income
Affordable mortgage payment
Mandatory payment
Subtotal of affordable mortgage payment and mandatory payment
Net operating income less affordable mortgage and mandatory payments
Subtotal of accumulated surplus and net operating income less payments

Line 3002 3040
Line 1252 3045
Line 1205 3047
Line 1239 3048
Line 3047 + Line 3048 3050
Line 3045 - Line 3050 3055
Line 3040 + Line 3055 3060
Line 3035 - Line 3060 3070

Operating reserve eligibility determinant

If line 3070 is nil or negative operating reserve calculation is:

Total allowable operating reserve
Accumulated surplus, beginning of year

Line 3035 3075
Line 3040 3080
Line 3075 - Line 3080 3085

Operating reserve allowance (to line 1257)

If line 3070 is a positive value operating reserve calculation is:

Net operating income
Affordable mortgage payment plus mandatory payment

Line 3045 3090
Line 3050 3091
Line 3090 - Line 3091 (if positive) 3095

Operating reserve allowance (to line 1257)

Calculation for General Subsidy - Part VI SHRA - 100% RGI

Accumulated surplus beginning of year
Indexed operating costs for the year
Actual operating costs for the year
Difference

Line 3002 3100
Line 1305 3101
Line 1322 3102
Line 3101 - 3102 3103
Line 3035 - (3100 + 3103) 3104

Operating reserve eligibility determinant

If line 3104 is nil or negative operating reserve calculation is:

Total allowable operating reserve
Accumulated surplus, beginning of year

Line 3035 3105
Line 3002 3106
Line 3105 less Line 3106 3107

Operating reserve allowance (to line 1323)

If line 3104 is positive operating reserve calculation is:

Indexed operating costs
Actual operating costs

Line 3101 3110
Line 3102 3111
Line 3110 less 3111 3112

Operating reserve allowance (to line 1323)

Social Housing Annual Information Return

Year end: June 30, 2020

Corporation: Harry Sherman Crowe Housing Co-operative Inc.

Unit Activity Data Report - Part VII of the Housing Services Act, Section 95 and Rent Supplement

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Project: Harry Sherman Crowe Housing Co-op

Classification	Unit Type	1st Month		2nd Month		3rd Month		4th Month		5th Month		6th Month		7th Month		8th Month		9th Month		10th Month		11th Month		12th Month		Total Units	Average Occupied	Vacant Months		
		Occ	Vac	Occ	Vac	Occ	Vac	Occ	Vac	Occ	Vac	Occ	Vac	Occ	Vac	Occ	Vac	Occ	Vac	Occ	Vac	Occ	Vac	Occ	Vac				Occ & Vacant	
Geared - to-income	1 Bedroom - Townhouse	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
	2 Bedroom - Townhouse	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
	3 Bedroom - Townhouse	13.00	-	13.00	-	13.00	-	13.00	-	13.00	-	13.00	-	13.00	-	13.00	-	13.00	-	13.00	-	13.00	-	13.00	-	13.00	-	13.00	-	
	4 Bedroom - Townhouse	18.00	-	18.00	-	18.00	-	18.00	-	18.00	-	18.00	-	18.00	-	18.00	-	18.00	-	17.00	1.00	17.00	1.00	18.00	-	18.00	-	17.83	2.00	
	5 Bedroom - Townhouse	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	1 Bedroom - Apartment	14.00	1.00	11.00	1.00	11.00	1.00	11.00	1.00	11.00	1.00	12.00	-	12.00	-	12.00	-	12.00	-	12.00	-	12.00	-	12.00	-	12.25	-	11.83	5.00	
	2 Bedroom - Apartment	27.00	-	27.00	-	27.00	-	27.00	-	27.00	-	27.00	-	27.00	-	27.00	-	27.00	-	26.00	-	25.00	-	23.00	-	26.25	-	26.25	-	
	3 Bedroom - Apartment	14.00	-	14.00	-	14.00	-	14.00	-	14.00	-	14.00	-	14.00	-	14.00	-	14.00	-	14.00	-	14.00	-	14.00	-	14.00	-	14.00	-	
	4 Bedroom - Apartment	1.00	-	1.00	-	-	1.00	-	1.00	-	1.00	-	1.00	-	1.00	-	1.00	-	1.00	-	1.00	-	1.00	-	1.00	-	1.00	-	0.33	8.00
	5 Bedroom - Apartment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	Bachelor	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	Hostel	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	1 Bedroom - Stacked	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	2 Bedroom - Stacked	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	3 Bedroom - Stacked	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	4 Bedroom - Stacked	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	5 Bedroom - Stacked	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	Total		87.00	1.00	84.00	1.00	83.00	2.00	83.00	2.00	83.00	2.00	84.00	1.00	84.00	1.00	84.00	1.00	83.00	1.00	81.00	2.00	82.00	1.00	81.00	-	84.50	-	83.25	15.00
	Market	1 Bedroom - Townhouse	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		2 Bedroom - Townhouse	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3 Bedroom - Townhouse		3.00	-	3.00	-	3.00	-	3.00	-	3.00	-	3.00	-	3.00	-	3.00	-	3.00	-	3.00	-	3.00	-	3.00	-	3.00	-	3.00	-	
4 Bedroom - Townhouse		4.00	-	4.00	-	4.00	-	4.00	-	4.00	-	4.00	-	4.00	-	4.00	-	4.00	-	4.00	-	4.00	-	4.00	-	4.00	-	4.00	-	
5 Bedroom - Townhouse		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
1 Bedroom - Apartment		15.00	-	18.00	-	18.00	-	18.00	-	18.00	-	18.00	-	18.00	-	18.00	-	18.00	-	18.00	-	18.00	-	18.00	-	17.75	-	17.75	-	
2 Bedroom - Apartment		38.00	-	38.00	-	38.00	-	38.00	-	38.00	-	38.00	-	38.00	-	38.00	-	38.00	-	38.00	1.00	39.00	1.00	40.00	2.00	38.75	-	38.33	5.00	
3 Bedroom - Apartment		16.00	-	16.00	-	16.00	-	16.00	-	16.00	-	16.00	-	16.00	-	16.00	-	16.00	-	16.00	-	16.00	-	16.00	-	16.00	-	16.00	-	
4 Bedroom - Apartment		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
5 Bedroom - Apartment		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Bachelor		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Hostel		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
1 Bedroom - Stacked		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
2 Bedroom - Stacked		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
3 Bedroom - Stacked		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
4 Bedroom - Stacked		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
5 Bedroom - Stacked		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total			76.00	-	79.00	-	79.00	-	79.00	-	79.00	-	79.00	-	79.00	-	79.00	-	79.00	1.00	80.00	1.00	80.00	1.00	81.00	2.00	79.50	-	79.08	5.00

Total Units	
1 Bedroom - Townhouse	-
2 Bedroom - Townhouse	-
3 Bedroom - Townhouse	16.00
4 Bedroom - Townhouse	22.00
5 Bedroom - Townhouse	-
1 Bedroom - Apartment	30.00
2 Bedroom - Apartment	65.00
3 Bedroom - Apartment	30.00
4 Bedroom - Apartment	1.00
5 Bedroom - Apartment	-
Bachelor	-
Hostel	-
1 Bedroom - Stacked	-
2 Bedroom - Stacked	-
3 Bedroom - Stacked	-
4 Bedroom - Stacked	-
5 Bedroom - Stacked	-
Total	164.00

Instructions:
(1) Include the number of units available at the end of each period (whether occupied or vacant) for each classification
(2) The average number of units occupied or vacant shall be calculated to 2 decimal points
(3) A unit which becomes vacant retains its classification until it becomes occupied, at which time it assumes the classification of the new occupant

—

Housing Provider Checklist

Social Housing Annual Information Return

If you have a "NO" answer to any of the items below, please correct before sending in your AIR and Financial Statements.
(AIRs with " NO" no answers will be rejected back to you for correction and will be considered not received.)

Submissions Requirements:

1. - The Audited Financial Statements and the Annual Information Return are electronically submitted together.
2. - The Auditor's Report has been signed by the auditor (individually or corporately)
3. - All three sections of the Unit Statistical Information page have been completed
4. - Enter the following from your Financial Statements

YES
YES
YES

- Subsidy Earned for the year
- Rent-Geared-to Income revenue from tenants
- Net Income for the year
- Accumulated Surplus, end of year balance
- Subsidy Surplus Fund (Section 95 only)
- Total Assets
- Total amount invested (Part VII with Worldsource Financial Management only)

F/S	AIR	
1,666,515	1,661,403	HSS ADJ 2020
334,337	332,243	HSS ADJ 2020
(72,331)	(202,355)	HSS ADJ 2020
(129,087)	(139,316)	HSS ADJ 2017,2020
	-	N/A
10,979,727	10,979,727	YES
50,617	39,169	YES

Investments Total Fund

System Checks on the Annual Information Return

- A2 - Questions 1-13 have been answered?
- A2 - You have answered yes to question 5 on page A2, please provide the management letter?
- A3 - Does Line 355 Total Assets = Line 390 Total Liabilities plus Surplus (Deficit)?
- A3 - Does the Accumulated Surplus (Deficit), end of year, line 599 equal line 390 plus 386 (Section 95 - line 390 only)?
- B3 - Does the market revenue = the market unit count on page D4 x the market rents on page D1 (Part VII only)?
- C2 - Have the Minimum RGI Target and Minimum Market Target been met (Part VII only)

YES
YES
YES
YES
NO
YES

Market Rent Variance

3 Bedroom - Townhouse	36.00	1,293.00	46,548.00
4 Bedroom - Townhouse	48.00	1,439.00	69,072.00
5 Bedroom - Townhouse	-	-	-
1 Bedroom - Apartment	213.00	871.00	185,523.00
2 Bedroom - Apartment	465.00	1,059.00	492,435.00
3 Bedroom - Apartment	192.00	1,201.00	230,592.00
4 Bedroom - Apartment	-	1,283.00	-
Total of Market Units times Market Rents			1,024,170.00
Market Revenue from line 1402			1,013,721.00
Variance			10,449.00
Average Market Rent			1,074
Number of Months			9.73
% of Variance to Market Revenue			1.031%

This is Exhibit "R" referred to in
the Affidavit of Julie Western
Set, sworn on the 10th day of
November, 2022.

A handwritten signature in black ink, appearing to read "M. Siboni". The signature is written in a cursive style with a large, sweeping initial "M".

Mark Siboni
A Commissioner for taking Affidavits

Shelter, Support & Housing Administration
Mary-Anne Bedard, General Manager

Housing Stability Services
Doug Rollins, Director

Metro Hall, 6th Floor
55 John Street
Toronto, ON M5V 3C6
Tel: 416-338-8210
Fax: 416-696-3718
Suzana.Lama@toronto.ca
www.toronto.ca

November 18, 2020

Rosell Kerr, President
Harry Sherman Crowe Housing Co-operative Inc.
51 The Chimneystack Rd
Toronto Ontario M3J 3L9

Re: RGI Subsidy Provided to Unit 313 – Non-Payment of Subsidy Costs

Dear Ms. Kerr:

Through information provided by the Co-op and Access to Housing – Housing Connections, we have determined that Harry Sherman Crowe Housing Co-operative inappropriately allocated an RGI/rental subsidy to the household in unit 313 (Sabah Mohamed). This subsidy began on January 1, 2020.

By granting this unauthorized rental subsidy, the Co-op breached the Housing Services Act. The City of Toronto considers this unit a market-paying household, so the City of Toronto will not be subsidizing this household.

As a result, Harry Sherman Crowe Housing Co-operative is liable for the rental subsidy allocated to this household from the period from January 1, 2020 onwards. Based on the rent roll provided, the subsidy granted to the household was \$852 per month up to June 30, 2020 and \$878 per month from July 1, 2020 to date. As of today's date, the year-to-date costs are \$9,502. This will continue to grow.

The amount pertinent to the fiscal year ending June 30, 2020 will be recovered from your subsidy payments through your next Annual Information Return reconciliation. Future fiscal years' costs will be recovered through future Annual Information Return reconciliations.

The cost recovery will stop accruing to Harry Sherman Crowe Housing Co-operative when:

- the Co-op charges the household the market housing charge, or
- the household ceases to reside at the Co-op, or
- (at some future date) the household qualifies for an RGI subsidy legitimately as the highest-ranked household on the Centralized Waiting List.

If you have any questions please feel free to contact me at 416-338-8210 or via email at Suzana.Lama@toronto.ca.

Sincerely,

A handwritten signature in black ink, appearing to read 'Suzana', written in a cursive style.

Suzana Lama
Housing Consultant

c.c. Saud Ahmad, Property Manager, saud@mpmq.ca

This is Exhibit "S" referred to in
the Affidavit of Julie Western
Set, sworn on the 10th day of
November, 2022.

A handwritten signature in black ink, appearing to read "Mark Siboni".

Mark Siboni
A Commissioner for taking Affidavits

Shelter, Support & Housing Administration
Mary-Anne Bédard, General Manager

Housing Stability Services
Metro Hall, 6th Floor
55 John Street
Toronto, ON M5V 3C6

Tel: 416-392-0054
Fax: 416-696-3718
Doug.Rollins@toronto.ca

March 29, 2021

Board of Directors
Harry Sherman Crowe Housing Co-operative Inc.
Co-op Off – 51 The Chimneystack Rd.
Toronto, ON M3J 3L9

Dear Board of Directors,

Re: Notice of Triggering Events (NTE)

Notice is hereby given pursuant to clause 90(1)(a) of the *Housing Services Act 2011* ("**HSA**") that certain triggering events under the HSA have occurred with respect to Harry Sherman Crowe Housing Co-operative Inc. (**the "Housing Provider"**).

The particulars of the triggering events are as follows:

- 1) In the opinion of the City of Toronto, in its role as Service Manager, the Housing Provider has contravened the HSA and the regulations (HSA, s. 83. paragraph 1) :
 - a) The Housing Provider has failed to comply with the requirements of the HSA, s. 75(1) to operate the housing project and govern itself in accordance with (a) the prescribed provincial requirements; and (b) the local standards made by the Service Manager.
 - i. The Housing Provider has inadequate documented policies dealing with the following:
 - a) Internal transfers, O. Reg. 367/11, s. 47 (1) paragraph 5.
 - b) Guests, O. Reg. 367/11, s. 96 (4).
 - c) Dealing with information to ensure that the provider's directors, officers, employees, agents and volunteers comply with the standards prescribed by section 146. (O. Reg. 367/11, s. 146 (9)).
 - d) Records management to ensure that the provider's directors, officers, employees, agents and volunteers comply with HSA, s. 79 (1) and O. Reg. 367/11, s. 102 (1).
 - ii. The Board of Directors has not established the policies and procedures regarding:
 - a) System for dealing with reviews delegated to the Housing Provider under the Rent-Geared-to-Income Administration Services Agreement between the Service Manager and the Housing Provider; HSA s. 155 (3).
 - b) Lease/occupancy agreement policy, O.Reg. 367/11, s.100 (5) and City Guideline 2007-2.
 - iii. The Board of Directors has not implemented correctly the required policies and procedures regarding RGI administration or filling RGI Units in accordance with the local standards set forth in the Rent-Geared-to-Income (RGI) Administration Manual issued by the City of Toronto as described in the rent-geared-to income (RGI) review.
 - b) The Housing Provider has failed to comply with the requirements of the HSA, s. 69(2) to ensure that the project is well managed.

- i. The Board of Directors has failed to establish appropriate governance
- 2) In the opinion of the Service Manager, the Housing Provider has failed to operate a designated housing project properly (HSA, s. 83. Paragraph 11):
 - a) The Board of Directors has not established effective financial management controls resulting an accumulated deficit. As of June 30, 2020, the co-op had an accumulated deficit of \$129,087.
 - b) The Board of Directors has not ensured that the necessary policies and procedures are in place to ensure appropriate approvals and monitoring of internal controls

Effective immediately:

- 1) Notify the City of Toronto (City) at least two weeks in advance of the dates and times of all future Board of Directors meetings until further notice. City staff will attend as deemed necessary.
- 2) A copy of the agenda and "Board package" for each Board meeting is to be provided to the City at least two business days prior to each Board meeting.
- 3) Provide the City with a copy of the Minutes and all attachments no later than three weeks following all Board of Directors meetings, until further notice
- 4) Ensure that the following statements and reports are prepared monthly and are reviewed by the Board of Directors :
 - **Balance Sheet** showing cash on hand, investments and monies owed;
 - **Statement of Revenue and Expense** showing budget, actual data and variances;
 - **Payables List** showing all outstanding invoices;
 - **Arrears Report** showing occupancy charge amounts unpaid by residential members; and
 - **Investment Ledger (Report)** showing the balance of all investments.
- 5) A copy of each of the above noted reports must be provided to the City, no later than the last Thursday of the month until further notice.

No later than May 4, 2021:

- 6) Submit the Corporation's response to the Operational Review report conducted on November 8, 2019 as well as :
 - a) Update the Housing Provider's internal transfer policy and provide a copy of to the Service Manager as required by O.Reg 367/11 s. 47 and City Guideline 2012-1.
 - b) Establish a system for dealing with reviews as required by the HSA s. 155-158
 - c) Update written policies governing its standards for the collection, use, safeguarding and disclosure of personal information as required by HSA, O. Reg. 367/11, s. 145-147 and the RGI Service Agreement
 - d) Update written processes and procedures governing records management as required by the HSA, O.Reg. 367/11, s.102 and the RGI Service Agreement
 - e) Ensure the Housing Provider's occupancy agreements meet the requirements of the HSA O.Reg. 367/11, s.100, City Guideline 2007-2

- 7) Revise oversight and management processes to ensure that appropriate oversight is being provided over RGI administration to identify deficiencies, prevent recurrence and ensure the Corporation's RGI compliance rate exceeds the minimum standard. This should include :
 - a) Submitting the Corporation's response to the RGI Review report conducted on November 8, 2019
 - b) Following the *RGI Administration Manual* in carrying out the duties delegated by the City of Toronto to administer RGI subsidies in accordance with the rules as set out in the *Housing Services Act* and Regulations
 - c) Establishing documented business processes and procedures governing all aspects of RGI administration and filling RGI units
- 8) Submit an action plan detailing what steps the Board will take to eliminate the accumulated deficit and ensure that the Housing Provider will not incur losses in future years. The plan must include the following elements:
 - An assessment of the extent and nature of the financial difficulties;
 - A thorough analysis of qualitative factors contributing to the Housing Provider's financial problems;
 - A clear outline of specific steps to be taken to reduce expenditures and/or increase revenues
 - Specific objectives and detail on how they will be achieved;
 - A revised budget for the current year; and
 - Projected operating results for the next three years reflecting the Housing Provider's planned course of action and stated objectives.

Once the Housing Provider has been notified that the action plan has been accepted by the City, the Board of Directors must ensure that the plan is implemented and monitored, that operating losses are avoided and the accumulated deficit is eliminated in the time frame specified.

The Housing Provider must provide the City with a quarterly report assessing the effectiveness of its action plan. This report must be reviewed and approved by the Board of Directors prior to submission to the City. The first report must be submitted to the City 30 days following the end of the calendar quarter in which the City advised of its acceptance of the action plan. This report must be delivered to the City no later than ten days following the last day of each calendar quarter thereafter.

- 9) Submit policies and procedures governing the following activities for approval:
 - Review and approval of monthly financial statements by the Board of Directors;
 - Purchasing, including clearly defined authorities and limits for both Board members, staff and agents as it pertains to legally binding contractsThe Board must ensure that all processes include appropriate internal controls. The Housing Provider's internal controls should help to ensure that exposure to risk is managed. Once approved by the City the policies and procedures must be implemented immediately by the Housing Provider.
- 10) Create and submit a training plan outlining what courses will be taken to ensure that all members of the Board of Directors receive financial management and corporate governance training in a form acceptable to the City. The training plan must specify, at the very least, the names of the Board members, the course provider, the course name, and the scheduled date(s).

No later than May 14, 2021:

- 11) Provide to the Service Manager proof of successful completion of the financial management and corporate governance course by at least 50% of the Board members.
- 12) Submit a training strategy that ensures that new Board members and staff are appropriately trained in the future with respect to corporate governance, financial management and operation of the Housing Provider.

No later than June 23, 2021:

- 13) Provide to the Service Manager proof of successful completion of the financial management and corporate governance course by the remaining 50% of the Board members.

The Service Manager reserves the right to add to, vary or change the foregoing requirements if it deems it necessary to do so in order to cure the situations that have given rise to the triggering events. Harry Sherman Crowe Housing Co-operative Inc. is required to implement or comply with the directions given in this notice by the dates specified in the various sections of the notice.

Failure to comply with all or part of this notice of triggering events may result in the Service Manager exercising any or all remedies available to it under Section 85 of the Housing Services Act, which may include the following:

- Appointing an interim receiver or interim receiver and manager;
- Applying for the appointment by the superior court of justice of a receiver or receiver and manager for the housing provider;
- Removing some or all of the directors of the housing provider; and
- Appointing one or more individuals as directors of the housing provider.

Please direct all correspondence related to this matter to Suzana Lama, the Housing Consultant responsible for Harry Sherman Crowe Housing Co-operative Inc.

Sincerely,



Doug Rollins
Director, Housing Stability Services

cc. Mary-Anne Bédard, General Manager, Shelter Support & Housing Administration Division,
City of Toronto
Michael Smith, Counsel, City of Toronto
Julie Western Set, Manager, Housing Stability Services, City of Toronto
Suzana Lama, Housing Consultant, City of Toronto

This is Exhibit "T" referred to in
the Affidavit of Julie Western
Set, sworn on the 10th day of
November, 2022.

A handwritten signature in black ink, appearing to read "Mark Siboni", written over a horizontal line.

Mark Siboni
A Commissioner for taking Affidavits

Harry Sherman Crowe Housing Co-operative



51 The Chimneystack Road, North York, Ontario, M3J 3L9. Tel: 416-736-8889, Fax: 416-736-9972

May 10, 2021

Dear Doug Rollins,

Thank you for your email/letter dated March 29,2021.

The board would like to make clear that the "triggering Events" mentioned in your letter are false, and at no time did the Board of Directors violated the HSA regulations. Instances where the Board made decisions that may have deemed contravened to the Housing Service Act 2011, were done within the boundaries of HSA regulations.

Triggering Events 1, (a)

The board of directors does not agree with the accusation of inadequate documented policies pertaining to internal, O. Reg 367/11,s.47, guests, O. Reg. 367/11,s.96 (4), and dealing with information concerning all our provider's directors, employees and any parties that are governed by the board of directors, 146. (O.Reg.367/11, s. 146 (9)).

Suzana Lama requested in September of last year, that all policies to be updated and sent to her. Our management company prepared the policies and forward them to her. However, she rejected the policies as seven policies did not reflect those of the Housing Services Act 2011. The board revised the seven rejected polices and mirrored them with the HSA, 2011 regulations. They are as follows:

- (1) Internal Transfer Policy
- (2) Guest Policy
- (3) Review Policy
- (4) Confidentiality Policy
- (5) Record Management Policy
- (6) Occupancy Agreement Policy
- (7) Documented Process for Filling RGI Units

All seven (7) policies were revised and resent to Suzanna Lama in September 2020. As far as the board is aware, the revised policies were not rejected, nor a response from Suzanna that they were not received. Since the meeting between Suzanna and the board where she reported that the board was not receptive to her, regarding prioritizing of workorders, she has chosen to communicate with the board through the management company and not directly with the board. This behavior has created frictions between management and the board. It is worth mentioning that her action towards this board is very disrespectful. Her behaviour is suggesting that we are beneath her.

Hence, it comes as no surprise to the board to find in this letter that we are not maintaining the Co-op to the standard of the Housing Service Act, we are financial illiterate, and we are inadequately governing. The board has experienced this type of marginalized behaviour from Suzanna in many instances and it feels too much like systemic racism.

Housing Services Act of 2011, isn't a new Act. It's been in place for the last ten (10) years when it replaces the Social Housing Reform Act, 2000. However, for the last ten years the City did not seem to mind that this Co-op did not incorporated these policies. Had this been done, the new board would not have to take the time during a pandemic that is now in its second year, to incorporate these policies in our manuals.

Triggering Events point one (b), states that "housing provider shall ensure that the project is well managed, maintained in satisfactory state of repair and fit for occupancy." This point unfortunately is factual. The Co-op prior boards and managements did not uphold this regulation. Units and Townhouses didn't start falling apart over the last two years. There is evidence that shows little to no repairs to the Co-op over many years. Members can attest to moving into Units and Townhouses that were already eroded. Member can also attest to living in the same Units and Townhouses since they moved in twenty-five to thirty years and having no repairs done.

There are many disturbing arguments that comes from the statement that the Co-op has not been maintained in a satisfactory state. First, it shows that the City was aware of the neglected state of the Co-op but was not concerned until now. It is concerning that the City representative is ignoring the fact that this board of two years have been working tirelessly to improve the eroded state of all Units and Townhouses by make them liveable. Second; the 2018 audit report shows that the Co-op had a surplus in 2018, which the City demanded a payback last year 2020. Why do we think this is relevant? The City demanded payment from this board, during a time when the Co-op was dealing with fraud, and during the challenges of a pandemic. Moreover, the City being aware that the dwelling of the Co-op was not properly being maintained. Furthermore, in 2018 and prior, just about all Units and Townhouses were in an eroded state. **Why didn't the City representative make these charges against the board that was governing the Co-op during that time?** Presently, repairs and renovations of the Units and Townhomes are being done on a monthly basis, yet this board is being accused of not maintaining standard of living.

Point two in your letter is also grossly false. For your information, members are constantly congratulating the board for all the improvements we have made and continue to make. There are profound positive changes that only members of this Co-op can testify of how we have made their dwellings and surroundings liveable. Certainly, there are few members who are retaliating and are being encouraged to call the city when other members Units and Townhouses are being renovated. This is understandable, considering that these members have been putting up with their situations for too long and believed that they should be next, or that the board is not prioritizing workorders to give them priority over other members. But they are few and does not represents the majority.

Point two (a) in your letter, failed to mention that fraud is the cause of the accumulating deficit of \$129,087, and not the board being financially illiterate. Less than three (3) months after this board was elected, we discovered that monies were being taken from the Co-op's account. The board acted swiftly by contacting our financial institution and terminated the management company that was responsible for overseeing our banking. We were left with \$23.00 to run the Co-op's businesses. With strategic financial planning we were able to stay afloat. We hired a lawyer to help us recovered the money that was stolen from the Co-op. We also hired a new management company that comes with a property manager, an accountant and an administrative assistant. On

a weekly basis, a representative from the board (myself) met with the property manager to go over our financially planning.

Point two (b) in your letter, again accused the board of not having polices in place that ensures appropriate approvals and monitoring of Internal Control. In terms of RGI members, Internal Control requires access to members private information. We hired a management company to oversee RGI matters and not for the board to have access to members banking information or members files. Matters of RGI members bank statements with e-mail transfers can and should be dealt with between management and the member to explained and clarify these concerns or any concerns that may arise during the yearly review. The same goes for members who are believed to own private homes and living in this maelstrom that we are tirelessly trying to improve.

Moreover, our management company staffs has taken RGI courses/training. There're procedures available to the management staffs when dealing with all the requirements of RGI reviews. As far as the board is aware these procedures are being followed.

The content of this letter is full of insults and belittlement of this board and does not show evidence of non-governance, or financial illiteracy. In terms of policies, we have developed policy based on the guidelines of the Housing Service Act of 2011 at Suzanna Lama's request. Therefore, to enforce demands based on false accusations that the board directors are lacking skills that are less than those of other boards, is unwarranted and is obviously based on misinformation, and blatant marginalized practices.

Prior to December 2020, the city representative has always received a monthly copy of our financial budget which includes balance sheet, revenue, expense, payables, arrears, and investments. The city representative also received on a monthly basis minutes of scheduled board meetings. However, since the second wave of the pandemic, the board has been under great stress, some of us dealing with illness of our own, relatives' illness, newborn, and deaths in families. As a result of the stress of the pandemic, the board have not approved the last two financial statements for several reasons. First, moving forward, the board believes there are items that we should include in the budget. Second, although most items in the budget are constant as they are recurring month to month, however, those expenses that changes month to month need further verification.

If the city representative and management has a problem with the board having board meetings without the presence of the management company, will that's not about to change.

While an Action Plan is indeed effective and sensible, it does not with any certainty ensure that deficits will not occur or ensure the elimination of the existing deficit in this unusual time. Therefore, the board does not appreciate the possibility of being set-up to fail. Nor do we feel that this type of unwanted misused of power and intimidation is acceptable. Presently, with all that we are facing, the board managed to secure one-hundred-and-seventy-thousand dollars in our reserved account. We continued to renovate and repair one to two units per month, while sustaining our financial responsibilities.

Sincerely,

Rosell Kerr c/o the Board of Directors

This is Exhibit "U" referred to
in the Affidavit of Julie Western
Set, sworn on the 10th day of
November, 2022.

A handwritten signature in black ink, appearing to read "Mark Siboni", written over a horizontal line.

Mark Siboni
A Commissioner for taking Affidavits

Shelter, Support & Housing Administration
Mary-Anne Bédard, General Manager

Housing Stability Services
Metro Hall, 6th Floor
55 John Street
Toronto, ON M5V 3C6

Tel: 416-392-0054
Fax: 416-696-3718
Doug.Rollins@toronto.ca
www.toronto.ca

May 20, 2021

Board of Directors
Harry Sherman Crowe Housing Co-operative Inc.
51 The Chimneystack Rd.
Toronto, ON M3J 3L9

Delivered via email at: harrysherman@bellnet.ca

Dear members of the Board of Directors:

Thank you for your letter dated May 10, 2021 in response to the City of Toronto's Notice of Triggering Events dated March 29, 2021.

Your letter raised a number of issues and concerns including the Co-op's assertion that the City of Toronto's Notice of Triggering Event is not warranted. I would like to assure the Board of Directors that the City of Toronto does not issue such notices without due thought and careful deliberation and the intent is to identify areas of significant and on-going concerns for which resolution remains outstanding.

I would like to highlight three specific issues identified by the City which are of the most critical concern and also to outline some additional next steps that will allow for a more fulsome discussion of issues and concerns with City staff and the Co-op's Board of Directors.

While the Co-op is required to implement or comply with all directions specified in the various sections of the Notice of Triggering Event by the dates specified, the following three issues represent significant concerns:

- Selection of RGI Households

From information provided by the Co-op, households selected for rent-geared-to-income (RGI) vacancies have not been selected in accordance with the requirements of the Centralized Waiting List. It is a critical priority for the City that all housing providers appropriately select households for RGI housing.

- Internal Financial Controls

For the past three consecutive years, the Co-op's external auditor has issued Management Letters highlighting deficiencies in internal controls. It is of significant concern for the City of Toronto that similar issues identified by the auditor in consecutive years have not been adequately addressed.

- Financial Position

For the past two consecutive years, the Co-op has run a deficit resulting in an accumulated deficit position of \$129,087 as of June 30, 2020. A deficit of this magnitude requires a robust financial review, long-term planning, and financial management discipline to ensure the on-going viability of the Co-op. The lack of evidence of such planning and responsiveness to specific requests outlined in the City's Notice of Triggering Events dated March 29, 2021 is of significant concern for the City.

In an effort to ensure the issues and concerns in your letter are fully understood by the City our Manager, Julie Wester Set, Manager, Housing Stability Services, will reach out to you on the above matters. I am confident in the ability of City staff to continue to handle these matters with the professionalism and skill that they have consistently demonstrated.

As you noted these are challenging times for all housing providers and we appreciate all efforts made by the Harry Sherman Board to ensure the effective functioning of the Co-op and to provide a safe and positive environment for all who call it home.

Sincerely,



Doug Rollins
Director, Housing Stability Services

cc. Julie Western Set, Manager, Housing Stability Services
Suzana Lama, Housing Consultant, Housing Stability Services

This is Exhibit "V" referred to
in the Affidavit of Julie Western
Set, sworn on the 10th day of
November, 2022.



Mark Siboni
A Commissioner for taking Affidavits

Shelter, Support & Housing Administration
Mary-Anne Bédard, General Manager

Doug Rollins, Director
Housing Stability Services

Metro Hall, 6th Floor
55 John Street
Toronto, ON M5V 3C6
Tel: 416-338-3138
Fax: 416-696-3718
Julie.WesternSet@toronto.ca
www.toronto.ca

August 13, 2021

Board of Directors
Harry Sherman Crowe Housing Co-operative Inc.
51 The Chimneystack Rd.
Toronto, ON M3J 3L9

Delivered via email at: harrysherman@bellnet.ca

Dear Rosell and members of the Board,

Throughout June and July 2021 we have made several attempts to reach out to the Board of Directors of Harry Sherman Crowe Co-op via phone and email. These attempts to connect with the Board were to discuss the latest correspondence with the City as offered in our letter dated May 20, 2021.

As I have not received any response from the Board of Directors, I am requesting the opportunity to attend the upcoming board of directors' meeting. Please send me the date and time and the medium in which the meeting will be conducted so my staff and I can make ourselves available. The purpose of our attendance would be to clarify the Notice of Triggering Events requirements and the role of City of Toronto as a Service Manager.

My contact information is listed below.

I trust that you are all keeping well during these challenging times.

Sincerely,

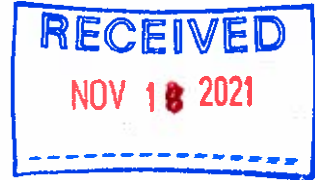


Julie Western Set
Manager
Housing Stability Services
416-338-3138
Julie.WesternSet@toronto.ca

This is Exhibit "W" referred to
in the Affidavit of Julie Western
Set, sworn on the 10th day of
November, 2022.



Mark Siboni
A Commissioner for taking Affidavits



--ooOoo--

REPORT OF EXAMINATION

HARRY SHERMAN CROWE HOUSING CO-OPERATIVE INC.

Toronto, Ontario

June 30, 2021

--ooOoo--

--ooOoo--

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INDEPENDENT AUDITOR'S REPORT

**To the Members of
Harry Sherman Crowe Housing Co-operative Inc.:**

I have audited the financial statements of Harry Sherman Crowe Housing Co-operative Inc. which comprise the balance sheet as at June 30, 2021 and the statements of revenue and expenditure, reserve for future capital replacement, contributed surplus, accumulated surplus and cash flows for the year then ended and notes to the financial statements including a summary of significant accounting policies. These financial statements have been prepared by management to satisfy the financial reporting requirements of the Housing Services Act (HSA).

In my opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Harry Sherman Crowe Housing Co-operative Inc. as at June 30, 2021 and the results of its operations and changes in its cash flows for the year then ended in accordance with the financial reporting requirements of the HSA.

Basis for Opinion

I conducted my audit in accordance with Canadian generally accepted auditing standards (GAAS). My responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of my report. I am independent of the Co-operative in accordance with the ethical requirements that are relevant to my audit of the financial statements in Canada, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Basis of Accounting and Restriction on Use

Without modifying my opinion, I draw attention to Note 1 to the financial statements which describes the basis of accounting. The financial statements are prepared to assist Harry Sherman Crowe Housing Co-operative Inc. comply with the financial reporting requirements of the HSA. As a result, the financial statements may not be suitable for another purpose. My report is intended solely for the members of Harry Sherman Crowe Housing Co-operative Inc. and the City of Toronto and should not be used by other parties.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation of the financial statements in accordance with the financial reporting requirements of the HSA and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Co-operative's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Co-operative or to cease operations or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Co-operative's financial reporting process.

Auditor's Responsibility for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian GAAS will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

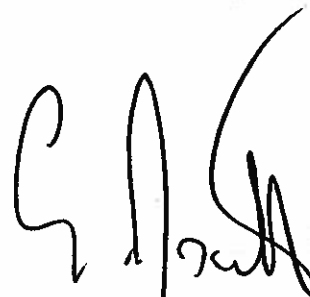
As part of an audit in accordance with Canadian GAAS, I exercise professional judgement and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Co-operative's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast doubt on the Co-operative's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosure in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However future events or conditions may cause the Co-operative to cease to continue as a going concern.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

Willowdale, Ontario

October 20, 2021



CPA, CA

Licensed Public Accountant

ASSETS

	2021	2020
Current		
Cash on hand and on deposit, NOTE 8	\$ 190,612	\$ 174,402
Accounts receivable		
Member arrears (less allowance for doubtful accounts 2021 - \$ 7,950, 2020 - \$ 7,126)	20,893	28,212
Monthly subsidy, NOTE 5	128,730	188,590
Reconciled subsidy due from City, NOTE 5	0	0
HST rebate	108,570	137,909
Miscellaneous	1,484	7,173
Prepays	<u>36,394</u>	<u>7,708</u>
Total Current Assets	<u>486,683</u>	<u>543,994</u>
Capital Assets, NOTE 1,11		
Leasehold interest and buildings	23,336,792	23,336,792
Sector support	<u>235,769</u>	<u>235,769</u>
	23,572,561	23,572,561
Less : accumulated amortization	<u>(14,283,228)</u>	<u>(13,240,360)</u>
	<u>9,289,333</u>	<u>10,332,201</u>
S.H.R.R.P. capital costs, NOTE 12	0	52,915
Reserve Funds, NOTE 8		
Future capital replacement	0	50,617
	<u>0</u>	<u>50,617</u>
	<u>\$ 9,776,016</u>	<u>\$ 10,979,727</u>

APPROVED ON BEHALF OF THE BOARD

R. Kerr
Director

L. Manso
Director

LIABILITIES AND NET ASSETS

	2021	2020
Current		
Accounts payable and accrued charges	\$ 454,290	\$ 215,610
HST payable on commercial parking	1,729	1,193
Reconciled subsidy due to City, NOTE 5	49,548	192,866
Accrued mortgage payment	135,089	135,089
Members' deposits	<u>122,562</u>	<u>117,998</u>
Total Current Liabilities	<u>763,218</u>	<u>662,756</u>
Deferred S.H.R.R.P. funding, NOTE 12	0	52,915
Term Debt, NOTE 4	9,289,333	10,332,201
Net Assets		
Externally Restricted Net Assets, NOTE 6		
Capital Replacement Reserve	0	50,617
Per schedule		
Unrestricted Net Assets		
Contributed Surplus	10,325	10,325
Per schedule		
Accumulated Surplus (Deficit)	<u>(286,860)</u>	<u>(129,087)</u>
Per schedule		
	<u>\$ 9,776,016</u>	<u>\$ 10,979,727</u>

The notes on pages 11 through 16 form an integral part of these financial statements.

HARRY SHERMAN CROWE HOUSING CO-OPERATIVE INC.

Year ended June 30, 2021

	2021	2020
STATEMENT OF RESERVE FOR FUTURE CAPITAL REPLACEMENT		
Balance, beginning	\$ 50,617	\$ 271,468
Add		
Appropriation from operations	106,119	103,662
Re-allocation of surplus otherwise refundable to City	0	0
Investment income earned	<u>1,471</u>	<u>1,971</u>
	158,207	377,101
Less		
Expenditures, NOTE 7	<u>(158,207)</u>	<u>(326,484)</u>
	<u>\$ 0</u>	<u>\$ 50,617</u>
BALANCE JUNE 30	<u>\$ 0</u>	<u>\$ 50,617</u>

STATEMENT OF CONTRIBUTED SURPLUS

Balance, beginning	\$ 10,325	\$ 10,325
Add		
Membership fees collected	<u>0</u>	<u>0</u>
	<u>\$ 10,325</u>	<u>\$ 10,325</u>
BALANCE JUNE 30	<u>\$ 10,325</u>	<u>\$ 10,325</u>

STATEMENT OF ACCUMULATED SURPLUS (DEFICIT)

Balance, beginning	\$ (129,087)	\$ 63,244
Add (less)		
Net revenue (expense) for the year	<u>(157,773)</u>	<u>(192,331)</u>
	<u>\$ (286,860)</u>	<u>\$ (129,087)</u>
BALANCE JUNE 30	<u>\$ (286,860)</u>	<u>\$ (129,087)</u>

STATEMENT OF REVENUE AND EXPENDITURE
HARRY SHERMAN CROWE HOUSING CO-OPERATIVE INC.

For the year ending June 30, 2021

	(NOTE 10)		
	2020/21 BUDGET	2021	2020
REVENUE			
Housing charges			
Market	\$ 1,027,584	\$ 1,039,080	\$ 1,011,627
Geared-to-income	1,215,365	410,108	334,337
City of Toronto subsidy, NOTE 5			
Operating subsidy	530,013	525,149	530,013
Property tax subsidy	162,093	174,252	169,271
Rent geared-to-income subsidy	<u>0</u>	<u>792,376</u>	<u>847,231</u>
	2,935,055	2,940,965	2,892,479
Non occupancy charges, NOTE 9	153,314	107,896	142,174
S.H.R.R.P. grant	0	52,915	52,920
Vacancy loss on market units	<u>(10,596)</u>	<u>(12,047)</u>	<u>(5,295)</u>
TOTAL REVENUE	<u>3,077,773</u>	<u>3,089,729</u>	<u>3,082,278</u>
EXPENSES, shelter			
Administrative expense, per schedule	259,186	206,053	264,245
Insurance	69,319	78,739	64,608
Mortgage interest	1,621,069	572,419	625,762
Amortization	0	1,032,439	979,095
Maintenance contract	78,780	72,245	108,296
Materials and services, per schedule	277,148	487,534	269,606
Municipal taxes	162,092	174,252	169,271
Utilities	484,222	417,483	435,930
Waste management	45,143	53,752	52,145
Replacement reserve appropriation	106,119	106,119	103,662
Bad debts	3,000	825	7,126
S.H.R.R.P. amortization	<u>0</u>	<u>52,915</u>	<u>52,920</u>
TOTAL SHELTER EXPENSE	<u>3,106,078</u>	<u>3,254,775</u>	<u>3,132,666</u>
NET SHELTER REVENUE (EXPENSE)	(28,305)	(165,046)	(50,388)
SURPLUS REPAYMENT	<u>0</u>	<u>0</u>	<u>0</u>
	(28,305)	(165,046)	(50,388)
Non-Shelter Component			
Sector support revenue	23,552	23,484	23,412
Interest expense	0	(5,782)	(6,322)
Amortization expense	<u>0</u>	<u>(10,429)</u>	<u>(9,889)</u>
	<u>23,552</u>	<u>7,273</u>	<u>7,201</u>
	(4,753)	(157,773)	(43,187)
Loss due to fraud -unauthorized electronic fund transfers, NOTE 14	<u>0</u>	<u>0</u>	<u>(149,144)</u>
Net Revenue (Expense) for the Year	<u>\$ (4,753)</u>	<u>\$ (157,773)</u>	<u>\$ (192,331)</u>

SCHEDULES OF EXPENSES

HARRY SHERMAN CROWE HOUSING CO-OPERATIVE INC.

For the year ending June 30, 2021

(NOTE 10)
2020/21 BUDGET

2021

2020

Administrative Overhead

Management fees	\$ 169,895	\$ 147,719	\$ 164,351
Materials and services	73,335	42,108	79,308
Other	<u>15,956</u>	<u>16,226</u>	<u>20,586</u>
	<u>\$ 259,186</u>	<u>\$ 206,053</u>	<u>\$ 264,245</u>

Materials and Services

Building general, NOTE 16	\$ 135,198	\$ 299,039	\$ 107,933
Elevators	24,329	22,722	23,693
Electrical systems	7,033	19,077	10,117
Heating, ventilation, plumbing	48,592	56,795	58,612
Grounds	43,853	32,539	34,980
Painting	7,883	3,190	663
Security/life safety systems	<u>10,260</u>	<u>54,172</u>	<u>33,608</u>
	<u>\$ 277,148</u>	<u>\$ 487,534</u>	<u>\$ 269,606</u>

Utilities

Electricity	\$ 241,214	\$ 145,397	\$ 193,011
Fuel	68,014	78,532	68,383
Water and sewage	<u>174,994</u>	<u>193,554</u>	<u>174,536</u>
	<u>\$ 484,222</u>	<u>\$ 417,483</u>	<u>\$ 435,930</u>

STATEMENT OF CASH FLOWS

HARRY SHERMAN CROWE HOUSING CO-OPERATIVE INC.

June 30, 2021

	2021	2020
CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES		
Net revenue (expense) for the year	\$ (157,773)	\$ (192,331)
Adjusted for non-cash charges		
Amortization	1,042,868	988,984
Appropriation to reserve	<u>106,119</u>	<u>103,662</u>
	991,214	900,315
Changes in non-cash working capital components		
Accounts receivable - arrears	7,319	2,986
- monthly subsidy	59,860	(56,090)
- HST rebate	29,339	(32,292)
- miscellaneous	5,689	1,935
Prepays	(26,686)	4,763
Accounts payable and accrued charges	237,216	97,750
Reconciled subsidy due from City	(143,318)	0
Members' deposits	4,564	123
Contributed surplus	<u>0</u>	<u>0</u>
CASH PROVIDED BY OPERATING ACTIVITIES	<u>1,165,197</u>	<u>919,490</u>
CASH USED IN CAPITAL ACTIVITIES		
Payment of mortgage principal	<u>(1,042,868)</u>	<u>(988,984)</u>
CASH USED IN CAPITAL ACTIVITIES	<u>(1,042,868)</u>	<u>(988,984)</u>
CASH PROVIDED BY RESERVE FUND ACTIVITIES		
Change in reserve funds	50,617	220,851
Interest earned on reserve funds	1,471	1,971
Other additions to reserve	0	0
Expenditures	<u>(158,207)</u>	<u>(326,484)</u>
CASH USED IN RESERVE FUND ACTIVITIES	<u>(106,119)</u>	<u>(103,662)</u>
Net cash (decrease) increase during the year	16,210	(173,156)
Cash position, beginning of year	<u>174,402</u>	<u>347,558</u>
Cash position, end of year	<u>\$ 190,612</u>	<u>\$ 174,402</u>

NOTES TO FINANCIAL STATEMENTS

HARRY SHERMAN CROWE HOUSING CO-OPERATIVE INC.

June 30, 2021

STATUS AND NATURE OF ORGANIZATION

The Co-operative was incorporated under the Co-operative Corporations Act, 1973 on September 29, 1988 as a Corporation without share capital and operating exclusively for social welfare, it is exempt from income tax under Section 149 (1) (l) of the Income Tax Act.

The Co-operative became fully operational on the mortgage interest adjustment date of July 1, 1993. No portion of the Co-operative's income is available for the benefit of any member. A Board of Directors, which serves without remuneration, is elected from the membership.

The Co-operative receives subsidy from the City of Toronto and provides subsidized housing to its members. The Co-operative is dependent on this funding for its continued operation.

NOTE 1 SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The Co-operative follows accounting policies set out by the HSA under the procedures and policies contained in the Act and as set out by the City of Toronto. Some of these policies are not consistent with Canadian accounting standards for not-for-profit organizations, specifically:

- (a) amortization of capital assets includes amortization of land and is equal to the principal repaid on the mortgage, rather than on the estimated useful lives of the related assets,
- (b) capital expenditures incurred are charged to the capital replacement reserve, rather than capitalized and amortized over their estimated useful lives,
- (c) a replacement reserve is appropriated from operations,
- (d) investment income earned on the replacement reserve, which consists of distributions from the Social Housing Funds as well as realized and unrealized capital gains, is credited directly to the reserve, rather than to operations,
- (e) long-term debt is not segregated between current and long-term on the balance sheet.

Use of Estimates

The preparation of financial statements requires the Board of Directors to make assumptions about future events that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. A significant item subject to such estimates is the allowance for doubtful accounts. Actual results could differ from these estimates.

NOTES TO FINANCIAL STATEMENTS

HARRY SHERMAN CROWE HOUSING CO-OPERATIVE INC.

June 30, 2021

NOTE 1 SIGNIFICANT ACCOUNTING POLICIES - continued

Revenue Recognition

Housing charges are recognized at the beginning of each month, when they are due. City subsidy is recognized using the deferral method of accounting for contributions. All other income is recognized as it is earned.

NOTE 2 FINANCIAL INSTRUMENTS

The Co-operative's financial instruments consist of cash and temporary investments, accounts receivable, current liabilities and long-term debt.

Cash and temporary investments - measured at fair value, as determined by quoted market values.

Accounts receivable - initially recorded at fair value but recorded at cost.

Current liabilities - initially recorded at fair value but carried at cost

Long-term debt - recorded at amortized cost using the effective interest rate method.

Credit Risk

The Co-operative has exposure to credit risk to the extent that some members may fall into housing charge arrears. This risk is offset somewhat by the Co-operative holding some deposits.

Interest Rate Risk

The Co-operative manages its investments based on its cash flow needs, with a view to maximizing investment income.

The mortgage bears a fixed rate of interest.

NOTE 3 TRANSACTIONS WITH MEMBERS

In excess of 80% of the earned revenue reflected in these financial statements was derived from, or on behalf of, members of the Co-operative.

NOTES TO FINANCIAL STATEMENTS

HARRY SHERMAN CROWE HOUSING CO-OPERATIVE INC.

June 30, 2021

NOTE 4 TERM DEBT

The mortgage on the property is held by the TD Bank and fully insured by Canada Mortgage and Housing Corporation under Section 6 of the National Housing Act. The details are as follows:

Renewed principal balance	\$ 22,854,707
Interest rate	5.94 %
Monthly payment	\$ 135,089
Term	30 years
Maturity date	July 1, 2028

The approximate principal repayments for the next five years are as follows:

2022 - \$	1,105,734
2023 -	1,166,686
2024 -	1,231,452
2025 -	1,298,118
2026 -	1,368,598

NOTE 5 CITY OF TORONTO SUBSIDY

The City of Toronto has agreed to supplement the operating budget of the Co-operative by advancing a monthly subsidy of \$ 128,730. At the end of each fiscal year, a reconciliation is performed to determine how much subsidy the Co-operative is entitled to keep.

The reconciliation for 2020/21 is as follows:

Operating subsidy received	\$ 525,149	
Property tax subsidy received	159,523	
R.G.I. subsidy received	<u>860,088</u>	\$ 1,544,760
Operating subsidy earned	525,149	
Property tax subsidy earned	174,252	
R.G.I. subsidy earned	<u>792,376</u>	<u>1,491,777</u>
Balance repayable to City for 2020/21		52,983
Balance recoverable from City for 2019/20		<u>(3,435)</u>
Due to City		\$ 49,548

NOTES TO FINANCIAL STATEMENTS

HARRY SHERMAN CROWE HOUSING CO-OPERATIVE INC.

June 30, 2021

NOTE 6 EXTERNALLY RESTRICTED NET ASSETS

The Co-operative's capital replacement reserve is externally restricted by the City of Toronto. Expenditures charged to this reserve may be disallowed by the City.

NOTE 7 RESERVE EXPENDITURES

Expenditures charged to the capital replacement reserve are as follows:

	2021	2020
Lighting retrofit	\$ 0	\$ 26,099
Laundry equipment	(14,154)	37,714
Boiler upgrades	0	7,358
Security cameras	10,724	8,900
Garage door	0	4,912
Unit renovations	105,047	143,024
Fire alarm upgrades	0	18,631
Parking gate arms	0	5,149
Flooring/carpeting	37,530	51,560
Appliances	<u>19,060</u>	<u>23,137</u>
	<u>\$ 158,207</u>	<u>\$ 326,484</u>

NOTE 8 CASH ON HAND AND ON DEPOSIT

The total cash on hand and in the reserve fund is:

	2021	2020
Cash on hand and on deposit	\$ 190,612	\$ 174,402
Reserve funds	<u>0</u>	<u>50,617</u>
	<u>\$ 190,612</u>	<u>\$ 225,019</u>
Represented by:		
Petty cash	\$ 500	\$ 296
Current account	19,053	13,356
Credit union shares	208	208
Social Housing Funds	<u>170,851</u>	<u>211,159</u>
	<u>\$ 190,612</u>	<u>\$ 225,019</u>

NOTES TO FINANCIAL STATEMENTS

HARRY SHERMAN CROWE HOUSING CO-OPERATIVE INC.

June 30, 2021

NOTE 9 NON-OCCUPANCY CHARGES

Non-occupancy charges are as follows:

	2021	2020
Parking revenue	\$ 75,866	\$ 103,598
Laundry revenue	25,298	28,967
Investment income	1,295	7,237
Other	<u>5,437</u>	<u>2,372</u>
	<u>\$ 107,896</u>	<u>\$ 142,174</u>

NOTE 10 BUDGET FIGURES

Budget figures are provided for comparison purposes only and have not been audited.

NOTE 11 LAND LEASE

The Co-operative was constructed on land leased from York University. The term of the lease is 45 years, effective January 31, 1992. The entire lease payment of \$ 3,533,000 was paid up front and is reflected in Leasehold Interest and Buildings.

NOTE 12 SOCIAL HOUSING RENOVATION AND RETROFIT PROGRAM (S.H.R.R.P.)

In 2010/11 the Co-operative was approved for funding under S.H.R.R.P for the following projects:

Boiler replacement	\$ 142,342
Replacement of 2 make-up air units	100,896
Solar panels	285,957
Building condition analysis	3,580

The boiler, make-up air units and solar panels as well as the related funding are being amortized over ten years effective 2011/12. The schedule is as follows:

	Cost	Accumulated Amortization	Net Book Value
Boiler	\$ 142,342	\$ 142,342	\$ 0
Make-up air units	100,896	100,896	0
Solar water re- heating	<u>285,957</u>	<u>285,957</u>	<u>.0</u>
	<u>\$ 529,195</u>	<u>\$ 529,195</u>	<u>\$ 0</u>

NOTES TO FINANCIAL STATEMENTS

HARRY SHERMAN CROWE HOUSING CO-OPERATIVE INC.

June 30, 2021

NOTE 12 SOCIAL HOUSING RENOVATION AND RETROFIT PROGRAM (S.H.R.R.P.) - continued

The cost and funding for the building condition analysis has been recorded in operations for 2011/12.

The funding is in the form of a forgivable loan, which will be fully forgiven after ten years provided the Co-operative meets certain guidelines including maintaining its not-for-profit status over that period.

NOTE 13 CAPITAL MANAGEMENT

The Co-operative defines its capital as the amounts included in net assets. It manages its unrestricted accumulated surplus to ensure its ability to continue operations as a going concern so that it can continue to provide affordable housing to its members. It does this through cash flow management as well as having a yearly member-approved budget in place. The portion of its net assets pertaining to the externally restricted reserve must be invested and spent in accordance with requirements set out by the funder.

NOTE 14 LOSS DUE TO UNAUTHORIZED EFT'S

In July 2019, the Co-operative was victimized by a series of unauthorized EFT withdrawals from its current account. Although some funds were recovered, \$ 149,144 is still outstanding. The Co-operative continues to explore alternatives in its attempt to recover this balance.

NOTE 15 CONTRACTUAL OBLIGATION

As at June 30, 2021, the Co-operative was contractually obligated to Maple Property Management Group Inc. for management services from November 5, 2019 to October 31, 2022 at a monthly fee of \$ 11,998 plus HST

NOTE 16 BUILDING GENERAL

Building General expense for 2020/21 includes \$ 199,007 of unit renovation costs that would have otherwise been charged to the capital replacement reserve.

This is Exhibit "X" referred to
in the Affidavit of Julie Western
Set, sworn on the 10th day of
November, 2022.

A handwritten signature in black ink, appearing to read "Mark Siboni", written over a horizontal line.

Mark Siboni
A Commissioner for taking Affidavits

September 20, 2021

The Board of Directors
Harry Sherman Crowe Housing Co-operative Inc.
51 The Chimneystack Rd.
Toronto, Ontario
M6J 3L9



Dear Members of the Board:

I have recently completed the audit of Harry Sherman Crowe Housing Co-operative Inc. for the fiscal year ended June 30, 2021.

The objective of my audit was to obtain reasonable assurance that the financial statements were free of material misstatement. My audit was not designed for the purpose of identifying matters to communicate. Accordingly, my audit would not usually identify all such matters that may be of interest to you and it is inappropriate to conclude that no such matters exist.

The following are points which I would like to discuss.

Weakening Financial Position

As at June 30, 2021, the Co-operative's capital replacement reserve was fully depleted and its accumulated deficit was almost \$ 287,000.

While I can appreciate the Co-op's desire to renovate and take care of all backlogged projects, it is essential that it keep in mind that there are very limited financial resources at its disposal. As at June 30, 2021, the Co-op only had about \$ 190,000 in total cash yet its accounts payable were over \$ 450,000. The inability to pay suppliers on time will result in late payment charges, interest expense, a poor credit rating, possible legal action and the potential loss of reputable suppliers.

It is essential for the Co-op, at this point, to assess its current financial situation and determine how to strengthen it.

Market Vacancy Loss

Contributing to the operating loss for the year was the market vacancy loss of just over \$ 12,000 for the year, more than double the 2020 balance of \$ 5,295. Vacancy loss results when a unit is not filled on a timely basis upon turnover.

Please evaluate why the vacancy loss increased over last year and what could be done to minimize it in the future.

Townhouse Hydro Accounts

The issue of inaccurate townhouse hydro billing has not been addressed, townhouses continue to be billed seemingly random monthly flat amounts. Townhouse hydro accounts are supposed to be reconciled regularly, based on the meter reading, to determine what the individual unit billing should be. Unfortunately, these reconciliations have not been performed in some years.

Please review this entire issue to determine how best to proceed. If meter readings simply won't be performed, at least base the flat monthly charge on concrete variables such as unit size, number of members residing in the unit, etc.

Board Minutes

My yearly audit includes the reading of the Board minutes. The minutes provide me with a concise overview of any key financial decisions made.

My review of the minutes revealed that not all were available for reading.

It is essential that all minutes be prepared, signed and filed chronologically in the office for possible future review and verification of any proceedings and decisions made at a meeting.

This communication is prepared solely for the information of Harry Sherman Crowe Housing Co-operative Inc. and is not intended for any other purpose. I accept no responsibility to a third party who uses or relies on it.

Should you have any questions about this letter, please do not hesitate to call me.

Very truly yours,



Ed Roscetti

This is Exhibit "Y" referred to
in the Affidavit of Julie Western
Set, sworn on the 10th day of
November, 2022.

A handwritten signature in black ink, appearing to read "Mark Siboni", written over a horizontal line.

Mark Siboni
A Commissioner for taking Affidavits

Social Housing Annual Information Return

Identification

Page A1

Corporation name
Harry Sherman Crowe Housing Co-operative Inc.
CMSM/DSSAB
City of Toronto

I.D. No.	Year end (mm/dd/yyyy)
H04-900	June 30, 2021

Corporation address	Mailing address
Co-op Off-51 Chimneystack Rd Toronto Ontario M3J 3L9	Co-op Off-51 Chimneystack Rd Toronto Ontario M3J 3L9

Program type	Y/N	# of units
1. Public Housing		
2. Rent Supplement		
3. Section 26/27		
4. Section 95 - PNP		
5. Section 95 - MNP		
6. Part VII - Mixed	Y	164
7. Part VII - 100% RGI		
8. Other		
9. Urban Native		

Contact name	Position
Mr. Saud Ahmed	Manager
	eMail address

Telephone number	Fax number
416-736-8889	

Status	Name	Approval Date
Approved	Housing Stability Services	January 19, 2022

Instructions

This form to be used by all Private Non-Profit Housing Corporations, Municipal Non-Profit Housing Corporations, and Co-operative Housing Corporations. It may be used by Local Housing Corporations.

Social Housing Annual Information Return

Year End: June 30, 2021

Corporation: Harry Sherman Crowe Housing Co-operative Inc

Management Representation Report

Page A2

Note 1: The Housing Services Act and its regulations are referred to as HSA throughout these representations.

Note 2: If the answer to any question, other than number 5, is "No", please provide explanatory details.

Note 3: All questions are to be answered as of the end of the fiscal year. Question 11 to 13 should cover the fiscal year as well as the months preceding the filing of this report.

The following questions relate to both formerly federal and formerly provincial projects. The questions should be answered with respect to the provisions of the HSA and/or any formerly federal operating agreement that your corporation may be governed by.

GOVERNANCE

1) Does the corporation follow the required conflict of interest provisions? Y N NA

RESIDENT RELATIONS

2) Did the corporation select applicants as required? Y N

3) Were all RGI households charged the rent required? Y N NA

4) Did the corporation comply with its mandate and targeting plan in housing applicants, if applicable? Y N NA

FINANCIAL MANAGEMENT

5) Did the corporation receive a management letter from its auditors reporting serious deficiencies in internal controls or operations? (If yes, attach a copy of the letter.) Y N

6) Were expenses allocated to any non-shelter component as required? Y N NA

7) Was the shelter component of the corporation's revenue used only for shelter purposes? Y N NA

8) Did the corporation invest its Capital Reserve Fund as required? Y N NA

9) Did the corporation make all transfers to and expenditures from the Capital Reserve Fund as required? Y N NA

10) Did the corporation comply with the requirement in the HSA to participate in a system for group insurance of housing providers? Y N NA

MORTGAGE

11) Is the corporation in compliance with its obligation not to mortgage or encumber, replace or amend the mortgage? Y N

12) Are all other mortgages the corporation may have in good standing? Y N NA

13) Is the corporation free and clear of material contingent liabilities and legal disputes? Y N

Social Housing Annual Information Return

Year end: June 30, 2021

Corporation: Harry Sherman Crowe Housing Co-operative Inc.

Statement of Financial Position (Balance Sheet)

Page A3

ASSETS

Cash and investments	- capital reserve fund	310	-
	- other	312	190,612

Subsidies receivable from the service manager	320	118,730
---	-----	---------

Accounts Receivable - tenants	321	20,893
-------------------------------	-----	--------

Accounts Receivable - other	322	110,054
-----------------------------	-----	---------

Capital assets (at cost):

Shelter	325	23,865,987
---------	-----	------------

Non-shelter	327	
-------------	-----	--

Sector support (co-ops only)	329	235,769
------------------------------	-----	---------

Total	330	24,101,756
-------	-----	------------

Lines 325 to 329

Accumulated amortization	334	14,812,423
--------------------------	-----	------------

Net capital assets	335	9,289,333
--------------------	-----	-----------

Lines 330 - 334

Other assets	350	46,394
--------------	-----	--------

TOTAL ASSETS	355	9,776,016
---------------------	-----	------------------

Lines 310 + 312 + 320 + 335 + 350

LIABILITIES

Subsidies payable to the service manager	360	98,605
--	-----	--------

Mortgage loans	368	9,289,333
----------------	-----	-----------

Other loans	370	
-------------	-----	--

Other liabilities	375	686,290
-------------------	-----	---------

SURPLUS

Contributed surplus	380	10,325
---------------------	-----	--------

Capital reserve fund (housing)	384	(11,448)
--------------------------------	-----	----------

Line 690

Other reserves	386	
----------------	-----	--

Accumulated surplus/(deficit)	390	(297,089)
-------------------------------	-----	-----------

TOTAL LIABILITIES AND SURPLUS	395	9,776,016
--------------------------------------	-----	------------------

Lines 360 to 390

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Social Housing Annual Information Return

Year end: June 30, 2021

Corporation: Harry Sherman Crowe Housing Co-operative Inc.

Statement of Operations and Accumulated Surplus

Page A4

I. Statement of Operations (Revenue and Expenses)

Occupancy revenue

Rent-geared-to-income units	501	410,108
Market units	502	1,039,080
Rent-geared-to-income subsidy	503	792,376
Gross occupancy revenue	Lines 501 + 502 + 503 504	2,241,564
Less: Vacancy loss on market units	505	12,047
Subtotal	Lines 504 - 505 510	2,229,517

Investment income

Non-rental revenue (parking, laundry, etc.)	521	1,295
Subsidy 100% RGI providers	Line 1319 522	106,601
Net operating subsidy	Line 1289 less Line 1272 523	-
	525	699,401

Section 95 & Urban Native (federal) subsidy

Line 1525 - 1572 or Line 1680 or Line 3550

Public Housing Subsidy	527	-
Other <u>SHRRP</u>	528	-
	529	52,915

Total revenue

Lines 510 to 529

Shelter expenses

Maintenance	541	613,531
Utilities	542	417,483
Administration	543	206,053
Insurance	544	78,739

Capital reserve from previous year

545 103,662

Capital reserve index

Provided by MMAH
546 1,0237

Mandatory transfer to capital reserve fund	Lines 545 x 546 547	106,119
Transfer to Section 95 and Urban Native Capital Reserve	Line 1548 or 1648 548	-
Property taxes	549	174,252
Mortgage principal and interest (excluding Sector Support and/or non-shelter component)	550	1,604,858
Transfers to other funds	551	-
Transfers to subsidy surplus fund	Line 1561 561	-
Bad Debts	562	825
Other <u>SHRRP</u>	563	52,915
Subtotal	(Lines 541 to 544) + (lines 547 to 563) 565	3,254,775

NET INCOME (LOSS) - Housing

Lines 530 - 565

Gifts and donations

570 (165,046)

Non shelter revenue (net)

Line 629 Col 3 + Line 1574 Col 1

572 -

573 -

574 7,273

575

Other programs and activities (net)

NET INCOME (LOSS)

Lines 570 to 575

580 (157,773)

II. Statement of Accumulated Surplus (Deficit)

BALANCE, BEGINNING OF YEAR

Previous year's line 599

590 (139,316)

Net income for the year

Line 580

591 (157,773)

Other

592

BALANCE, END OF YEAR

Lines 590 to 592

599 (297,089)

Social Housing Annual Information Return

Year end: June 30, 2021

Corporation: Harry Sherman Crowe Housing Co-operative Inc.

Non-Shelter Income (Loss) - Part VII of the Housing Services Act

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NON-SHELTER REVENUE		Care 01	Commercial & Other 02	Total 03
Commercial rent	610	-	-	-
Grants from Ministry of Health	611	-	-	-
Grants from Ministry of Community & Social Services	612	-	-	-
Other (describe) _____	613	-	-	-
Other (describe) _____	614	-	-	-
Total non-shelter revenue	Lines 610 to 614 615	-	-	-
NON-SHELTER EXPENSES				
Operating costs				
Maintenance salaries, wages and benefits	620	-	-	-
Maintenance materials and services	621	-	-	-
Utilities	622	-	-	-
Administration	623	-	-	-
Other (describe) _____	624	-	-	-
Total non-shelter operating costs	Lines 620 to 624 625	-	-	-
Municipal taxes	626	-	-	-
Mortgage payments	627	-	-	-
Total non-shelter expenses	Lines 625 to 627 628	-	-	-
NET NON-SHELTER REVENUE (LOSS)	Lines 615 - 628 629	-	-	-

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Social Housing Annual Information Return

Year end: June 30, 2021

Corporation: Harry Sherman Crowe Housing Co-operative Inc.

Capital Reserve Fund - Part VII of the Housing Services Act and Federal 95, 26/27

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BALANCE, BEGINNING OF YEAR	Previous year's line 690	651	39,169	39,169
Revenue				
Mandatory transfer from operations	Line 547 and/or line 548	652	106,119	
Investment income		654	1,471	
Other		655		
Total	Lines 651 to 655	660	146,759	
Expenses (by item or category)				
Security cameras		671		
Unit renovations		672	10,724	
Flooring/carpeting		673	105,047	
Appliances		674	37,530	
		675	19,060	
		676		
		677		
Laundry equipment-deposit recovery		678	(14,154)	
		679		
		680		
		681		
		682		
		683		
Total expenses	Lines 671 to 683	685	158,207	
BALANCE, END OF YEAR	Lines 651 + 660 - 685	690	(11,448)	
ASSETS, END OF YEAR				
Cash and investments	Line 310	695	-	
DIFFERENCE	Lines 695 - 690	699	11,448	

Instructions:

If the difference on line 699 is greater than \$1,000, provide an explanation for the difference and the corporation's plan to bring the fund into balance.

Social Housing Annual Information Return

Year end: June 30, 2021

Corporation: Harry Sherman Crowe Housing Co-operative Inc.

General Subsidy - Part VII of the Housing Services Act - Mixed

Page B1

I. Operating Subsidy

Principal and interest payable during year	1201		1,604,777
Excess of Indexed benchmark costs over indexed benchmark revenue		1202	(1,079,628)
Operating Subsidy	Line 1201 + Line 1202	1205	525,149
Subsidy phase-in		1206	-
Operating Subsidy	Lines 1201 - 1208	1209	525,149

II. RGI subsidy

Indexed market rents for RGI units	Sch. D1 Col. 09	1213	1,202,484	
Actual market rents for RGI units		Sch. D1 Col. 8	1,224,708	
Lesser of Line 1213 or Line 1214		1215	1,202,484	
Actual rental income from RGI households		Sch. D1 Col. 10	410,108	
RGI subsidy		Line 1215 - 1218	1219	792,376

III. a) Indexed Benchmark Revenue

Benchmark Non Rental Revenue		1220	122,277
Indexed Market Rent		1221	2,236,548
Indexed Vacancy Loss		1222	34,116
Total Indexed Benchmark Revenue	Line 1220 + 1221 - 1222	1223	2,324,709

b) Indexed Benchmark Operating Costs

Administration and Maintenance		1225	573,569
Insurance		1226	52,608
Bad Debt		1227	15,650
Electricity		1228	210,577
Water		1230	174,898
Gas		1231	111,660
Capital Reserves		1232	106,119
Total Indexed Operating Costs	Line 1225 + 1226 + 1227 + 1228 + 1230 + 1231 + 1232	1233	1,245,081
Excess of Indexed Benchmark Costs Over Indexed Benchmark Revenue		1234	(1,079,628)

IV. Surplus repayment

Revenue:

Market units		1241	1,027,033
RGI units		Line 1218	410,108
RGI subsidy		Line 1219	792,376
Subtotal	Lines 1241 to 1243	1245	2,229,517
Investment		1247	1,295
Non-rental revenue		1248	106,601
Total revenue	Lines 1245 to 1248	1250	2,337,413
Operating costs	Operating costs for shelter component of projects under the SHRA	1251	1,422,750

Social Housing Annual Information Return

Year end: June 30, 2021

Corporation: Harry Sherman Crowe Housing Co-operative Inc.

General Subsidy - Part VII of the Housing Services Act - Mixed

Page B1

Net operating income	Line 1250 - 1251	1252	914,663
Less:			
Excess of Indexed Benchmark Revenues Over Indexed Benchmark Cost:	Line 1234	1255	1,079,628
Operating reserve allowance	Line 3085 or 3095	1257	-
Subtotal	Line 1255 to 1257	1259	1,079,628
Surplus	Line 1252 - 1259	1260	(164,965)
Energy Efficiency Incentive (City Guideline 2013-4)		1262	
Less: Service manager approved reduction (if less than 50%)		1264	
Net surplus repayable	Line 1262 - 1264	1269	-

V. Subsidy for the year

Operating Subsidy	Line 1209	1271	525,149
RGI subsidy	Line 1219	1272	792,376
Property taxes		1273	174,252
Additional subsidy		1274	-
Subtotal	Line 1271 to 1274	1279	1,491,777
Less:			
Surplus repayment	Line 1269	1282	-
Late filing penalty from prior year		1283	-
Subtotal	Line 1282 to 1283	1285	-
Net subsidy for the year	Line 1279 - 1285	1289	1,491,777

VI. Current year settlement

Net subsidy for the year	Line 1289	1291	1,491,777
Less Subsidy per subsidy request		1292	1,544,760
Current year settlement	Line 1291 - 1292	1295	(52,983)

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Social Housing Annual Information Return

Year end: June 30, 2021

Corporation: Harry Sherman Crowe Housing Co-operative Inc.

General Subsidy - Part VII of the Housing Services Act

Page B3

Revenue			(Formerly 103)	(Formerly 106)
Occupancy Revenue			Mixed	100% RGI
Rent-gearred-to-income rent	1401	410,108	410,108	
Market Rent	1402	1,039,080	1,039,080	
Gross occupancy revenue	Line 1401 to 1402 1404	1,449,188	1,449,188	-
Less: vacancy loss on market units	1405	12,047	12,047	
Subtotal	Line 1404 - 1405 1410	1,437,141	1,437,141	-
Investment income	1421	1,295	1,295	
Non-rental income	1422	106,601	106,601	
Subsidy	1425	1,491,777	1,491,777	-
Total	Line 1410 to 1425 1430	3,036,814	3,036,814	-
Operating costs:				
Maintenance	1441	613,531	613,531	
Utility costs	1442	417,483	417,483	
Administration costs	1443	206,053	206,053	
Insurance	1444	78,739	78,739	
Capital reserve contribution	1448	106,119	106,119	
Property taxes	1449	174,252	174,252	
Mortgage principal and interest	1450	1,604,858	1,604,858	
Bad Debts	1451	825	825	
Other (describe):	1461	-		
Total	Line 1441 to 1461 1465	3,201,860	3,201,860	-
Net income (loss) - Housing	Line 1430 - 1465 1470	(165,046)	(165,046)	-
Gifts and donations	1471	-		
Sector support (co-op only)	1472	7,273	7,273	
Non-shelter revenue (net)	1473	-	-	-
Surplus/deficit	Line 1470+1471+1472+1473 1480	(157,773)	(157,773)	-

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Social Housing Annual Information Return

Year end: June 30, 2021

Corporation: Harry Sherman Crowe Housing Co-operat

Statistical Information

Page C1

I. Households assisted by program type	Unit of Measure	Rent Supplement 02	Strong Communities 03	Section 26 & 27 04	Section 95 PNP/MNP 05	Provincial Reformed 06	Urban Native 07
RGI households with incomes at or below the HILs							
Households assisted by program (at end of year)	2101 Households				-	85	
Non-RGI households and RGI households with incomes above the HILs							
Households assisted by program (at end of year)	2105 Households				-	79	
Vacant Units	2106 Households				-	-	

II. Household types assisted and average gross incomes (at year end)

Families		-	-		-	(102)	-
RGI households with incomes at or below the HILs							
Total number of targeted households	2111 Households					65	
Average annual gross household income	2113 \$					16,988	
Non-RGI households and RGI households with incomes above the HILs							
Total number of non-targeted households	2115 Households						
Seniors							
RGI households with incomes at or below the HILs							
Total number of targeted households	2121 Households					112	
Average annual gross household income	2123 \$					1,099	
Non-RGI households and RGI households with incomes above the HILs							
Total number of non-targeted households	2125 Households						
Non-elderly singles							
RGI households with incomes at or below the HILs							
Total number of targeted households	2131 Households					10	
Average annual gross household income	2133 \$					9,657	
Non-RGI households and RGI households with incomes above the HILs							
Total number of non-targeted households	2135 Households						
Special needs							
RGI households with incomes at or below the HILs							
Total number of targeted households	2141 Households						
Average annual gross household income	2143 \$						
Non-RGI households and RGI households with incomes above the HILs							
Total number of non-targeted households	2145 Households						

III. ADDITIONAL REQUIREMENTS

Unit of

Rent

Provincial

321

Social Housing Annual Information Return

Year end: June 30, 2021

Corporation: Harry Sherman Crowe Housing Co-operat

Statistical Information

Page C1

		Measure	Supplement 02	Reformed 06
Households receiving RGI whose household income is at or below the household income limit established in regulation.	2101	2151 Households	-	85
High need households		2152 Households		
Units modified to provide physical accessibility		2153 Households		
Households receiving support services		2154 Households		
(All of the above information is as of year end.)				

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Social Housing Annual Information Return

Year end: June 30, 2021

Corporation: Harry Sherman Crowe Housing Co-operative Inc.

Targeting Plans - Part VII of the Housing Services Act

Page C2

I. Minimum RGI Unit Requirements

Project			
Harry Sherman Crowe Housing Co-op	Required	90	Actual
		-	85
		-	
		-	
		-	
		-	
		-	
		-	
		-	
		-	
		-	
		-	
Total		90	85

II. Move-ins and Vacancies

	Required number of units	Move-ins during year	Vacancy months during year	Vacant units at year end
Geared-to-income		-	1	-
Special needs units	-			
Modified units	-			

Special needs units, including modified units, must be filled with households requiring those units.

How many special needs units, including modified units, were filled with households which did not require those services or units? Number

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**Social Housing
Annual Information Return**

Year end: June 30, 2021

Corporation: Harry Sherman Crowe Housing Co-operative Inc.

General Subsidy - Part VII of the Housing Services Act- Market Rent Index

Page D1

Rent guideline for the year	TPA Guideline	2000	A	B	C	D	E	F	G	H	I	J	K	L	K	L	K	L	K
		1,0220																	
M1D4																			
Unit types	2011	1 Bedroom - Townhouse	2 Bedroom - Townhouse	3 Bedroom - Townhouse	4 Bedroom - Townhouse	5 Bedroom - Townhouse	1 Bedroom - Apartment	2 Bedroom - Apartment	3 Bedroom - Apartment	4 Bedroom - Apartment	5 Bedroom - Apartment	Bachelor	Hostel	1 Bedroom - Stacked	2 Bedroom - Stacked	3 Bedroom - Stacked	4 Bedroom - Stacked	5 Bedroom - Stacked	
Percentage change in market rent	2012	1,0120	1,0120	1,0120	1,0120	1,0120	1,0220	1,0220	1,0220	1,0220	1,0220	1,0220	1,0220	1,0220	1,0220	1,0220	1,0220	1,0220	1,0220

RGI Rental Schedule

Project	Unit Type	Market Rent per month for current year	Prior Year's Benchmark or indexed market rent	Market Rent Index <small>(Line 2019)</small>	Current Year's Benchmark or indexed market Rent <small>col.3 X col.4</small>	Unit Months		Actual Market Rents (RGI units) <small>col. 2 x col. 7</small>	Indexed Market Rents (RGI units) <small>col. 5 x col. 7</small>	Rental Income (RGI units)
						All Units <small>6</small>	RGI Units <small>7</small>			
	<small>1</small>	<small>2</small>	<small>3</small>	<small>4</small>	<small>5</small>	<small>6</small>	<small>7</small>	<small>8</small>	<small>9</small>	<small>10</small>
Harry Sherman Crowe Housing Co-op	3 Bedroom - Townhouse	1,321.00	1,248	1,012	1,263	192.00	156.00	206,076	197,028	
Harry Sherman Crowe Housing Co-op	4 Bedroom - Townhouse	1,471.00	1,393	1,012	1,410	264.00	216.00	317,736	304,560	
Harry Sherman Crowe Housing Co-op	1 Bedroom - Apartment	890.00	871	1,022	890	360.00	168.00	149,520	149,520	
Harry Sherman Crowe Housing Co-op	2 Bedroom - Apartment	1,082.00	1,059	1,022	1,082	780.00	300.00	324,600	324,600	
Harry Sherman Crowe Housing Co-op	3 Bedroom - Apartment	1,227.00	1,201	1,022	1,227	360.00	172.00	211,044	211,044	
Harry Sherman Crowe Housing Co-op	4 Bedroom - Apartment	1,311.00	1,283	1,022	1,311	12.00	12.00	15,732	15,732	
	Total		2,236,914	1,020		1,968	1,024	1,224,708	1,202,484	410,108

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Social Housing Annual Information Return

Year end: June 30, 2021

Corporation: Harry Sherman Crowe Housing Co-operat

General Subsidy - Part VII of the Housing Services Act - Operating Reserve

Page D3

Has the provider had an accumulated surplus at the beginning of any previous fiscal year since the termination of its operating agreement of \$300 per unit or greater?

3000

Total surplus, beginning of year

Accumulated surplus (deficit)

Line 590 3002

Number of units

Page A1 3025

Allowable operating reserve per unit

3030

Total allowable operating reserve

Line 3025 x line 3030 3035

If line 3002 is greater than line 3035 the provider is not eligible for any operating reserve in the calculation of surplus.

Calculation for General Subsidy - Part VI SHRA

Total surplus, beginning of year

Line 3002 3040

Net operating income

Line 1252 3045

Affordable mortgage payment

Line 1205 3047

Mandatory payment

Line 1239 3048

Subtotal of affordable mortgage payment and mandatory payment

Line 3047 + Line 3048 3050

Net operating income less affordable mortgage and mandatory payments

Line 3045 - Line 3050 3055

Subtotal of accumulated surplus and net operating income less payments

Line 3040 + Line 3055 3060

Operating reserve eligibility determinant

Line 3035 - Line 3060 3070

If line 3070 is nil or negative operating reserve calculation is:

Total allowable operating reserve

Line 3035 3075

Accumulated surplus, beginning of year

Line 3040 3080

Operating reserve allowance (to line 1257)

Line 3075 - Line 3080 3085

If line 3070 is a positive value operating reserve calculation is:

Net operating income

Line 3045 3090

Affordable mortgage payment plus mandatory payment

Line 3050 3091

Operating reserve allowance (to line 1257)

Line 3090 - Line 3091 (if positive) 3095

Calculation for General Subsidy - Part VI SHRA - 100% RGI

Accumulated surplus beginning of year

Line 3002 3100

Indexed operating costs for the year

Line 1305 3101

Actual operating costs for the year

Line 1322 3102

Difference

Line 3101 - 3102 3103

Operating reserve eligibility determinant

Line 3035 - (3100 + 3103) 3104

If line 3104 is nil or negative operating reserve calculation is:

Total allowable operating reserve

Line 3035 3105

Accumulated surplus, beginning of year

Line 3002 3106

Operating reserve allowance (to line 1323)

Line 3105 less Line 3106 3107

If line 3104 is positive operating reserve calculation is:

Indexed operating costs

Line 3101 3110

Actual operating costs

Line 3102 3111

Operating reserve allowance (to line 1323)

Line 3110 less 3111 3112

Social Housing Annual Information Return

Year end: June 30, 2021

Corporation: Harry Sherman Crowe Housing Co-operative Inc.

Unit Activity Data Report - Part VII of the Housing Services Act, Section 95 and Rent Supplement

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Project: Harry Sherman Crowe Housing Co-op

Classification	Unit Type	1st Month		2nd Month		3rd Month		4th Month		5th Month		6th Month		7th Month		8th Month		9th Month		10th Month		11th Month		12th Month		Total Units	Total Units Average Occupied	Total Units Vacant Months		
		Occ	Vac	Occ	Vac	Occ	Vac	Occ	Vac	Occ	Vac	Occ	Vac	Occ	Vac	Occ	Vac	Occ	Vac	Occ	Vac	Occ	Vac	Occ	Vac	Occ & Vacant				
Geared - to-income	1 Bedroom - Townhouse	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
	2 Bedroom - Townhouse	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
	3 Bedroom - Townhouse	13.00	-	13.00	-	13.00	-	13.00	-	13.00	-	13.00	-	13.00	-	13.00	-	13.00	-	13.00	-	13.00	-	13.00	-	13.00	-	13.00	-	
	4 Bedroom - Townhouse	18.00	-	18.00	-	18.00	-	18.00	-	18.00	-	18.00	-	18.00	-	18.00	-	18.00	-	18.00	-	18.00	-	18.00	-	18.00	-	18.00	-	
	5 Bedroom - Townhouse	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
	1 Bedroom - Apartment	14.00	-	14.00	-	14.00	-	14.00	-	14.00	-	14.00	-	14.00	-	14.00	-	14.00	-	14.00	-	14.00	-	14.00	-	14.00	-	14.00	-	
	2 Bedroom - Apartment	25.00	-	25.00	-	25.00	-	24.00	1.00	25.00	-	25.00	-	25.00	-	25.00	-	25.00	-	25.00	-	25.00	-	25.00	-	25.00	-	25.00	1.00	
	3 Bedroom - Apartment	15.00	-	15.00	-	15.00	-	15.00	-	14.00	-	14.00	-	14.00	-	14.00	-	14.00	-	14.00	-	14.00	-	14.00	-	14.00	-	14.33	-	
	4 Bedroom - Apartment	1.00	-	1.00	-	1.00	-	1.00	-	1.00	-	1.00	-	1.00	-	1.00	-	1.00	-	1.00	-	1.00	-	1.00	-	1.00	-	1.00	-	
	5 Bedroom - Apartment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	Bachelor	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	Hostel	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	1 Bedroom - Stacked	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	2 Bedroom - Stacked	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	3 Bedroom - Stacked	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	4 Bedroom - Stacked	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	5 Bedroom - Stacked	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	Total		86.00	-	86.00	-	86.00	-	85.00	1.00	85.00	-	85.00	-	85.00	-	85.00	-	85.00	-	85.00	-	85.00	-	85.00	-	85.33	-	85.25	1.00
	Market	1 Bedroom - Townhouse	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
		2 Bedroom - Townhouse	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3 Bedroom - Townhouse		3.00	-	3.00	-	3.00	-	3.00	-	3.00	-	3.00	-	3.00	-	3.00	-	3.00	-	3.00	-	3.00	-	3.00	-	3.00	-	3.00	-	
4 Bedroom - Townhouse		4.00	-	4.00	-	4.00	-	4.00	-	4.00	-	4.00	-	4.00	-	4.00	-	4.00	-	4.00	-	4.00	-	4.00	-	4.00	-	4.00	-	
5 Bedroom - Townhouse		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
1 Bedroom - Apartment		16.00	-	16.00	-	16.00	-	16.00	-	16.00	-	16.00	-	16.00	-	16.00	-	16.00	-	16.00	-	16.00	-	16.00	-	16.00	-	16.00	-	
2 Bedroom - Apartment		38.00	2.00	39.00	1.00	39.00	1.00	39.00	1.00	39.00	1.00	39.00	1.00	38.00	2.00	40.00	-	39.00	1.00	40.00	-	40.00	-	40.00	-	40.00	-	40.00	-	
3 Bedroom - Apartment		15.00	-	15.00	-	15.00	-	14.00	1.00	16.00	-	16.00	-	16.00	-	16.00	-	16.00	-	16.00	-	16.00	-	16.00	-	16.00	-	15.67	-	
4 Bedroom - Apartment		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
5 Bedroom - Apartment		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Bachelor		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Hostel		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
1 Bedroom - Stacked		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
2 Bedroom - Stacked		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
3 Bedroom - Stacked		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
4 Bedroom - Stacked		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
5 Bedroom - Stacked		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total			76.00	2.00	77.00	1.00	77.00	1.00	78.00	2.00	78.00	1.00	78.00	1.00	77.00	2.00	79.00	-	78.00	1.00	79.00	-	79.00	-	79.00	-	78.67	-	77.75	11.00

Total Units	Unit Type	Value
	1 Bedroom - Townhouse	-
	2 Bedroom - Townhouse	-
	3 Bedroom - Townhouse	16.00
	4 Bedroom - Townhouse	22.00
	5 Bedroom - Townhouse	-
	1 Bedroom - Apartment	30.00
	2 Bedroom - Apartment	65.00
	3 Bedroom - Apartment	30.00
	4 Bedroom - Apartment	1.00
	5 Bedroom - Apartment	-
	Bachelor	-
	Hostel	-
	1 Bedroom - Stacked	-
	2 Bedroom - Stacked	-

3 Bedroom - Stacked	-
4 Bedroom - Stacked	-
5 Bedroom - Stacked	-
Total	164.00

Instructions:

- (1) Include the number of units available at the end of each period (whether occupied or vacant) for each classification
- (2) The average number of units occupied or vacant shall be calculated to 2 decimal points
- (3) A unit which becomes vacant retains its classification until it becomes occupied, at which time it assumes the classification of the new occupant

Housing Provider Checklist

Social Housing Annual Information Return

If you have a "NO" answer to any of the items below, please correct before sending in your AIR and Financial Statements.
(AIRs with " NO" no answers will be rejected back to you for correction and will be considered not received.)

Submissions Requirements:

1. - The Audited Financial Statements and the Annual Information Return are electronically submitted together.
2. - The Auditor's Report has been signed by the auditor (individually or corporately)
3. - All three sections of the Unit Statistical Information page have been completed
4. - Enter the following from your Financial Statements

YES
YES
YES

- Subsidy Earned for the year
- Rent-Gearred-to Income revenue from tenants
- Net Income for the year
- Accumulated Surplus, end of year balance
- Subsidy Surplus Fund (Section 95 only)
- Total Assets
- Total amount invested (Part VII with Worldsource Financial Management only)

F/S	AIR	
1,491,777	1,491,777	YES
410,108	410,108	YES
(157,773)	(157,773)	YES
(286,860)	(297,089)	HSS ADJ
	-	YES
9,776,016	9,776,016	YES
-	(11,448)	HSS ADJ

Investments Total Fund

System Checks on the Annual Information Return

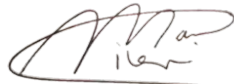
- A2 - Questions 1-13 have been answered?
- A2 - You have answered yes to question 5 on page A2, please provide the management letter?
- A3 - Does Line 355 Total Assets = Line 390 Total Liabilities plus Surplus (Deficit)?
- A3 - Does the Accumulated Surplus (Deficit), end of year, line 599 equal line 390 plus 386 (Section 95 - line 390 only)?
- B3 - Does the market revenue = the market unit count on page D4 x the market rents on page D1 (Part VII only)?
- C2 - Have the Minimum RGI Target and Minimum Market Target been met (Part VII only)

YES
PROVIDE
YES
YES
YES
NOT ON TARGET

Market Rent Variance

1 Bedroom - Townhouse	-	-	-
2 Bedroom - Townhouse	-	-	-
3 Bedroom - Townhouse	36.00	1,321.00	47,556.00
4 Bedroom - Townhouse	48.00	1,471.00	70,608.00
5 Bedroom - Townhouse	-	-	-
1 Bedroom - Apartment	192.00	890.00	170,880.00
2 Bedroom - Apartment	480.00	1,082.00	519,360.00
3 Bedroom - Apartment	188.00	1,227.00	230,676.00
4 Bedroom - Apartment	-	1,311.00	-
5 Bedroom - Apartment	-	-	-
Bachelor	-	-	-
Hostel	-	-	-
1 Bedroom - Stacked	-	-	-
2 Bedroom - Stacked	-	-	-
3 Bedroom - Stacked	-	-	-
4 Bedroom - Stacked	-	-	-
5 Bedroom - Stacked	-	-	-
Total of Market Units times Market Rents			1,039,080.00
Market Revenue from line 1402			1,039,080.00
Variance			-
Average Market Rent			1,101
Number of Months			-
% of Variance to Market Revenue			

This is Exhibit "Z" referred to in
the Affidavit of Julie Western
Set, sworn on the 10th day of
November, 2022.

A handwritten signature in black ink, appearing to read 'M. Siboni', written over a horizontal line.

Mark Siboni
A Commissioner for taking Affidavits

April 6, 2022

Rosell Kerr
Harry Sherman Crowe Housing Co-operative Inc.
Co-op Off - 51 Chimneystack Rd.
Toronto, ON M3J 3L9

Delivered via email at: harrysherman@bellnet.ca

Dear Rosell Kerr:

Re: Rejection of the Annual Information Return (AIR) – June 30, 2021

We have rejected the corporation's Annual Information Return for the year ended June 30, 2021.

RGI Unit Count

- In your June 30, 2021 year-end AIR on Page D4 - Unit Activity you reported 86 RGI units on the first month of the fiscal year (July 2020)
- We made a change to your June 30, 2020 AIR on Page D4 – Unit Activity. You reported 82 RGI units however this was changed to 81 because you did not follow the proper procedure in allocating a subsidy (refer to our letter dated November 18, 2020).

While you reported an increase in RGI units by 5 between of June 2020 to July 2020, our records show that no households were taken from the Centralized Waiting List during that period of time. As such, this is a breach of the Housing Services Act, 2011 (HSA).

The City of Toronto considers these 5 units market-paying households, and you will not be receiving RGI subsidy for these unit. As a result, Harry Sherman Crowe Housing Co-operative is liable for the rental subsidy allocated to these households.

- You are required to make the necessary adjustments to unit breakdown by RGI and market and reflect the impact in RGI subsidy calculations and return your revised AIR no later than **May 4, 2022**.

You must complete your AIR in accordance with the City's requirements. If you submit an improperly completed AIR we'll consider it "not received" for the purposes of the Housing Services Act and you will be subject to the late filing penalty.

Should you have any questions, do not hesitate to contact me at 416-338-8210 or via email at Suzana.Lama@toronto.ca.

Sincerely,

A handwritten signature in black ink, appearing to read "Suzana", written in a cursive style.

Suzana Lama
Housing Consultant

Copy: Mr. Courtney Betty, Betty's Law
 Mr. Saud Ahmad, Property Manager

**Housing Secretariat
Abigail Bond, Executive Director****Housing Stability Services
Doug Rollins, Director**Metro Hall
55 John St., 6th Floor
Toronto, Ontario M5V 3C6
Tel: 416-338-8210
Fax: 416-696-3718
Suzana.Lama@toronto.ca
www.toronto.ca

April 6, 2022

Rosell Kerr
Harry Sherman Crowe Housing Co-operative Inc.
Co-op Off - 51 Chimneystack RD
Toronto, ON M3J 3L9Delivered via email at: harrysherman@bellnet.ca

Dear Rosell Kerr:

Re: Financial Statements and Annual Information Return – June 30, 2020

We have completed our review of the corporation's Annual Information Return (AIR) and audited financial statements for the year ended June 30, 2020.

Subsidy Earned

The corporation's total subsidy earned for the year was \$1,661,403. The corporation was overfunded by \$1,677 for the year and this amount was deducted from your April 1, 2022 subsidy payment.

Adjustments Made to Subsidy Calculation

During fiscal 2020, one 3 bedroom unit was reported as RGI unit instead of market for 6 months, is now rectified, resulting in decrease in your RGI subsidy by \$5,112. Also, RGI rent of \$2,094 for this unit is removed from line 1401 and reported online 1402 as market rent (refer to our letter dated November 18, 2020).

You claimed the garage door expense in the amount of \$4,912 in your Capital Reserve Fund. This cost does not meet City's guideline 2018-05 for eligible expenses and is disallowed. As a result, it is removed from CRF and reported on Line 1441 on page B3.

Please ensure that these adjustments are properly reported in your FS as applying to a prior year.

Management Letter

In management letter, the auditors identified significant deficiencies. Most of deficiencies listed in the previous year management letter are still outstanding and are not addressed by the Board as of yet.

1. Commercial Parking Accounts; there are a number of accounts that require adjustments. This is a repeated concern by the auditors that Board should address in the near future;
2. Townhouse Hydro Accounts; the reconciliations have not been done resulting in incorrect charges. This is a repeated concern by the auditors that Board should address in the near future;
3. Petty Cash. This is a repeated concern by the auditors that Board should address in the near future;
4. Insufficient monthly financial information in Board packages

In year deficit and Accumulated Deficit

The corporation incurred a net loss of \$202,355 for the year. This includes a loss of \$149,144 during the year due to fraudulent EFT transaction. The board of Directors should take additional steps to ensure that these type of transactions are not repeated in future.

The accumulated deficit at the end of the fiscal year reached at \$139,316. Please note that a housing provider that incurs an accumulated deficit that is substantial and excessive, such as yours, is in breach of the Housing Services Act (HSA).

During the year we noticed that administration expenses have increased by \$61,378 or 30% and insurance costs increased by \$15,048 or 30% compared to prior year.

Beginning balance adjusted

The beginning balance of accumulated Surplus is adjusted to \$63,039 on Line 590 of page A4 in regards to prior year AIR adjustment. In addition, the beginning balance of CRF is adjusted to \$255,108 on Line 651 of page A6 due to 2017 AIR adjustment. Please ensure that these adjustments are properly reflected in your financial statements.

Arrears

Arrears were at \$28,212 or 2.10% of total revenue. This is high for a project of your size and may reflect ineffective controls on the collection of housing charges. Please provide an explanation for this high arrears and how your corporation will address this issue.

Targeting Plan and RGI Vacant Units

Based on the Notice of Change of RGI Target letter dated June 30, 2019, the Co-op's targeting plan was increased from 82 to 90 RGI units. Effective Oct. 1, 2019 the Co-op was required to fill all vacancies with households eligible for RGI assistance until the new target was reached. Instead, the number of RGI units dropped from 87 at the beginning of the year to 81 at the end of the fiscal year.

As mentioned above we have made the adjustment for the 3 bedroom unit that the Corporation awarded in-situ RGI subsidy not following the RGI administration rules.

Page D4 of your 2020 AIR also indicates that:

- A 4-Bedroom Townhouse was vacant for two months and was filled with an RGI household on June 2020 – This change seems to be an internal transfer of an RGI household from 2 bedroom apartment. Please confirm by **April 29, 2022** that this household is eligible for this size unit based on Local Occupancy Standards.
- A 1-Bedroom apartment was vacant for four months and was filled with an RGI household on December 2019. Our records show that no household has been taken from the CWL since March 2018. By **April 29, 2022** either:
 - o Provide proof to show that the unit is filled in with an RGI household as per RGI administration requirements; or
 - o Otherwise, this household was granted this unauthorized rental subsidy and the Co-op breached the Housing Services Act. The City of Toronto considers this unit market-paying household, so the City of Toronto will not be subsidizing this household. As a result, Harry Sherman Crowe Housing Co-operative is liable for the rental subsidy allocated to this household (7 months, December 2019 to June 2020 – inclusive). In this case, in order to correct the RGI subsidy reconciliation, please provide by **April 29, 2022**:

- the unit number;
- market rent for this unit; and
- the rent that household paid during the above mentioned period so the City can make the adjustments to RGI subsidy payable to the co-op for 2020 year end and revise the AIR settlement accordingly

Market Rent Variance

There is a \$10,449 or 9.73 months variance between the market rent revenue stated on Line 1402 and the market unit count times the market rent stated on page D1.

Please review the Market Rent Variance table below and provide an explanation for the variance by **April 29, 2022**.

Market Rent Variance			
3 Bedroom - Townhouse	36.00	1,293.00	46,548.00
4 Bedroom - Townhouse	48.00	1,439.00	69,072.00
5 Bedroom - Townhouse	-	-	-
1 Bedroom - Apartment	213.00	871.00	185,523.00
2 Bedroom - Apartment	465.00	1,059.00	492,435.00
3 Bedroom - Apartment	192.00	1,201.00	230,592.00
4 Bedroom - Apartment	-	1,283.00	-
Total of Market Units times Market Rents			1,024,170.00
Market Revenue from line 1402			1,013,721.00
Variance			10,449.00
Average Market Rent			1,074
Number of Months			9.73
% of Variance to Market Revenue			1.031%

Thank you in advance for your response. Should you have any questions, do not hesitate to contact me at 416-338-8210 or via email at Suzana.Lama@toronto.ca.

Sincerely,



Suzana Lama
Housing Consultant

Copy: Mr. Courtney Betty, Betty's Law
Mr. Saud Ahmad, Property Manager

This is Exhibit "AA" referred to
in the Affidavit of Julie Western
Set, sworn on the 10th day of
November, 2022.

A handwritten signature in black ink, appearing to read "Mark Siboni". The signature is written in a cursive style with a large, sweeping initial "M".

Mark Siboni
A Commissioner for taking Affidavits



Doug Rollins
Director, Housing Stability
Services

Housing Secretariat
Abigail Bond, Executive Director

Housing Stability Services
Metro Hall, 6th Floor
55 John Street
Toronto, ON M5V 3C6

Tel: 416-392-0054
Fax: 416-696-3718
Doug.Rollins@toronto.ca

March 31, 2022

Board of Directors
Harry Sherman Crowe Housing Co-operative Inc.
51 The Chimneystack Rd.
Toronto, ON M3J 3L9

Delivered via email at: harrysherman@bellnet.ca

Mr. Courtney Betty
Betty's Law
6 Finch Ave W
Toronto, ON M2N 7G2

Delivered via email at: betty@bettyslaw.com

Dear Board of Directors and Mr. Betty:

The purpose of this letter is to provide the Board of Directors with the status of compliance with the Notice of Triggering Events (the "Notice") issued by the City of Toronto (the City), as Service Manager, to Harry Sherman Crowe Housing Co-operative Inc. (the "Housing Provider") on March 29, 2021. This notice was issued under the authority of the Housing Services Act.

The deadline for the Board of Directors to respond to the Notice was June 23, 2021. To date, no response has been received by the City.

On November 6, 2021, the City was notified that future correspondence regarding the Notice should be directed to the Housing Provider's lawyer, Mr. Courtney Betty. For this reason this letter is being addressed both to the Board of Directors and Mr. Courtney Betty.

The City's Legal Services Division contacted Mr. Betty to clarify the Notice requirements and the City's expectations regarding the Housing Provider addressing the events listed in the Notice. The City also confirmed that this process was subject to established time frames.

The Co-operative Housing Federation of Toronto (CHFT) notified the City that during the week of November 22, 2021, assistance was offered to the Board of Directors including draft policies and a draft plan on how to address the requirements listed in the Notice.

On January 14, 2022, a meeting was held with City staff and Mr. Betty and the requirements of Notice were once again clarified. The City was advised that Mr. Betty was working with CHFT and the Board of Directors to address the requirements of the Notice. The City clarified that the plan must demonstrate the involvement and approval of the Board of Directors and include timelines and clear deliverables.

On February 23, 2022, Mr. Betty notified the City that the Housing Provider had retained a financial adviser and has held discussions with York University regarding the Housing Provider's debt owing to them.

On February 28, 2022, the City received the minutes of the Board of Directors meeting of February 9, 2022. The meeting minutes include a motion to approve a plan to address the Notice requirements. The approved plan did not include the required timelines and clear deliverables.

The City has not received a plan that addresses the requirements of the Notice.

The City requires the Housing Provider's Board of Directors to provide for the City's approval a written response to each of the requirements of the Notice by no later than **May 9, 2022**.

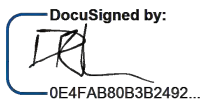
As stated in the Notice of Triggering Events, failure to comply with all or part of this notice of triggering events may result in the City, as Service Manager, exercising any or all remedies available to it under Section 85 of the Housing Services Act, which may include any of the following:

- Appointing an interim receiver or interim receiver and manager;
- Applying for the appointment by the superior court of justice of a receiver or receiver and manager for the housing provider;
- Removing some or all of the directors of the housing provider; and
- Appointing one or more individuals as directors of the housing provider.

In order to ensure clarity and timely correspondence, future correspondence related to the Notice will be directed to both the Housing Provider and Mr. Betty.

Should you have any questions, concerns or wish to discuss this letter further, please contact Suzana Lama, Housing Consultant, at 416-338-8210 or Suzana.Lama@toronto.ca.

Sincerely,

DocuSigned by:

0E4FAB80B3B2492...

Doug Rollins
Director, Housing Stability Services

cc. Julie Western Set, Manager, Housing Stability Services
Suzana Lama, Housing Consultant, Housing Stability Services
Michael Smith, Solicitor, Legal Services

This is Exhibit "BB" referred to
in the Affidavit of Julie Western
Set, sworn on the 10th day of
November, 2022.

A handwritten signature in black ink, appearing to read 'M. Siboni', written over a horizontal line.

Mark Siboni
A Commissioner for taking Affidavits



BETTY'S LAW
Courtney Betty, JD
Counsel for Justice and Equity

May 09, 2022

Mr. Doug Rollins
Housing Stability Services
Metro Hall, 6th Floor
55 John Street
Toronto, ON M5V 3C6

Sent via email to: doug.rollins@toronto.ca

Dear Mr. Rollins:

RE: Primary Response to Notice of Triggering Events, dated March 29, 2021

Our office represents Harry Sherman Crowe Housing Co-operative Inc. ("Co-op")

We refer to the City of Toronto's ("City") Notice of Triggering Events letter ("NTE") dated March 29, 2021. As representatives acting for the Co-op, we have sought to address the issues raised by the City concerning the *Housing Services Act*, 2011, S.O. 2011, c.6, Sched. 1 ("*Act*") and the Regulations therein

Our primary focus is to ensure the Co-op's absolute legal and regulatory compliance in carrying out its operations. Although we have made great strides, there is still work to be done. One area is to ensure that the Co-op achieves a balance of being a lawful social housing provider and an economically viable entity. In this regard we provide the following update as to what has been accomplished to date knowing there is still a great deal of work ahead.

I. BY-LAW CHANGES GENERALLY

As correctly pointed out in the NTE, the starting point is to ensure that the Co-op's Board of Directors ("Board") understands and adopts the proper By-Laws, while putting into place the necessary policies and procedures to ensure maximum compliance. Rather than rewriting the Board's By-Laws, our approach has been to adopt the model By-Law package presented by the Co-operative Housing Federation of Toronto ("CHFT").

In the NTE, the following actionable items were brought to our attention:

- a) Update the Housing Provider's internal transfer policy and provide a copy of to the Service Manager as required by O.Reg 367/11 s. 47 and City Guideline 2012-1.



BETTY'S LAW
 Courtney Betty, JD
 Counsel for Justice and Equity

- b) Establish a system for dealing with reviews as required by the *Act* s. 155-158
- c) Update written policies governing its standards for the collection, use, safeguarding and disclosure of personal information as required by the *Act*, O. Reg. 367/11, s. 145-147 and the RGI Service Agreement
- d) Update written processes and procedures governing records management as required by the *Act*, O.Reg. 367/11, s.102 and the RGI Service Agreement
- e) Ensure the Housing Provider's occupancy agreements meet the requirements of the *Act* O.Reg. 367/11, s.100, City Guideline 2007-2

The policies considered to be lacking by the City primarily related to the Co-op's internal transfer policy, written processes related to governing records management, guest rules, and policies surrounding requirements for Occupancy Agreements. These issues have been addressed by integrating CHFT's By-Laws with the Co-op's existing By-Laws. The critical element in addressing the City's concerns is that wherever there is potential conflict, the CHFT's Model By-Laws will take precedent.

The Board has agreed to this suggested approach and has taken all steps required to adopt the new By-Laws. The adoption process included reviewing the relevant sections of the model By-Laws in advance of the Board Meeting on April 13, 2022, where Board approval of the By-Laws took place. Additionally, the Board held a members meeting on April 24, 2022, to seek members' approval of the new By-Laws. The members voted in support of adoption and implementation.

The Co-op recognizes that there are further steps to be taken to ensure that all policies and processes comply with the adopted By-Laws and the *Act*. In this regard, written policies were also created to establish a system for reviews and processes for dealing with personal information. It should be noted that the Board in its operations clearly recognized the need for strict policies and governance as it relates to any data or personal information collected.

The policies will be established by the Board upon completion. Copies of the Proposed Policies will be presented to the Board approval and adoption. These draft policies are attached to this letter. The approved CHFT By-Laws titled *Housing Services Act By-Law* are attached as Tab A and the proposed policies are attached as TAB B.

II. RGI ADMINISTRATION

In addressing the issue of RGI, the need to be fully compliant is top of mind for all Board members. One of the most challenging areas has been the lack of support the Board received from its previous management company. To a large extent, the organizational structure created a dependency in that the management company plays a key role in ensuring that the Co-op achieves full and complete compliance with all RGI requirements. Having said that, all Board



BETTY'S LAW

Courtney Betty, JD
Counsel for Justice and Equity

members are now fully cognizant of the need to ensure that any tenant for RGI units **must** be taken from the City's list (CWL) A great deal of time has been spent discussing the approach to RGI units, and more importantly, ensuring that all members understand that dedicated RGI units are not a financial liability for the Co-op, but instead a legal requirement based on its agreement with the City.

The NTE requested the following from the Co-operative in order to comply with RGI administration:

- 1) Revise oversight and management processes to ensure that appropriate oversight is being provided over RGI administration to identify deficiencies, prevent recurrence, and ensure the Corporation's RGI compliance rate exceeds the **minimum standard**. This should include:
 - a) Submitting the Corporation's response to the RGI Review report conducted on November 8, 2019
 - b) Following the *RGI Administration Manual* in carrying out the duties delegated by the City of Toronto to administer RGI subsidies in accordance with the rules as set out in the *Act* and Regulations
 - c) Establishing documented business processes and procedures governing all aspects of RGI administration and filling RGI units

One of our key approaches in addressing RGI compliance is the creation of an RGI committee, which was adopted by the Board on April 13, 2022. The major difference is that the Co-op, in order to ensure transparency and compliance, requested that a member of CHFT sit on the committee. We are extremely pleased to report that Emily Ramirez of CHFT has agreed to sit as an independent member on this committee and to further assist the Board in ensuring implementation of all policies to fulfill the statutory requirements of RGI.

Further, the process for dealing with RGI units is clearly laid out in the attached policy document. Article 7 of the *Housing Services Act By-Law* refers to RGI Administration and can be reviewed as a part of TAB A. This By-Law section and related agreements, notices, and forms are attached to this response. The benefit of adding Article 7 of the Model By-Laws is that it will provide a unified and comprehensive set of RGI rules under a single article of the By-Law.

Specifically, the policy, the process, the establishment of an independent committee and the inclusion of an independent member on that committee are significant steps to ensure that the Co-op's Board and Managers abide by the City's established Rules for using the Centralized Waiting List ("CWL") to fill vacant RGI units, including the requirement that "Applicants for all RGI subsidies must be on the City's CWL, managed through MyAccessToHousingTO". The Board fully understands that this process must be complied with and that there shall be no exceptions. Further, both the Board and the committee have committed to participating in additional training courses to gain a better understanding of the role of RGI, its Rules and its Regulations.



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Counsel for Justice and Equity

As well, per the new By-Laws, the Co-op has undertaken to appoint a Membership/ RGI Committee to review applications under the special needs and rent-g geared-to-income category and make recommendations on whether to refuse or accept the application to the Board. This was adopted by the Board during their Board of Directors meeting on April 13, 2022. The proposed new RGI Business Processes are attached to this response as TAB C.

III. MANAGEMENT OF DEFICIT AND FUTURE LOSSES

The NTE further required that an action plan be submitted to the City in order to outline steps that will be taken to eliminate the accumulated deficit and to ensure future losses are not incurred by the Co-op.

Based on our recommendations, the Co-op has retained the services of Andrew Smith, professional accountant, to act as Financial Operating Officer to assist with financial operations. The need for a Financial Controller became extremely evident as many of the requirements for financial oversight by the previous management company were deficient. In many ways, this deficiency prevented the Board from having sufficiently accurate information to make fiscally responsible decisions.

It should also be noted that the core base of the problems of the Co-op was a fraud that was committed by one of the former management companies. Obtaining the services of an Independent Financial Controller now ensures full compliance, accurate financial reporting, and proper asset and liability management.

The benefits of having Mr. Smith on board are indicated by the proposed budget which reflects the financial liabilities of the Co-op, but more importantly projects that with proper management and steps to reduce costs, the Co-op will be in a surplus position for the fiscal period July 1, 2022, to June 30, 2023. This can be reviewed as a part of TAB D.

Additionally, Mr. Smith has undertaken to provide quarterly reports assessing the effectiveness of the action plan ten days following the last day of each calendar quarter except that the first report will be due within 30 days of the quarter after which the action plan was approved by City, presumably the second quarter.

Mr. Smith is currently building out and developing proper policies and procedures necessary for financial success including:

- Reviewing and approval of monthly financial statements by Harry Sherman Crowe Housing Co-operative Inc's Board of Directors; and
- Internal Controls to ensure that exposure to risk is managed.

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Counsel for Justice and Equity

The policy which will ensure proper internal controls to manage exposure to risk will include Board approval of expenditures, monthly bank reconciliations, and monthly reviews of budget compared to actual results. The policy relating to review and approval of monthly financial statements by the Board will include the use of an independent third-party Professional, namely Andrew Smith (CPA and CA), to assist in analysis and interpretation of monthly financial results and action plans resulting from the analysis. These shall be documented as policies and provided to the City subsequently to this response.

A proposed policy to address deficiencies related to Purchasing, including clearly defined authorities and limits for the Co-op's Board, staff, and agents as it pertains to legally binding contracts has been included as a part of TAB B. We have taken the further step of informing the Board that all service providers to the Co-op must have some form of contractual agreement for the Co-ops' own protection.

Mr. Smith will continuously review and monitor the financial action plan and ensure that the budget is updated every six months with the goal of developing a three-year financial projection plan.

As the City knows, the Co-op has been experiencing deficits year over year impacting the liquidity and cash flows of the organization. In addition, the Co-op was the victim of a fraud in the 2020 fiscal year where funds in the amount of \$149K were stolen from the organization. This loss added additional financial stress to the organization

In addition to the fraud previously mentioned. The current situation is simply the result of expenditures (both operational and capital in nature) exceeding the revenues of the organization. Keys to the deficits are expenditures which are capital in nature being settled with operational funds, as the capital funds collected and saved are not sufficient to deal with the capital expenditures.

The budget for the upcoming year deals with the past issues experienced by the Co-op. A combination of a 1 1/2% increase in rent, along with a re-examination of other forms of income with the purpose of maximizing monies from these sources. Additionally, setting aside funds from the collection of housing charges to build a capital fund and prioritizing and controlling expenditures during the budget process.

A solid system of actively monitoring of the actual results to the budget expectations on a monthly basis has also been implemented. The objectives of the organization have been documented in the budget and will be implemented via the budget to actual monthly review process.

In order to address in a more detailed manner the fiscal issues experienced by the Co-op, Mr. Smith will prepare and provide a fulsome qualitative analysis of what has contributed to the Co-op's deficit, a thorough assessment as to the extent and nature of the financial difficulties, a written outline to identify the steps which have and will be taken to reduce expenditures and increase revenue, and how the specific objectives will be achieved.



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Counsel for Justice and Equity

IV. BOARD TRAINING AND GOVERNANCE ISSUES

a) BOARD TRAINING

The NTE required that the Co-op create and submit a training plan outlining which courses will be taken to ensure that all members of the Co-op receive financial management and corporate governance training.

The Board has undertaken to attend a two-part CHFT-run Workshop as a part of their 2022 Winter/Spring Education Program.

All Board members will register and attend the Part 1 Workshop on May 28, 2022, from 9:30AM to 12:00PM, and the Part 2 Workshop on June 4, 2022, from 9:30AM to 12:00PM.

The subject matter of the Workshop includes governance, management, board accountability, the board's legal obligations, the importance of good meetings, principled leadership, director accountability, and the role of individual directors.

Information relating to Board's Training Plans are included as a part of TAB E. Please note that The Board will provide proof of registration for this program to the city subsequently to this letter, but no later than May 13, 2022.

The Board will further undertake to work with CHFT to upgrade their Board of Directors' Training Manual and provide updated onboard training to new Board members during the first two weeks of becoming a member on the Board. Any new Board members appointed prior to the CHFT workshop days on May 28 and June 4, 2022, will be required to join the workshop as well.

b) BOARD GOVERNANCE

During the pandemic it has been difficult to hold General Members Meetings or Members' Town Halls due to the requirement to social distance with limited space

Despite these COVID-19-related constraints, a General Members Meeting was held on April 24, 2022, in a hybrid fashion, with members having the option to attend on Zoom or attend in person in the community room. Similarly, a Town Hall was held on April 10, 2022

Going forward, the Board will ensure that, in addition to the Annual General Meeting, at least two Members' Town Hall will be held per year.



The Board has also undertaken to ensure that election of Board of Directors will be held on or before June 30, 2022.

V. PROVISION OF NOTICES AND REPORTS TO CITY OF TORONTO

In the triggering events letter, the City of Toronto ordered that the following actions be taken immediately:

Effective immediately:

- 1) Notify the City of Toronto (City) at least two weeks in advance of the dates and times of all future Board of Directors meetings until further notice. City staff will attend as deemed necessary.
- 2) A copy of the agenda and "Board package" for each Board meeting is to be provided to the city at least two business days prior to each Board meeting.
- 3) Provide the City with a copy of the Minutes and all attachments no later than three weeks following all Board of Directors meetings, until further notice
- 4) Ensure that the following statements and reports are prepared monthly and are reviewed by the Board of Directors:
 - **Balance Sheet** showing cash on hand, investments and monies owed;
 - **Statement of Revenue and Expense** showing budget, actual data and variances;
 - **Payables List** showing all outstanding invoices;
 - **Arrears Report** showing occupancy charge amounts unpaid by residential members; and
 - **Investment Ledger (Report)** showing the balance of all investments.
- 5) A copy of each of the above noted reports must be provided to the City, no later than the last Thursday of the month until further notice.



We note that the Board has already complied with items **1-3** above with respect to the Board Meeting of April 13, 2022.

The Board also undertakes to continue to comply with items **1-3** for future Board Meetings.

The Board further undertakes to comply with the notice and reporting obligations contained in items 4-5 above effective June 1, 2022.

VI. CONCLUSION

Despite the extenuating circumstances that the Board has faced in recent years, including the pervasive effects of the COVID-19 pandemic and the transition in property management personnel and structure, we have done our best to respond to the NTE.

We look forward to liaising with City to ensure a mutually beneficial solution for all parties that may be affected by the matters discussed herein.

Thank you in advance for your patience and understanding.

Sincerely,

DocuSigned by:

Courtney Betty

390F0FD833C348B

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Acting on behalf of Harry Sherman Crowe Housing Co-operative.

ROSELL KERR

CHAIRPERSON, BOARD OF DIRECTORS

HARRY SHERMAN CROWE HOUSING CO-OPERATIVE INC.

Email: Rosellkerr5@gmail.com

TAB A

[HARRY SHERMAN CROWE HOUSING CO-OPERATIVE]

**A BY-LAW TO COMPLY WITH THE
ONTARIO *HOUSING SERVICES ACT***

By-law No [25]

HOUSING SERVICES ACT BY-LAW

Passed by the Board of Directors on
Confirmed by the Members on

April 13, 2022.
April 24, 2022.

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By-law No. [25]* HSA By-law

This By-law contains rules which [legal co-op name]* (the Co-op) is adopting to comply with the Ontario *Housing Services Act*.

It changes the Co-op's existing by-laws in the following areas:

- Appendices to the Occupancy Agreement (Appendices A, B, C and E)
- Required internal transfers (Article 3)
- Guest rules for members who pay a geared-to-income housing charge (Article 4)
- Special needs eligibility and waiting list (Article 5)
- Procedures for decisions, reviews and notices (Article 6)
- Selection of geared-to-income and special needs members (Article 7)
- Forms to be used by the Co-op (Forms A to I)

Throughout the By-law [] means "to be decided by the Co-op".*

Note: Many co-ops have adopted the Model Occupancy By-law. Sometimes this By-law refers to specific sections of the Model Occupancy By-law. Article or section numbers are sometimes used to help co-ops that have adopted the Model.

If your Co-op uses the Model Occupancy By-law, you must still check these section references because the numbers might have been changed when your Co-op passed its Occupancy By-law.

If your Co-op did not use the Model, you will need to adjust all references. You should try to find corresponding sections in the Occupancy By-law or Occupancy Agreement that your Co-op has adopted.

1. ABOUT THIS BY-LAW

1.1 Special Meanings

Certain words have special meanings when used in this By-law.

- (a) “*Housing Services Act*” means the Ontario *Housing Services Act*, including all amendments to bring it up to date.
- (b) “*Co-operative Corporations Act*” means the Ontario *Co-operative Corporations Act*, including all amendments to bring it up to date.
- (c) “Regulations” means official Regulations passed by the Ontario government under the *Housing Services Act*, including all amendments to bring them up to date.
- (d) “Local Rules” means rules and standards that are officially set by the Service Manager in compliance with the *Housing Services Act*.
- (e) A “Service Manager” is the municipal body that relates to the Co-op under the *Housing Services Act*. The Service Manager for the Co-op is **[name of service manager]***.
- (f) “Government Requirements” is a term used in this By-law to refer to the rules that apply to co-ops as stated in the *Housing Services Act*, the Regulations, Local Rules or any of them.
- (g) A “Review” is a review of a decision about geared-to-income or special needs housing resulting from an appeal by an applicant or member under Government Requirements. Procedures for reviews by the Co-op are in Attachment 3 – Procedure for Decisions, Reviews and Notices and Attachment 5 – Procedure for a Review of a Refusal of Membership Application.

Words that have special meanings in the *Housing Services Act* and the Regulations have the same meaning when used in this By-law unless another meaning is clearly intended.

Some other words have special meanings in this By-law. These include:

- Applicable occupancy standards (section 3.6)
- Special needs households and special needs units (section 5.5)
- Household (section 6.6).

1.2 Applicable Rules

Many of the rules applicable to co-ops are set out in the *Housing Services Act*, the Regulations and Local Rules. The Co-op must obey these rules even if they conflict with its by-laws. The Co-op must also continue to follow the rules in the *Co-operative Corporations Act*.

If there is a conflict among rules, they will govern in this order:

1. the *Co-operative Corporations Act* and the *Housing Services Act*
2. the Regulations under the *Housing Services Act* and any regulations that are relevant under the *Co-operative Corporations Act*
3. Local Rules
4. this By-law, including the Appendices, Forms and Attachments
5. the other by-laws of the Co-op.

1.3 Relation to Other By-laws

- (a) This By-law takes the place of or amends all previous by-laws or resolutions that deal with matters covered by this By-law. If there is a conflict, this By-law governs.

The following by-laws, or parts of by-laws, are repealed when this By-law is passed:

- The Housing Charge Assistance By-law (By-law No. []*)
- The Occupancy By-law (By-law No. []*), section 3.6, (Housing Charge Subsidy)
- *Social Housing Reform Act* By-law

Note: Adjust as applicable. List all by-laws or specific sections that are repealed. Do not rely on the names and numbers of the examples that are listed here.

The Co-op must be very careful when repealing parts of other by-laws since they could deal with things that are not completely covered in this By-law. Remember, if you do not repeal a by-law and there is a conflict, this By-law governs.

2. OCCUPANCY AGREEMENT

2.1 Occupancy Agreement

- (a) The Occupancy By-law is amended by deleting Appendices A, B and C of the Occupancy By-law and replacing them with Appendices A, B, C and E to this By-law.

Note: If your Co-op does not have an Occupancy Agreement with Appendices similar to these, then use the clause below. You may have to adjust it depending on your Occupancy By-law or Agreement.

The Occupancy By-law is amended by attaching Appendices A, B, C and E of this By-law. They will form part of the Co-op's Occupancy Agreement.

- (b) The attached Appendices A and B will be used for all members. The attached Appendix C, Terms of the Member's Housing Charge Subsidy, will be used only for members who pay a geared-to-income housing charge. The attached Appendix E, Terms of the Member's Special Needs Housing, will be used only for members who live in a special needs unit.
- (c) The Co-op and the members must obey this By-law and the Occupancy Agreement and the Appendices to the Occupancy Agreement that apply to them, even if a particular member has not signed an Occupancy Agreement or the Appendices.

2.2 Signing Occupancy Agreement

- (a) New members must sign Appendices A and B when their membership in the Co-op begins and they sign an Occupancy Agreement. If they pay a geared-to-income housing charge, they must also sign Appendix C. If they occupy a special needs unit, they must also sign Appendix E.
- (b) Existing members who pay a market housing charge must sign Appendices A and B when they would be signing a new Occupancy Agreement.
- (c) Existing members who pay a geared-to-income housing charge must sign Appendices A, B and C within 12 months of this By-law passing. The Service Manager may require new Appendices to be signed sooner.

- (d) Existing members who occupy a special needs unit must sign Appendices A, B and E within 12 months of this By-law passing. The Service Manager may require new Appendices to be signed sooner.
- (e) Existing members who pay a market housing charge and start to receive geared-to-income assistance must sign Appendices A, B and C when they start to receive geared-to-income assistance.
- (f) Existing members must sign Appendices A and B, and Appendix C if applicable, when there is a change in their household size.
- (g) Members who pay a geared-to-income housing charge must make sure that non-member occupants in their household sign the Appendices as stated in the signature section.

3. REQUIRED INTERNAL TRANSFERS

Note: Article 3 does not set out a complete internal waiting list system. It only deals with transfers required under the HSA rules including:

- *households who pay a geared-to-income housing charge and are overhoused under the occupancy standards set by the Service Manager and*
- *special needs households who have requested an internal move and been given special priority status*
- *households paying a geared-to-income housing charge who have requested an internal transfer and been given special priority status and*
- *households who occupy special needs units and are no longer eligible for special needs housing.*

The Co-op should continue to use its current Internal Transfer By-law for all other internal transfers including transfers required under the Co-op's own occupancy standards, other requested internal transfers and transfers of part of a household.

3.1 Purpose of Article 3

The *Housing Services Act* requires the Service Manager to set up a waiting list system. This includes rules about internal transfers. The Co-op's policies and procedures must comply with Government Requirements. They are different from the Co-op's earlier policies as stated in its by-laws.

3.2 Relation to Other By-laws

The policies and procedures set out in this Article are intended to work with the Co-op's existing by-laws. If there is a conflict, this By-law governs. This By-law covers only required moves for:

- households paying a geared-to-income housing charge who have requested an internal move and been given special priority status under Government Requirements and
- special needs households who have requested an internal move and been given special priority status under Government Requirements and
- households who pay a geared-to-income housing charge and are overhoused under applicable occupancy standards (see section 3.6) and

- households who live in a special needs unit and are no longer eligible for special needs housing.

3.3 Internal Waiting List

The Co-op will have a waiting list for internal transfers. The Internal Waiting List will include transfers required under this By-law and all other transfers.

3.4 Existing Waiting List

The Co-op's internal waiting list at the time this By-law is confirmed will be continued as the Internal Waiting List referred to in this By-law. It will be adjusted as necessary to fit the categories and rules stated in this By-law.

3.5 Priority

- (a) This section states the order of priority for allocating a unit when it becomes vacant. It is subject to all Government Requirements and the specific provisions set out in this By-law.
- (b) The board of directors will offer the unit in the following order:
 - first, to geared-to-income or special needs members who have requested an internal transfer and been given special priority status under Government Requirements
 - second, to members who have to make a required transfer under this By-law. They will be ranked in the following order:
 - section 3.9 (Overhoused Geared-to-Income)
 - section 3.10 (Special Needs – Modified Units)
 - section 3.11 (Special Needs – Support Services)
 - third, to members on the Internal Waiting List who are required to transfer under the Co-op's by-laws
 - fourth, to members who have requested an internal transfer

- fifth, to external applicants.

3.6 Applicable Occupancy Standards

In this By-law “applicable occupancy standards” means the occupancy standards, if any, set out in the Co-op’s Occupancy By-law and the occupancy standards set by the service manager for geared-to-income households.

3.7 Special Priority Status for Members Requesting an Internal Transfer

- (a) This category is made up of geared-to-income or special needs households who have been given special priority status on the Internal Waiting List due to abuse by another member of the household or immigration sponsor. Geared-to-income households are included if the Co-op has at least one unit where the household would not be overhoused.
- (b) Households paying a geared-to-income housing charge who have been given special priority status under Government Requirements and have requested an internal transfer will be offered units of a size and type for which they are eligible under applicable occupancy standards.
- (c) Within this category, priority will be as stated in Government Requirements.
- (d) If the household is removed from the special priority category under Government Requirements, the household will be removed from the Internal Waiting List.

Note: Some co-ops may have internal transfer procedures that are part of a or Membership Approval and Unit Allocation By-law. Insert the appropriate reference to your Co-op’s by-law.

3.8 Required Transfers

Sections 3.8 to 3.15 state rules for priority in offering units to households that must move to another unit according to Government Requirements. In this By-law these moves are called required transfers.

3.9 Overhoused – Geared-to-Income Households

- (a) This category is made up of households paying a geared-to-income housing charge who have received a notice that they are overhoused from the Service Manager (or the Co-op on behalf of the Service Manager) if the Co-op has at least one unit where the household would not be overhoused. If the Co-op is giving the notice that a household is overhoused, the Co-op can use Form B, Notice of Geared-to-Income or Special Needs Decision with the Right to Review.

Note: The household may request to be added to the Service Manager's centralized waiting list. If the Co-op does not have any units where the household would not be overhoused, the Service Manager may have a rule that requires the household to be added to the centralized waiting list.

- (b) Within this category, priority will be as stated in Government Requirements .

3.10 Special Needs – Modified Units

- (a) This category is made up of households who occupy modified units and who are no longer eligible for this type of special needs housing. The board can give them a Notice to Transfer.

These households are no longer considered special needs households so applicable occupancy standards apply to them.

Note: A Notice to Transfer is given after the household has already received notice that they are no longer eligible for special needs housing. To give notice that a household is no longer eligible for special needs housing the Co-op can use Form B, Notice of Geared-to-Income or Special Needs Decision with the Right to Review.

- (b) Within this category, priority will be based on the date of delivery of the Notice to Transfer.

3.11 Special Needs – Support Services

- (a) This category is made up of households who occupy special needs units that are not modified and who are no longer eligible for special needs housing. A household will not lose eligibility for special needs housing only because its relationship with a support services agency has ended.

If households are no longer eligible, the board can give them a Notice to Transfer under clause (b) or clause (c), if applicable.

Note: A Notice to Transfer is given after the household has already received notice that they are no longer eligible for special needs housing. To give notice that a household is no longer eligible for special needs housing the Co-op can use Form B, Notice of Geared-to-Income or Special Needs Decision with the Right to Review.

- (b) These households are no longer considered special needs households, so applicable occupancy standards apply to them. The board can give them a Notice to Transfer if they do not meet applicable occupancy standards.
- (c) Even if a household that is no longer a special needs household meets applicable occupancy standards in the special needs unit, the board can give them a Notice to Transfer if:
 - the specific unit that they occupy is part of an arrangement with a support services agency, and
 - another unit cannot be substituted in the arrangement with the support services agency without breaking the Co-op's agreement with it or causing significant trouble for it.
- (d) A household will not be given a Notice to Transfer only because its relationship with a support services agency has ended.
- (e) Within this category priority will be based on the date of delivery of the Notice to Transfer.

3.12 Procedure for Required Transfer

This section applies to Notices to Transfer under sections 3.9 to 3.11. It replaces any notice requirements or other procedures relating to these notices in the Co-op's other by-laws.

Note: If you do not have the Model Occupancy By-law, insert appropriate references to your by-laws or Occupancy Agreement.

3.13 Effect of Refusals – Overhoused Geared-to-Income Households

Households within section 3.9 may refuse the units according to Local Rules without losing their geared-to-income assistance and being removed from the Internal Waiting List. There may be a Local Rule when a refusal is not counted.

3.14 Effect of Refusals – Special Priority Households

Households within section 3.7 may refuse units according to Local Rules without being removed from the Internal Waiting List. There may be a Local Rule when a refusal is not counted.

3.15 Effect of Refusals – Special Needs Households

Households within sections 3.10 and 3.11 may refuse the first **[two]*** appropriate units that are offered to them. If they refuse to transfer to the **[third]*** appropriate unit that is offered to them, they may be evicted. Procedures for eviction are stated in the Occupancy By-law.

3.16 Role of Staff in Making Offers

- (a) Co-op staff are authorized to make offers to households that are required to transfer under this By-law without referring them to the board.
- (b) Co-op staff and directors will keep the board up to date on information they may have regarding potential move-outs and internal transfers. This is to permit offers to be made quickly.

3.17 Making and Accepting Offers *(use this if the Co-op has a Membership Approval and Unit Allocation By-law and omit 3.18 and 3.19)*

The rules about offering units and how members accept the offer are in sections 5.11, 5.12 and 5.14 of the Membership Approval and Unit Allocation By-law.

3.18 Serious Damage to Unit

Despite anything in the Co-op's by-laws, if the board determines that a household is required to move because of fire or other serious damage to their unit or contamination of their unit or any other reason that requires the unit to be vacant, the board can offer any vacant unit to that household. When the household's original unit is repaired, they will move back. The board can decide to give them the option of staying in the new unit.

3.19 Priority if Member Unavailable

If the Co-op is unable to contact the member with priority on the Internal Waiting List within 48 hours the unit will be offered to the next eligible member. The original household will retain its priority on the Internal Waiting List. The Co-op will maintain written records of the attempts to contact or the actual contacts made with each household including date and time of contact.

3.20 Notification of Acceptance

- (a) Members must notify the Co-op office within 48 hours of being offered a unit whether they wish to accept the unit. If they fail to do so, they will be considered to have refused the unit.
- (b) Once a member on the Internal Waiting List has accepted a unit, the member must vacate his or her existing unit and move into the new unit on the date specified when the unit was offered. Acceptance of the unit may not be withdrawn without the consent of the board. Members of the household cannot appeal the board's decision.
- (c) When a member accepts a unit, they must come into the office and sign a form provided by the Co-op accepting the unit and agreeing to move and/or a new Occupancy Agreement. This should be done within the 48 hours, but can be postponed by Co-op staff if it is a weekend or is inconvenient for other legitimate reasons.

3.21 No Liability

Anything in the Co-op's by-laws, or any commitment made by anyone that is not authorized by the board, will not create liability for the Co-op. The Co-op will not be liable to anyone for:

- any error, omission, or mistake concerning the Internal Waiting List
- the allocation of units or geared-to-income assistance
- the failure to allocate units or geared-to-income assistance to persons on the Internal Waiting List.

3.22 Things Not Stated in By-laws

The board will decide anything relating to the Internal Waiting List not stated in this By-law or in the Co-op's other by-laws or in Government Requirements.

4. GUEST RULES

4.1 Purpose of Article 4

The Regulations require the Co-op to set rules for the temporary accommodation of guests in geared-to-income units. This Article only applies to households who pay a geared-to-income housing charge.

4.2 Relation to Other By-laws

The policies and procedures stated in this Article are intended to work with the Co-op's existing by-laws. If there is a conflict, this By-law governs.

4.3 Guest Rules

The Co-op's guest rules for members who pay a geared-to-income housing charge will be as stated in Article 7 of the Occupancy By-law, especially sections 7.4 (Casual Guests) and 7.5 (Long-Term Guests), except as changed by this By-law.

Note: Check references if your Co-op has used the Model Occupancy By-law as the basis for its own. If you have not used the Model Occupancy By-law, insert any references to your by-laws or Occupancy Agreement to rules for having guests or other additional occupants.

If your Co-op does not have rules for having guests or other additional occupants, then you can use Appendix D and the clause below. You may have to adjust the Appendix and the clause depending on your Occupancy By-law or Agreement.

The Co-op's guest rules for the units of members who pay a geared-to-income housing charge will be as stated in Appendix D (Guest Rules).

4.4 Income of Guests

Despite anything in the Occupancy By-law or the Co-op's other by-laws, if anyone is accommodated in a unit for more than **[three]*** months for any number of visits during any twelve-month period, the income of that person must be included when calculating a geared-to-income housing charge. The board can choose the twelve-month period.

If Government Requirements are changed to establish a time limit for including income of guests, or a maximum time limit for co-ops to use, that time limit or maximum time limit will apply instead of what is stated in this By-law.

4.5 Signing Appendices

If a guest's income is included under section 4.4, the household must submit new Appendices A, B and C to the Occupancy Agreement including the guest's signature.

Note: If your Co-op has not used the Co-op Housing Bookstore Model Occupancy By-law as the basis for its own, you can refer to your existing by-laws or attach Appendix D. It is based on the Model. It should be adjusted to suit your Co-op's existing by-laws.

5. SPECIAL NEEDS ELIGIBILITY AND WAITING LIST

Note: If your Co-op has no special needs units identified in its target plan, you can delete Article 5.

5.1 Purpose of Article 5

The Regulations require the Co-op to deal with eligibility for special needs housing. The Regulations include modified units within the definition of special needs units. The Regulations and this Article only apply to special needs units in the Co-op's targeting plan.

Note: Most co-ops fill special needs units from the centralized wait list. However, some co-ops have been designated a special needs housing administrator under Regulation 367/11. If your co-op is listed in Schedule 3 of this regulation, you are required to keep your own waiting list of special needs applicants. If this is the case substitute the clause below.

The Regulations require the Co-op to keep an external waiting list for special needs housing and to deal with eligibility for special needs housing. The Regulations include modified units within the definition of special needs units. The Regulations and this Article only apply to special needs units in the Co-op's targeting plan.

5.2 Relation to Other By-laws

The policies and procedures stated in this Article are intended to work with the Co-op's existing by-laws. If there is a conflict, this By-law governs.

5.3 Delegation

The board may delegate all or some of the functions stated in this Article to another party, such as a support services agency or the Service Manager. This could include related functions stated in Article 6 (Procedures for Decisions, Reviews and Notices). There should be an agreement signed with that party. Any such agreement will allow for confidential information to be shared between the Co-op and the other party. There must be appropriate safeguards.

When functions have been delegated, the parts of this Article that apply to those functions will not apply.

5.4 Existing Arrangements

If there is an existing lease or agreement with a support services agency or other party, the board is authorized to renegotiate that arrangement as necessary to comply with Government Requirements and to sign a new lease or agreement with that party or any other party.

5.5 Special Needs Households and Special Needs Units

- (a) In this By-law “special needs household” means a household that has applied for and been determined to be eligible for special needs housing as stated in section 5.9 (Eligibility Review) and has not ceased to be eligible.
- (b) There could be other people living in the Co-op who qualify for special needs housing, but they are not considered special needs households unless they occupy a unit described in clause (c).
- (c) In this By-law “special needs units” are:
 - modified units in the Co-op’s targeting plan
 - specific non-modified units that are part of an arrangement with a support services agency and are in the Co-op’s targeting plan
- (d) The board can substitute a different non-modified unit for a non-modified special needs unit when:
 - a non-modified special needs unit is vacant or
 - a special needs household occupying a non-modified special needs unit wants to transfer to another non-modified unit.

The original unit will no longer be a non-modified special needs unit.

The board does not have to do this. The board can only do this if it would not be breaking the Co-op’s targeting plan. The board must consider the requirements of any arrangement with a support services agency.

- (e) A special needs household occupying a special needs unit can only transfer to another special needs unit and still be considered a special needs household.

5.6 Waiting List

The Co-op will use the centralized waiting list for households that have applied for and are eligible for special needs housing.

Note: If your co-op is designated as a special needs housing administrator under Regulation 367/11 Schedule 3 Table 2, use the following clause instead.

The Co-op will have a waiting list for households that have applied for and been determined eligible for special needs housing as stated in section 5.9 (Eligibility Review). It will be separated as appropriate for each type of special needs housing available at the Co-op. It will show the size and type of unit that each household wishes and for which it is eligible.

5.7 Previous Waiting List

Before this By-law was passed there may have been waiting lists for special needs housing kept by the Co-op, by the Service Manager or by a support services agency under a lease or agreement with the Co-op. At the time this By-law is confirmed those lists will be continued as the list referred to in this By-law. It will be adjusted as necessary to fit the categories and rules stated in this By-law.

For an agency or Service Manager list to be continued as the list under this By-law the agency or Service Manager must give the Co-op a copy of its list and the application and other relevant materials for each applicant.

5.8 Policies and Procedures

- (a) The Co-op will follow the procedures stated in Government Requirements.
- (b) The board will adopt all necessary additional detailed procedures.

Use (c) to (f) if the Co-op has been designated a special needs housing administrator.

- (c) There will be no charge for applying or accepting or processing an application for special needs housing.
- (d) All eligible applicants who have submitted a completed application will be placed on the waiting list. Eligibility will be determined as stated in section 5.9 (Eligibility Review).
- (e) Ranking on the waiting list for each category of special needs unit will be as stated in Government Requirements. Categories of unit will be determined based on both physical characteristics of the unit and the available support services.
- (f) Despite (e), a special priority household ranks higher than any other household that is not special priority. Special priority households will be ranked as stated in Government Requirements.
- (g) Units will be offered to households whether or not they have applied for, or are eligible to pay, a geared-to-income housing charge. If they are eligible, they will pay a geared-to-income housing charge if that is stated in Government Requirements.
- (h) Being placed on the waiting list does not guarantee that a household will receive a unit. The Co-op's membership approval process must still be followed. A unit will not be offered to a household until the household has been approved for membership. The Co-op can also make an offer before approval, but it can be withdrawn if the household is not approved (even if the household has accepted the offer).

5.9 Eligibility Review

- (a) If the Co-op has been designated a special needs housing administrator under the HSA, the Co-op will review the eligibility of each household that applies for special needs housing.

If the Co-op has been designated a special needs housing administrator under the HSA or if responsibility has been delegated to the Co-op by the Service Manager, the Co-op will review the eligibility of each household occupying a special needs unit each year.

- (b) Eligibility criteria will be determined under Government Requirements. If these are not complete enough, the board will make any other required decisions

regarding eligibility criteria. The board can consult others as stated in clause (f).

- (c) The board will adopt all necessary additional detailed procedures.
- (d) Members and applicants must co-operate and provide any information requested by the Co-op in connection with the review. The Co-op will not require an applicant to provide information or documents if the co-op is satisfied that the applicant is unable to do so.

If the Co-op is satisfied that the information and documents previously provided by a household occupying a special needs unit are adequate to determine that the household continues to be eligible for special needs housing, the Co-op will not require the household to provide further information or documents.

The Co-op will not require a household that occupies a special needs unit that was in the special priority category on the waiting list to provide information or documents if the household believes that they would be at risk if they tried to get the information or documents.

- (e) Members must give the Co-op notice of:
 - any change in any information relating to a household's eligibility for special needs housing
 - any change in a document previously given to the Co-op, the Service Manager or a support services agency relating to a household's eligibility for special needs housing.
- (f) The board will not make determinations of eligibility itself (except on a review). Determination of eligibility will be made, in whole or in part by:
 - a staff person or
 - a support services agency.

Who makes the decision may be different depending on the type of special needs housing. The board will decide who will make the decision. The board will ask the decision maker to sign a confidentiality agreement, if the confidentiality provisions of the Co-op's by-laws do not apply to them, unless they are bound by professional or other adequate confidentiality obligations.

- (g) Article 6 (Procedures for Decisions, Reviews and Notices) will apply with respect to decisions relating to eligibility.
- (h) Households could cease to be eligible because of a change in the medical condition of a member of the household or the death of a member of a household or for other reasons.
- (i) If a household on the waiting list is not eligible, or is no longer eligible, for a unit, then it will be removed from the waiting list.
- (j) If a household occupying a unit at the Co-op ceases to be eligible, Article 3 (Internal Transfers) will apply.

5.10 No Liability

Anything in the Co-op's by-laws, or any commitment made by anyone that is not authorized by the board, will not create liability for the Co-op. The Co-op will not be liable to anyone for:

- any error, omission, or mistake concerning special needs waiting lists
- the allocation of units or geared-to-income assistance
- the failure to allocate units or geared-to-income assistance to persons on special needs waiting lists.

5.11 Things Not Stated in By-laws

The board will decide anything relating to the special needs waiting lists not stated in this By-law or in the Co-op's other by-laws or in Government Requirements.

6. PROCEDURES FOR DECISIONS, REVIEWS AND NOTICES

6.1 Purpose of Article 6

Under Government Requirements the Co-op must use specific procedures when making certain kinds of decisions about special needs housing, geared-to-income assistance and refusing applicants. These procedures are different from the Co-op's earlier procedures as stated in its by-laws.

The procedures for refusing geared-to-income and special needs applicants are set out in Article 7 (Selection of Geared-to-Income and Special Needs Members).

6.2 Relation to Other By-laws

The policies and procedures stated in this Article are intended to work with the Co-op's existing by-laws, but some of them may be different from existing by-laws. If there is a conflict, this By-law governs. The procedures stated in this Article replace the procedures in the Co-op's other by-laws that deal with the decisions listed in section 6.4 (Kinds of Decisions under Government Requirements).

6.3 Decisions by Co-op

Some of the decisions that are dealt with in this Article must always be made by the Co-op under Government Requirements. Other decisions are the responsibility of the Service Manager, but can be delegated to the Co-op. Some decisions are the responsibility of the Co-op, but can be delegated to another party, such as a support services agency or the Service Manager.

The arrangement can be that the decision is made by the Co-op, but the review of that decision is made by the other party, or that both the decision and the review are made by the Co-op.

This Article only applies to decisions that are being made by the Co-op and reviews that are being done by the Co-op.

6.4 Kinds of Decisions under Government Requirements

The kinds of decisions that are referred to in sections 6.7 (Request for Review) and 6.8 (Procedure for Review) are:

- a decision that a household is not eligible or is no longer eligible for geared-to-income assistance
- a decision that a household is not included in a category within the internal waiting list or special needs waiting list that is given priority over other categories
- a decision that a household is not eligible or is no longer eligible for special needs housing
- a decision about the type and size of unit for which a household is eligible, if the household pays or will pay a geared-to-income housing charge
- a decision about the amount of a geared-to-income housing charge payable by a household

6.5 Making Decisions

- (a) Under Government Requirements no one who discussed a decision with the decision-maker or who took part in making a decision mentioned in section 6.4 (Kinds of Decisions under Government Requirements) can take part in the review of that decision.

Under Government Requirements, anyone taking part in reviewing the decision must be knowledgeable about the relevant Government Requirements and Local Rules.

When the Co-op is responsible for the reviews of any of the decisions mentioned in section 6.4, the original decisions will be made, in whole or in part, by:

- a staff person
- a support services agency (if applicable) or
- another party.

- (b) Who makes the decision may be different depending on the type of decision. The board will decide who will make the decision. The board will ask the decision-maker to sign a confidentiality agreement, if the confidentiality provisions of the Co-op's by-laws do not apply to them, unless they are bound by professional or other adequate confidentiality obligations.

6.6 Meaning of "Household"

"Household" has a special meaning in this Article and other parts of this By-law when referring to a geared-to-income household or a special needs household. "Household" means all members and all non-member occupants of the unit, including:

- anyone who is a member of the household 16 years of age or older, and
- anyone whose income is considered in setting the amount of a geared-to-income housing charge, such as long-term guests.

This may include people who are not considered part of a household under other parts of the Co-op's by-laws, such as a guest whose income is considered in setting a geared-to-income housing charge under section 4.4 (Income of Guests).

6.7 Request for Review

If any member of a household disagrees with a decision mentioned in section 6.4 (Kinds of Decisions under Government Requirements), they have the right to a review of the decision. They must follow the Government Requirements for requesting a review. The requirements are set out in Attachment 2 – Request for a Review of a Geared-to-Income or Special Needs Decision. The Board will update Attachment 2 from time to time if Government Requirement change. If there is a conflict between Attachment 2 and Government Requirements, Government Requirements will apply.

6.8 Procedure for Review

If the Co-op is responsible for doing the review of a decision, the Co-op must follow the Government Requirements for reviews. These requirements are set out in Attachment 3 – Procedure for Review of Geared-to-Income or Special

Needs Decision. The Board will update Attachment 3 from time to time if Government Requirements change. If there is a conflict between Attachment 3 and Government Requirements, Government Requirements will apply.

6.9 Role of Board Members

In making decisions under this By-law individual directors must be very careful to avoid any bias or conflict of interest. Directors must observe all rules relating to this in the Co-op by-laws and the *Co-operative Corporations Act* and Government Requirements.

6.10 No Appeal to Members

Decisions under this By-law cannot be appealed to the members.

6.11 Confidentiality Agreement

When the board decides to ask someone to sign a confidentiality agreement under this By-law, it can use the attached Form F, Confidentiality Agreement.

6.12 Things Not Stated in By-laws

The board will decide anything relating to the procedures for decisions dealt with in this Article that are not stated in this By-law or in the Co-op's other by-laws or in Government Requirements.

7 SELECTION OF GEARED-TO-INCOME AND SPECIAL NEEDS MEMBERS

7.1 Purpose of Article

Government Requirements contain rules and procedures about rejecting applications for membership from applicants who will pay a geared-to-income housing charge or occupy special needs units. This Article applies to them. It does not apply to applications for market units that are not special needs units.

7.2 Relation to Other By-laws

The policies and procedures stated in this Article are intended to work with the Co-op's existing by-laws, but some of them may be different from existing by-laws. If there is a conflict, this By-law governs. Rights to information, review and other things dealt with in this Article will replace information, appeal and similar rights in the Co-op's other by-laws for applicants who will pay a geared-to-income housing charge or occupy special needs units.

7.3 Making Decisions

- (a) The board will pass a motion to create a membership committee. The Organizational By-law sections will apply to it.
- (b) The board will decide how many members are on the committee. The committee could be a committee with only one member.
- (c) The board will decide who makes up the committee. The board can decide to include directors, non-directors, staff or any combination. Any volunteers must be approved by board motion.
- (d) **The board will decide the duties of the committee. * Figure out the duties***
- (e) The committee will report to the board on each application and will normally include a recommendation to accept or refuse the application.
- (f) The board can decide to accept or refuse the application.

If a review is requested, it will be conducted by the board.

Directors who were on the Membership Committee that made the original report to the board cannot participate in the review as directors.

7.4 Refusal of Geared-to-Income and Special Needs Applicants

The Co-op may refuse to offer a unit to a household applying for special needs housing or geared-to-income assistance only for the following reasons (or any other reasons that may be stated in Government Requirements in the future):

- (a) selection of the household would be contrary to the Co-op's mandate
- (b) the Co-op has reasonable grounds to believe, based on the household's rental history, that the household may fail to fulfill the obligation to pay housing charges for the unit in the amount and at the times they are due
- (c) members of the household do not agree to accept their responsibilities as members of the Co-op, or the Co-op has reasonable grounds to believe that members of the household will not accept or will be unable to accept those responsibilities
- (d) the unit is one in which individuals will reside in a shared living situation and the Co-op has reasonable grounds to believe that it is unreasonable for the household to reside in the shared accommodation
- (e) the unit is special needs housing and the level of service required by the household is significantly greater or significantly less than the level of service provided in the unit
- (f) the unit is special needs housing and the household is not eligible for special needs housing.

Note: You can delete items (d), (e) and (f) if your Co-op does not have that kind of unit. You should make the corresponding changes to Form G.

7.5 Notice of Refusal

The first time an application from a household is refused, the Co-op will give notice of the refusal by following the procedures in Government Requirements. If Government Requirements change, the Co-op will use any new Government Requirements.

7.6 Request for Review

If any member of a household disagrees with the refusal of their membership application, they have the right to a review of the decision. There is only a right to review the first time an application from a household is refused.

Applicants must follow the procedure in Government Requirements for requesting a review. The procedure is set out in Attachment 4 - Request for a Review of a Refusal of Membership Application. The Board will update Attachment 4 from time to time if Government Requirements change. If there is a conflict between Attachment 4 and Government Requirements, Government Requirements will apply.

7.7 Procedure for Review

Co-ops must follow the Government Requirements for procedures for a review. These requirements are set out in Attachment 5 - Procedure for Review of a Refusal of Membership Application. The Board will update Attachment 5 from time to time if Government Requirements change. If there is a conflict between Attachment 5 and Government Requirements, Government Requirements will apply.

7.8 No Liability

Anything in the Co-op's by-laws, or any commitment made by anyone that is not authorized by the board, will not create liability for the Co-op. The Co-op will not be liable to anyone for:

- any error, omission, or mistake concerning an application for membership or occupancy or external waiting lists
- the allocation of units or geared-to-income assistance
- the failure to allocate units or geared-to-income assistance.

7.9 Things Not Stated in By-laws

The board will decide anything relating to selection of geared-to-income and special needs members that are not stated in this By-law or in the Co-op's other by-laws or in Government Requirements.

CERTIFIED to be a true copy of By-law No. [] of [legal co-op name] , passed by the Board of Directors at a meeting held on _____ and confirmed by a two-thirds vote at a meeting of members held on _____

Secretary

APPENDIX A

Charges to the Member

[legal co-op name or letterhead]*

Unit: _____ Monthly charges
as of: _____

Market housing charge	\$0.00
Less Geared-to-income assistance	<u>- 0.00</u>
Your housing charge*	\$0.00
Parking charge	0.00
Cable TV charge	0.00
Sector support charge	0.00
<hr/>	
Your total housing charge is:	<u>\$0.00</u>

Member deposit: \$ _____

Note: The figures stated may change from time to time as stated in the Co-op by-laws or the other rules about geared-to-income assistance, if applicable. There may be other charges as permitted under the Co-op by-laws and Government Requirements.

Signatures of Members:

1. _____
Print name

Signature

Date

2. _____
Print name

Signature Date

3. _____
Print name

Signature Date

4. _____
Print name

Signature Date

Signatures of Non-member Occupants if household pays a geared-to-income housing charge:

1. _____
Print name

Signature Date

2. _____
Print name

Signature Date

3. _____
Print name

Signature Date

4.

Print name

Signature

Date

Note: This form must be signed by all members. If the household pays a geared-to-income housing charge, this form must also be signed by all non-member occupants, including:

- *anyone who is required to sign by the Service Manager*
- *anyone whose income is considered in setting the amount of a geared-to-income housing charge, such as long-term guests.*

APPENDIX B

Member's Household

[legal co-op name or letterhead]*

Unit: _____

List each Member in the Member Unit:

1. _____
2. _____
3. _____
4. _____
5. _____

List each non-member in the Member Unit (including children):

1. _____
2. _____
3. _____
4. _____
5. _____

I agree to give prompt written notice of any change in my household size or the persons who make up my household. This includes any long-term guests.

If I receive geared-to-income assistance, this includes anyone whose income should be considered in setting the amount of a geared-to-income housing charge.

I understand that no one may occupy the unit except the people listed on this form. To have additional occupants I must comply with Article 7 (Occupancy by Members) of the Occupancy By-law and Article 4 (Guest Rules) of the HSA By-law.

Note: Check reference if your Co-op has not used the Model Occupancy By-law as the basis for its own. If you have not used the Model By-law, insert any references to your by-laws or Occupancy Agreement to rules for having long-term guests or other additional occupants.

Signatures of Members:

1. _____
Print name

Signature

Date

2. _____
Print name

Signature

Date

3. _____
Print name

Signature

Date

4. _____
Print name

Signature

Date

Signatures of Non-member Occupants if household pays a geared-to-income housing charge:

1. _____
Print name

Signature

Date

2. _____
Print name

Signature

Date

3. _____
Print name

Signature

Date

4. _____
Print name

Signature

Date

Note: This form must be signed by all members. If the household pays a geared-to-income housing charge, this form must also be signed by all non-member occupants, including:

- anyone who is required to sign by the Service Manager

- *anyone whose income is considered in setting the amount of a geared-to-income housing charge, such as long-term guests.*

APPENDIX C

Terms of the Member's Housing Charge Subsidy

[legal co-op name or letterhead]*

Unit: _____

Rules for geared-to-income assistance:

1. This document states rules for households paying a geared-to-income housing charge.
2. These rules are required by the *Housing Services Act* and Regulations passed by the Ontario Government, and Local Rules set by the municipal Service Manager. These are called Government Requirements.
3. This document does not state all the rules that apply. Government Requirements and the Co-op by-laws have many other rules for households who receive geared-to-income assistance.
4. Households receiving geared-to-income assistance are responsible for finding out about all the rules that apply to them. This includes any changes in the rules.
5. The Co-op or the Service Manager can give people an information package that may answer any questions about the rules. Members should ask the Co-op or Service Manager if they have any other questions.

6. The rules in this document could be changed if Government Requirements or the Co-op's by-laws are changed. The new rules will govern even if there is no change in this document.
7. In case of conflict, Government Requirements will take priority over this document.

Basic agreement

8. The household and the Co-op agree to comply with the rules in Government Requirements and the Co-op by-laws. The household and the Co-op agree to comply with all decisions duly made under Government Requirements and the Co-op by-laws.
9. "Household" in this document means all members and all non-member occupants of the unit. This includes:
 - anyone who is required to sign the Occupancy Agreement by the Service Manager, and
 - anyone whose income is considered in setting the amount of a geared-to-income housing charge, such as long-term guests.

This may include people who are not considered part of a household under other parts of the Co-op's by-laws.

10. Each person who is part of the household will be fully responsible for all obligations of the household under this document and the Co-op's Occupancy Agreement and by-laws. By signing this document each person agrees to perform those obligations.
11. This document forms an agreement between the Co-op and each member and non-member occupant. Each non-member occupant who signs this document agrees to comply with the applicable parts of the Co-op's Occupancy Agreement and by-laws and the Co-op's standard Long-term Guest Agreement.

Amount of geared-to-income assistance

12. The housing charges payable by the household are stated in Appendix A to the Occupancy Agreement. These charges apply at the time it was signed.
13. A change in the household's financial circumstances could affect their geared-to-income housing charge in the following ways:
 - The amount of a geared-to-income housing charge may go up or down.
 - The household may receive no geared-to-income assistance, but remain eligible for 12 months. This could happen if the household's income increases so that no assistance is payable under the geared-to-income formula.

Decisions about these things will be made by the Service Manager, or by the Co-op if responsibility has been delegated to it.

14. Overpayments of assistance may have to be repaid to the Co-op. The geared-to-income housing charge can be increased or the household can be required to repay the entire amount. These decisions will be made by the Service Manager, or by the Co-op if responsibility has been delegated to it.
15. If it is determined that the household did not receive all the assistance it was entitled to, the household will be credited with the underpayment of assistance. The credit will be applied to later housing charge payments as they fall due.
16. Under Government Requirements households may get a notice telling them to obtain certain types of income. The household has to apply for and use reasonable efforts to get the income. If the household does not comply with the notice, it is no longer eligible for assistance. The types of income include:
 - Ontario Works assistance
 - child or spousal support under applicable laws
 - employment insurance
 - government pension benefits for persons 65 or older
 - support or maintenance under an immigration undertaking.

The exact types of income are stated in the Regulations.

Occupancy of unit:

17. No one may occupy the unit except people who were members of the household at the time the Occupancy Agreement was signed and any additional people authorized by the Co-op, as stated in Article 7 (Occupancy by Members) of the Occupancy By-law and Article 4 (Guest Rules) of the HSA By-law.

Note: Check last Article reference if your Co-op has used the Model Occupancy By-law as the basis for its own. If you have not used the Model By-law, insert any references to your by-laws or Occupancy Agreement to rules for having long-term guests or other additional occupants.

18. The household must report to the Co-op in writing of any persons who cease to occupy the unit or start to occupy the unit after the Occupancy Agreement was signed. These reports must be made within the time set by Government Requirements. This does not include casual guests, if the guest's income does not have to be included in calculating geared-to-income assistance.
19. The household may no longer be eligible for assistance if the household has not occupied a unit in the Co-op for longer than the time set by the Service Manager, if any. This will not be less than 60 consecutive days or 90 days in a 12 month period. This applies whether or not the absence is permitted under the Co-op's by-laws.
20. Households that are overhoused must follow the applicable rules. Rules relating to overhoused households are in Government Requirements and the Co-op's by-laws. Overhousing will be determined according to occupancy standards under Government Requirements. Occupancy standards do not apply to special needs households.

Giving information:

21. Government Requirements require periodic reviews by the Service Manager for each household receiving geared-to-income assistance. These items have to be reviewed:
 - continuing eligibility for geared-to-income assistance
 - amount of geared-to-income assistance for which the household is eligible
 - size of unit for which the household is eligible.

22. The household must:
 - co-operate in the review
 - provide all required information both with respect to members and non-member occupants
 - do this within the time limits required.

23. The Co-op may be doing some or all of these reviews on behalf of the Service Manager.

24. Government Requirements require prompt updating of information. Between reviews, it is the household's responsibility to promptly report in writing to the Service Manager, or to the Co-op if responsibility has been delegated to it:
 - any change in income
 - any change in assets
 - any change in household composition
 - any change in immigration status.

25. These changes must be reported no matter how small the change is unless the Service Manager has made a different Local Rule.

26. These reports must be made within the time set by Government Requirements. The household must make these reports even if the paperwork relating to the change has not been received. The household must use any forms that are set by the Service Manager or Co-op.

27. The household agrees that the Co-op can receive, through its employees or agents, credit information from any credit agency or other source. The member must have all persons in the member's household sign an authorization for a credit check, if requested by the Co-op.

28. Personal information about the household may be shared with the Service Manager and other bodies as stated in Government Requirements and the Co-op's by-laws or as stated in other laws. Except for this, the Co-op must keep all personal information confidential.

Losing assistance:

29. Households can lose their geared-to-income assistance if they break any of the rules that apply – whether or not the rules are stated in this document. In addition:
- They may have to repay amounts that should have been paid by them, either immediately or over time.
 - They will have to meet special requirements to get geared-to-income assistance again. These can include things like:
 - they will have to go on the Service Managers' centralized waiting list
 - they will have to pay any arrears, sign a repayment agreement or make reasonable attempts to sign a repayment agreement. The Service Manager or housing provider has to be satisfied that they will repay the arrears
 - they may have to wait up to two years after any crime, offence or misrepresentation relating to geared-to-income assistance
30. Households can also lose their geared-to-income assistance without breaking any rules. This can happen for the following reasons:
- (a) The household's income increases so that no assistance is payable under the geared-to-income formula. The household will remain eligible for 12 months in case their circumstances change.
 - (b) The household's income or assets increase above a limit set by the Service Manager. The household will no longer be eligible.

Review

31. If any member of a household disagrees with certain decisions, they are entitled to a review of the decision. See section 324 for the types of decisions. The household is entitled to receive notice of the decision.

Members' rights on decisions

32. The household can request a review of:
- a decision that the household is not eligible for geared-to-income assistance
 - a decision about the amount of a geared-to-income housing charge
 - a decision about the type and size of unit for which the household is eligible.
33. These decisions are made by the Service Manager, or by the Co-op if responsibility has been delegated to it. Even if responsibility for the decision has been delegated to the Co-op, the Service Manager may be responsible for the review.
34. Procedures, requirements and other rules about reviews are stated in Government Requirements and the Co-op by-laws. See Article 6 of the *Housing Services Act* By-law.
35. Members need to act within the required time limits or they lose the right to a review. Members should ask the Co-op or Service Manager if they do not know who performs the review or if they have any other questions.

By signing this document, the undersigned agrees to observe and comply with the *Housing Services Act*, the Regulations, Local Rules, the Co-op's by-laws, the Co-op's Occupancy Agreement and this document.

Signatures of Members:

1. _____
Print name

Signature

Date

2. _____
Print name

Signature

Date

3.

Print name

Signature

Date

4.

Print name

Signature

Date

Signatures of Non-member Occupants if household pays a geared-to-income housing charge:

1.

Print name

Signature

Date

2.

Print name

Signature

Date

3.

Print name

Signature

Date

4.

Print name

Signature

Date

Note: This form must be signed by all members. If the household pays a geared-to-income housing charge, this form must also be signed by all non-member occupants, including:

- *anyone who is required to sign by the Service Manager*
- *anyone whose income is considered in setting the amount of a geared-to-income housing charge, such as long-term guests.*

APPENDIX D

Guest Rules

Note: These guest rules are needed for Co-ops that do not use the Model Occupancy By-law and do not have other guest provisions in their by-laws. If that applies to your Co-op, you should choose the alternative version of section 4.3 of the HSA By-law.

Remove this Appendix if your Co-op has used the Model Occupancy By-law as the basis for its own and you have not used the alternative version of section 4.3 of the HSA By-law.

These guest rules are based on the Model Occupancy By-law. If you use them, they should be adjusted to suit your Co-op's existing by-laws.

Please remember that these guest rules apply to all members — as in the Model Occupancy By-law. *The Housing Services Act* only requires Co-ops to adopt guest rules for geared-to-income households. We recommend that the same guest rules apply to all members.

1.1 Policy

(a) In the Co-op's by-laws, household means:

- a member
- any other members living in the unit
- persons under 16 living in the unit
- persons who have turned 16 and continue to live in the unit, and
- any long-term guests approved by the board under section 1.5 of this Appendix.

The Co-op does not consider anyone else as part of a member's household. Other persons can live in a member's unit only as casual guests, or as sub-occupants if permitted by this By-law. Members must not allow anyone other than the persons referred to above to use their unit.

The Regulations and the HSA By-law also include in a household anyone whose income is considered in setting the amount of a geared-to-income housing charge. This may include people who are not considered part of a household under other parts of the Co-op's by-laws, such as casual guests.

(b) This Appendix applies to a member unit. The Co-op does not have to follow the procedures in this Appendix when dealing with non-member units or non-residential spaces, if any. Any leases, agreements or applicable laws govern the Co-op's relations with them. Parts of the Co-op by-laws apply to non-members living in a member unit.

(c) Occupants of a member unit who are not members have:

- no greater right to occupy the unit than the members who occupy it, or any right to occupy it independent of the members
- no right to occupy any other unit in the Co-op, and
- no right to a place on the Co-op's Internal Waiting List.

1.2 Additions to Household

Members may wish to add to their household someone over 16 years of age who is not a member. That person must apply for membership in the Co-op or for board approval as a long-term guest. That person can occupy the unit as a casual guest while waiting for the board to decide. If the board refuses to approve the application for membership, that person can occupy the unit only as a casual or long-term guest if permitted under section 1.4 or 1.5 of this Appendix.

1.3 Persons Sixteen Years of Age

If a person who is part of a member's household turns sixteen, that person must apply for membership in the Co-op. If they fail to apply for membership, or are refused for membership, then they will be considered long-term guests and the board may cancel or change their long-term guest status at any time, as stated in section 1.5.

1.4 Casual Guests

(a) Members can have only a reasonable number of guests at any one time.

(b) Members must have the board's permission to permit a guest to stay for more than **[two]*** consecutive months for a single visit. Normally this would only be for up to one additional month. Members must have the board's permission to allow a guest to

spend a total of more than **[three]*** months in a unit for any number of visits during any twelve-month period. The board can choose the twelve-month period.

- (c) The board normally allows a single visit to last for **[three]*** months. When the board gives permission for any visit it sets the time limit for the visit.

1.5 Long-term Guests

- (a) The board can allow members to have a guest for an indefinite period. These guests are long-term guests in the Co-op by-laws. Examples include:
 - family members who are part of a member's household
 - live-in employees
 - additions to the household who have been refused membership, and
 - others whom the member invites.
- (b) Members and their guests must sign a long-term guest agreement, such as Schedule A of this Appendix.
- (c) The board can cancel long-term guest status or change the terms of the long-term guest status at any time. The board must give written notice to the member and the guest of any meeting before a motion to do this can be passed. They will have an opportunity to appear at the meeting with or without a lawyer or other representative and can make statements or give documents to the board. The board must give written notice to the member and the guest that it has ended long-term guest status after it has decided to do so. The board decides when the long-term guest status ends. There is no right of appeal.
- (d) Normally, the income of long-term guests is to be included in the household income when geared-to-income assistance is calculated.

APPENDIX E

Terms of the Member's Special Needs Housing

[legal co-op name or letterhead]*

Unit: _____

Rules for special needs housing:

1. This document states some of the rules for special needs households. Rules can also be found in Article 5 of this By-law.
2. These rules are required by the *Housing Services Act* and Regulations passed by the Ontario Government, and Local Rules set by the municipal Service Manager. These are called Government Requirements.
3. This document does not state all the rules that apply. Government Requirements and the Co-op by-laws have many other rules for special needs housing.
4. Households living in a special needs unit are responsible for finding out about all the rules that apply to them. This includes any changes in the rules.
5. The Co-op or the Service Manager can give people an information package that may answer any questions about the rules. Members should ask the Co-op or Service Manager if they have any other questions.

6. The rules in this document could be changed if Government Requirements or the Co-op's by-laws are changed. The new rules will govern even if there is no change in this document.
7. In case of conflict, Government Requirements will take priority over this document.

Basic agreement

8. The household and the Co-op agree to comply with the rules in Government Requirements and the Co-op by-laws. The household and the Co-op agree to comply with all decisions duly made under Government Requirements and the Co-op by-laws.
9. "Household" in this document means all members and all non-member occupants of the unit. This includes:
 - anyone who is required to sign the Occupancy Agreement by the Service Manager, and
 - anyone whose income is considered in setting the amount of a geared-to-income housing charge, such as long-term guests.

This may include people who are not considered part of a household under other parts of the Co-op's by-laws.

10. Each person who is part of the household will be fully responsible for all obligations of the household under this document and the Co-op's Occupancy Agreement and by-laws. By signing this document each person agrees to perform those obligations.
11. This document forms an agreement between the Co-op and each member and non-member occupant. Each non-member occupant who signs this document agrees to comply with the applicable parts of the Co-op's Occupancy Agreement and by-laws and the Co-op's standard Long-term Guest Agreement.

Occupancy of unit:

12. No one may occupy the unit except people who were members of the household at the time the Occupancy Agreement was signed and any additional people authorized by the Co-op, as stated in Article 7 (Occupancy by Members) of the Occupancy By-law and Article 4 (Guest Rules) of the HSA By-law.

Note: Check last Article reference if your Co-op has used the Model Occupancy By-law as the basis for its own. If you have not used the Model By-law, insert any references to your by-laws or Occupancy Agreement to rules for having long-term guests or other additional occupants.

13. The household must immediately inform the Co-op in writing of any persons who cease to occupy the unit or start to occupy the unit after the Occupancy Agreement was signed. This does not include casual guests.

Giving information:

14. Government Requirements require periodic reviews for each household living in a special needs household. The household's continuing eligibility for special needs housing has to be reviewed. If the Co-op has been designated a special needs housing administrator under the HSA or if responsibility has been delegated to the Co-op by the Service Manager, the Co-op will do the review.

15. The household must:

- co-operate in the review
- provide all required information both with respect to members and non-member occupants
- do this within the time limits required.

16. The Co-op may be doing some or all of these reviews on behalf of the Service Manager.

17. Government Requirements require prompt updating of information. Between reviews, it is the household's responsibility to promptly report in writing to the Service Manager, or to the Co-op if responsibility has been delegated to it:

- a change in any document provided to the Service Manager or Co-op
- a change in any information provided to the Service Manager or Co-op

- any change in household composition.
18. These reports must be made within the time set by Government Requirements. The household must make these reports even if the paperwork relating to the change has not been received. The household must use any forms that are set by the Service Manager or Co-op.
 19. The household agrees that the Co-op can receive, through its employees or agents, credit information from any credit agency or other source. The member must have all persons in the member's household sign an authorization for a credit check, if requested by the Co-op.
 20. Personal information about the household may be shared with the Service Manager and other bodies as stated in Government Requirements and the Co-op's by-laws or as stated in other laws. Except for this, the Co-op must keep all personal information confidential.

Losing eligibility

21. Households can lose their eligibility for special needs housing if they break any of the rules that apply – whether or not the rules are stated in this document.
22. Households can also lose their eligibility for special needs housing without breaking any rules. This can happen for the following reasons:
 - (a) The household lives in a special needs – modified unit and no longer has any members that require accessibility modifications.
 - (b) The household lives in a special needs – support services unit and no longer has any members who require provincially funded support services.

Review

23. If any member of a household disagrees with certain decisions, they are entitled to a review of the decision. See section 24 for the types of decision. The household is entitled to receive notice of the decision.

Members' rights on decisions

24. The household can request a review of:

- a decision that the household is not eligible for special needs housing
- a decision about the type and size of unit for which the household is eligible.

25. These decisions are made by the Service Manager, or by the Co-op. Even if the Co-op is responsible for the decision, the Service Manager may be responsible for the review.

26. Procedures, requirements and other rules about reviews are stated in Government Requirements and the Co-op by-laws. See Article 6 of the *Housing Services Act* By-law.

27. Members need to act within the required time limits or they lose their right to a review. Members should ask the Co-op or Service Manager if they do not know who performs the review or if they have any other questions.

By signing this document, the undersigned agrees to observe and comply with the *Housing Services Act*, the Regulations, Local Rules, the Co-op's by-laws, the Co-op's Occupancy Agreement and this document.

Signatures of Members:

1. _____
Print name

Signature

Date

2. _____
Print name

Signature Date

3. _____
Print name

Signature Date

4. _____
Print name

Signature Date

Signatures of Non-member Occupants if household pays a geared-to-income housing charge:

1. _____
Print name

Signature Date

2. _____
Print name

Signature Date

3. _____
Print name

Signature Date

4. _____
Print name

Signature

Date

Note: This form must be signed by all members. If the household pays a geared-to-income housing charge, this form must also be signed by all non-member occupants, including:

- *anyone who is required to sign by the Service Manager*
- *anyone whose income is considered in setting the amount of a geared-to-income housing charge, such as long-term guests.*

SCHEDULE A

Long-term Guest Agreement

[legal co-op name or letterhead]*

Unit: _____

List each Member in the Member Unit:

1. _____
2. _____
3. _____
4. _____
5. _____

Long-term Guest: _____

1. The Co-op agrees that the long-term guest can live in the member's unit as a part of the member's household.
2. The member is still responsible to the Co-op for all housing charges and all the member's obligations to the Co-op.
3. The long-term guest agrees not to break any of the terms of the member's Occupancy Agreement or any Co-op by-laws.

4. The long-term guest acknowledges that the Co-op only allows members and their households to occupy Co-op units. The long-term guest agrees to leave the member's unit if the member or the Co-op requests it. The long-term guest will be entitled to written notice to leave the unit.
5. The long-term guest must immediately leave the unit when the member's occupancy rights end.
6. The long-term guest acknowledges that the unit is a member unit under the *Co-operative Corporations Act* and that the *Residential Tenancies Act* does not apply.
7. The long-term guest agrees that the Co-op, through its employees or agents, can receive credit information from any credit agency or other source.

Signatures of Members:

1. _____
Print name

Signature

Date

2. _____
Print name

Signature

Date

3. _____
Print name

Signature

Date

4. _____
Print name

Signature

Date

Signature of the long-term guest:

Signature

Date

Signature for the Co-op:

Write and sign name of signing authority for co-op
[legal co-op name]*

Date

FORM A

Notice to Transfer

[legal co-op name or letterhead]*
.....

To: Include names of all persons who are part of the household.

Address: _____

This is your notice that the Co-op requires you to move to a different unit in the Co-op. Your name has been put on the Internal Waiting List.

If you refuse **[three]*** appropriate units that are offered to you, you may be evicted. The Co-op may take other steps because of the situation described in this Notice. These steps may be taken before or after you have been offered any units.

Review

You are entitled to a review of the decision to issue this Notice. To receive a review you must make a written request to the Co-op.

This request must be received by the Co-op on or before _____.

Articles 3 and 6 of the HSA By-law, as well as other parts of the Co-op's by-laws, state rights and obligations that apply to you in this situation.

Reason

The following is the reason why this Notice has been given to you (*check one or more and fill in details below*):

- Your household occupies a modified unit for which you are not eligible. See section 3.9 of the HSA By-law.

- Your household occupies a special needs unit which is not a modified unit and you are not eligible for a special needs unit. See section 3.10 of the HSA By-law.

Details:

The facts on which the Co-op relied in making its decision to issue this Notice are (*fill in details*):

Signature for the Co-op:

Write and sign name of signing authority for co-op
[legal co-op name]*

Date

FORM B

Notice of Geared-to-Income or Special Needs Decision with Right to Review

[legal co-op name or letterhead]*
.....

To: Include names of all persons who are part of the household.

Address: _____

This is your notice that the Co-op has made a decision about your household. The decision was made on _____.

Review

You are entitled to a review of this decision. To receive a review you must follow the Government Requirements in Attachment 2 - Request for Review of a Geared-to-Income or Special Needs Decision. A Copy of Attachment 2 is attached.

The procedures for the review are in Attachment 3 - Procedure for a Review of a Geared-to-Income or Special Needs Decision. A copy of Attachment 3 is attached.

Decision

The decision was:

(check one or more and fill in information below)

- that your household is not eligible for geared-to-income assistance.
- that your household is not eligible for special needs housing.

about the type and size of unit for which your household is eligible, if your household pays or will pay a geared-to-income housing charge or is a special needs household. The specific decision was (*fill in specific decision*):

This is the notice referred to in section 3.9 (Overhoused – Geared-to-Income) of this By-law.

about the category into which your household has been placed on the internal waiting list or special needs waiting list (*fill in specific decision*):

about the amount of a geared-to-income housing charge payable by your household. The specific decision was (*fill in specific decision*):

Reasons

The reasons for the Co-op's decision are (*fill in details*):

Signature for the Co-op:

Write and sign name of signing authority for co-op
[legal co-op name]*

Date

FORM C

Notice of Final Geared-to-Income or Special Needs Decision

[legal co-op name or letterhead]*
.....

To: Include names of all persons who are part of the household.

Address: _____

This is your notice that the Co-op has made a decision about your household. The decision was made on _____. The decision is final. You may not request a review.

Decision

The decision was:
(check one or more and fill in information below)

- that your household is eligible for geared-to-income assistance.
- that your household is eligible for special needs housing.
- that your household **[has or has not]*** been included on a special needs waiting list and what category the household is listed in. The specific decision:

Inclusions

If the decision was a decision that your household is eligible for geared-to-income assistance, the following Notices accompany this Notice, if applicable (check one if applicable)

- a Notice about the type and size of unit for which your household is eligible (Form B).
- a Notice about a decision that your household is not eligible for special needs housing, if you applied for special needs housing at the same time as you applied for geared-to-income assistance (Form B).

Signature for the Co-op:

Write and sign name of signing authority for co-op
[legal co-op name]*

Date

FORM D

Notice of Board Meeting to Conduct Review of Geared-to-Income or Special Needs Decision

[legal co-op name or letterhead]*

To: Include names of all persons who are part of the household.

Address: _____

The Co-op gave you a Notice dated _____, about a decision or decisions described in the Notice. You requested a review.

Meeting to Conduct the Review

The board of directors is going to conduct the review at a board meeting. This meeting will be on _____, in the [location]* at the Co-op, [street address]*, [municipality]*, Ontario. The board meeting will start at _____, but you do not have to arrive before _____. Because of the time frames set by Government Requirements, the board cannot change this time.

Fill in the date of the meeting, the room or location, the street address and the municipality, the start time and the time that the member must arrive.

You may appear and speak at the meeting. You may present written material. You may have a lawyer or other representative speak for you.

You may withdraw your request for a review by giving written notice to the Co-op.

Information

The information used to make the decision is [fill in details and/or attach copies of information]

Signature for the Co-op:

Write and sign name of signing authority for co-op
[legal co-op name]*

Date

FORM E

Notice of Decision after Review of Geared-to-Income or Special Needs Decision

[legal co-op name or letterhead]*
.....

To: Include names of all persons who are part of the household.

Address: _____

The Co-op gave you a Notice dated _____ about a decision or decisions described in the Notice. You requested a review.

This is your notice that the Co-op has conducted a review of the decision. The following is the result of the review:

- There is no change in the decision. The original decision has been confirmed.
- The original decision has been changed. The new decision is (fill in specific decision):

The decision stated above is final.

Signature for the Co-op:

Write and sign name of signing authority for co-op
[legal co-op name]*

Date

FORM F

Confidentiality Agreement

[legal co-op name or letterhead]*

I have agreed to assist the Co-op in performing a review of one or more decisions under the Co-op's *Housing Services Act* By-law.

Confidential information is any personal, financial, medical or other information about any individuals.

I agree that I will keep secret any confidential information that I learn in connection with a review unless required by law to reveal it or unless it is revealed to the Co-op board or staff in relation to the review process.

Write and sign name.

Date

FORM G

Notice of Refusal of Membership Application

[legal co-op name or letterhead]*

To: Include names of all persons who are part of the household.

Address: _____

This is your notice that the Co-op refuses to offer you membership and a unit of housing in the Co-op.

You are entitled to a review of this refusal. To receive a review you must follow the rules in Attachment 4 - Request for Review of Refusal of Membership Application. A copy of Attachment 4 is attached to this notice.

This request must be received by the Co-op on or before (see note at end about what date to insert) _____.

The procedures for the review are stated in Attachment 5 - Procedure for Review of Refusal of Membership Application. A copy of Attachment 5 is attached to this notice.

Reasons

The reasons for the Co-op's refusal to offer the unit to you are:

Check one or more and fill in details below.

selection of your household would be contrary to the Co-op's mandate

- the Co-op has reasonable grounds to believe, based on your household's rental history, that your household may fail to fulfill the obligation to pay housing charges for the unit in the amount and at the times they are due
- members of your household did not agree to accept their responsibilities as members of the Co-op, or the Co-op has reasonable grounds to believe that members of your household will not accept or will be unable to accept those responsibilities
- the unit is one in which individuals will reside in a shared living situation and the Co-op has reasonable grounds to believe that it is unreasonable for your household to reside in the shared accommodation
- the unit is special needs housing and the level of service required by your household is significantly greater or significantly less than the level of service provided by the Co-op in the unit
- the unit is special needs housing and your household is not eligible for special needs housing.

Details

The facts on which the Co-op relied in making its decision not to offer the unit to you are:

Signature for the Co-op:

Write and sign name of signing authority for co-op
[legal co-op name]*

Date

FORM H

Notice of Board Meeting to Conduct Review of Refusal of Membership Application

[legal co-op name or letterhead]*
.....

To: Include names of all persons who are part of the household.

Address: _____

The Co-op refused to offer you a unit of housing in the Co-op. You requested a review of this refusal.

Meeting to Conduct the Review

The board of directors is going to conduct the review at a board meeting. This meeting will be on _____, in the [location]* at the Co-op, [street address]*, [municipality]*, Ontario. The board meeting will start at _____, but you do not have to arrive before _____. Because of the time frames set by Government Requirements, the board cannot alter this time.

Fill in the date of the meeting, the room or location, the street address and the municipality, the start time and the time that the member must arrive.

You may appear and speak at the meeting. You may present written material. You may have a lawyer or other representative speak for you.

You may withdraw your request for review by giving written notice to the Co-op.

Information

The information used to make the decision is [fill in details and/or attach copies of information].

Signature for the Co-op:

Write and sign name of signing authority for co-op
[legal co-op name]*

Date

FORM I

Notice of Result of Review of Refusal of Membership Application

[legal co-op name or letterhead]*

To: Include names of all persons who are part of the household.

Address: _____

The Co-op refused to offer you a unit of housing in the Co-op. You requested a review of this refusal.

This is your notice that the Co-op has conducted a review of the refusal.

Check one or more

- The original refusal has been confirmed. The Co-op still refuses to offer you membership and a unit of housing in the Co-op.
- The original refusal has been reversed. The Co-op has accepted your household for membership. You will become a member when a unit is allocated to you and you sign all necessary papers. You will be contacted when a unit is available.
- The original decision has been changed. The Co-op is prepared to accept your household for membership, if the conditions stated below are fulfilled. You will become a member when the conditions are fulfilled, a unit is allocated to you and you sign all necessary papers. You will be contacted when a unit is available. If the conditions are not fulfilled, your application is refused.

Note: Insert any conditions such as having a specific person sign a guarantee document satisfactory to the Co-op. Conditions should state when they must be fulfilled. You should be careful about timing. For instance, if a guarantor is suggested you would ordinarily not be able to complete a credit check on them within 48 hours of when a unit is available.

The decision stated above is final.

Signature for the Co-op:

Write and sign name of signing authority for co-op
[legal co-op name]*

Date

ATTACHMENT 1

Notices

This Attachment does not form part of the By-law itself. The board of directors may update it from time to time.

- (a) Government Requirements have special rules for notices of decisions relating to geared-to-income households and special needs households. These are different depending on:
- the kind of decisions
 - whether the household has a right to a review or does not have a right to a review
 - whether the decision is that the household is eligible or not eligible.
- (b) When the Co-op gives notices about things dealt with in this By-law, it must follow the procedure in Government Requirements. If Government Requirements change, the Co-op will use any new Government Requirements.
- (c) The Co-op will give each member of the household notice of these decisions if they are made by the Co-op. The notice must be given according to Government Requirements. If the decision is about special priority status or a household that has special priority status, only the member who made the request for special priority status will be given notice of these decisions.
- (d) Notices can be signed for the Co-op by a staff person or any director. The person signing a notice is authorized to fill in all the blanks.
- (e) A person who signs a notice about a decision cannot be involved in the review of that decision.
- (f) A notice is received
- the date the notice was actually handed to a member of the household
 - the next business day after it was left at the household's last known address
 - the fifth business day after mailing.

- (g) When this By-law refers to “business days” it means days from Monday to Friday, other than public holidays.
- (h) When giving notice that a special needs household that is no longer eligible for special needs housing and the co-op requires them to move and their name has been added to the Internal waiting List, the Co-op can use Form A, Notice to Transfer. A Notice to transfer is given after the household has already received notice that they are no longer eligible for special needs housing.
- (i) When giving notice of decisions about eligibility for geared-to-income assistance or special needs housing, the Co-op can use:
- **Form B**, Notice of Geared-to-Income or Special Needs Decision with Right to Review if the decision is that the household is not eligible
 - **Form C**, Notice of Final Geared-to-Income or Special Needs Decision if the decision is that the household is eligible.
- (j) When giving notice of other decisions mentioned in section 6.4 (Kinds of Decisions under Government Requirements), the Co-op can use **Form B**.
- (k) When giving notice of decisions about whether or not a household has been included on a special needs waiting list, and what category the household is listed in, the Co-op can use **Form C**.
- (l) If a decision is made that a household is eligible for both geared-to-income assistance and special needs housing, both **Form B** and **Form C** have to be used.

Form C is given to state that the household is eligible for geared-to-income assistance. If applicable, it will also state that:

- a decision has been made that the household is eligible for special needs housing.
- a decision has been made that the household has or has not been included on a special needs waiting list and what category the household is listed in.

Form B is given about the type and size of unit for which the household is eligible. If applicable, it will also state that a decision has been made that the household is not eligible for special needs housing.

- (m) If a written request has been received from a member of a household for a review of a geared-to-income or special needs decision, the Co-op can use **Form D**, Notice of Board Meeting to Conduct Review of Geared-to-Income and Special Needs Decision.
- (n) When the review of a geared-to-income or special needs decision has been conducted, the Co-op can use **Form E**, Notice of Decision after Review.
- (o) If the confidentiality provisions of the Co-op's by-laws do not apply or any professional or other adequate confidentiality obligations, the Co-op can ask someone to sign **Form F**, Confidentiality Agreement.
- (p) If a decision has been made to refuse a membership application, the Co-op can use the attached **Form G**, Notice of Refusal of Membership Application for Geared-to-Income or Special Needs Household.
- (q) If a written request has been received from a member of a household for a review of a refusal of membership application, the Co-op can use **Form H**, Notice of Board Meeting to Conduct Review of Refusal of Membership Application.
- (r) When the review of a refusal of a membership application has been conducted, the Co-op can use **Form I**, Notice of Result of Review of Refusal of Membership Application.

ATTACHMENT 2

Request for a Review of a Geared-to-Income or Special Needs Decision

This Attachment does not form part of the By-law itself. The board of directors may update it from time to time.

- (a) To request a review of a geared-to-income or special needs decision, a member of the household must give a written request to the Co-op.
- (b) The request must be received within the time frame in Government Requirements.
- (c) The Co-op can extend the time for giving a request for a review if the Co-op is satisfied that the member of the household acted in good faith and was unable to comply with clause (b) because of absence, accident, illness or some other reason beyond their control.
- (d) An individual may withdraw their request for a review by giving written notice to the Co-op. The withdrawal is not effective if it is received after the review is completed.

ATTACHMENT 3

Procedure for a Review of a Geared-to-Income or Special Needs Decision

This Attachment does not form part of the By-law itself. The board of directors may update it from time to time.

- (a) If the Co-op is responsible for doing the review of a decision, the Board will conduct the review.
- (b) The review must be completed within the time frame in Government Requirements after the request for the review is received.
- (c) Because of the time frames in Government Requirements, the board cannot extend the time for doing the review of a decision mentioned in section 6.4 (Kinds of Decisions under Government Requirements).
- (d) Each member of the household that requested the review will be given five days written notice of the board meeting at which the review will be conducted. The board can use the attached Form D, Notice of Board Meeting to Conduct Review.
- (e) Members of the household involved can attend and speak at the board meeting, or have a representative speak. The representative can be a lawyer or another person.
- (f) Directors, staff members and others who discussed the decision with the decision-maker or who took part in making the decision cannot take part in the review of a decision mentioned in section 6.4 (Kinds of Decisions under Government Requirements).
- (g) Anyone who is not knowledgeable about the relevant Government Requirements and Local Rules cannot take part in the review of a decision mentioned in section 6.4 (Kinds of Decisions under Government Requirements). See clause (a) of section 6.5 (Making Decisions).
- (h) The board can get help from someone with special knowledge, such as a representative of a support services agency (if applicable), their local federation or the manager of another Co-op.

- (i) That party can review the file before the meeting, but must give their advice to the board at the meeting so that the household involved can hear it and make any comments on it. The board will ask that party to sign a confidentiality agreement, if the confidentiality provisions of the Co-op's by-laws do not apply to them, unless they are bound by professional or other adequate confidentiality obligations.
- (j) In the case of medical or similar evidence, the board can rely on a letter from a doctor or other professional, but it must give a copy of the letter to the household with the notice of the meeting or within two business days of receiving it, if it is received after the notice of the meeting was sent.
- (k) The board can make any decision that could have been made originally. This decision could be more favourable to the household, or less favourable.
- (l) The board must give written notice of its decision to the individuals who requested the review within the time frame in Government Requirements after the board meeting. The board can use the attached Form G, Notice of Decision after Review.
- (m) The board can delegate responsibility for all reviews, or specific kinds of reviews, or a specific review to a committee made up of directors. The committee will perform the duties of the board under this section and all rights and responsibilities of the board will be exercised by the committee. The decision of the committee will be considered the decision on the review and cannot be appealed to the board.

ATTACHMENT 4

Request for a Review of a Refusal of a Membership Application

This Attachment does not form part of the By-law itself. The board of directors may update it from time to time.

- (a) To request a review of a refusal of a membership application, a member of the household must give a written request to the Co-op.
- (b) The request must be received within the time frame in Government Requirements.

Note: Your Service Manager will set a local rule about the time frame.

- (c) The Co-op can extend the time for giving a request for a review if the Co-op is satisfied that the member of the household acted in good faith and was unable to comply with clause (b) because of absence, accident, illness or some other reason beyond their control.
- (d) An individual may withdraw their request for a review by giving written notice to the Co-op. The withdrawal is not effective if it is received after the review is completed.

ATTACHMENT 5

Procedure for a Review of a Refusal for Membership Application

This Attachment does not form part of the By-law itself. The board of directors may update it from time to time.

- (a) The Board will conduct the review.
- (b) The review must be completed within the time frame in Government Requirements after the request for the review is received.
- (c) Each member of the household that requested the review will be given five days written notice of the board meeting at which the review will be conducted. The board can use the attached Form H, Notice of Board Meeting to Conduct Review of Refusal of Membership Application.
- (d) Members of the household involved can attend and speak at the board meeting, or have a representative speak. The representative can be a lawyer or another person.
- (e) Directors, staff members and others who discussed the decision with the decision-maker or who took part in making the decision cannot take part in the review.
- (f) The board can get help from someone with special knowledge, such as a representative of a support services agency (if applicable), their local federation or the manager of another Co-op.
- (g) That party can review the file before the meeting, but must give their advice to the board at the meeting so that the household involved can hear it and make any comments on it. The board will ask that party to sign a confidentiality agreement, if the confidentiality provisions of the Co-op's by-laws do not apply to them, unless they are bound by professional or other adequate confidentiality obligations.
- (h) In the case of medical or similar evidence, the board can rely on a letter from a doctor or other professional, but it must give a copy of the letter to the household with the notice of the meeting or within two business days of receiving it, if it is received after the notice of the meeting was sent.

- (i) The board can make any decision that could have been made originally. This decision could be more favourable to the household, or less favourable.

- (j) The board must give written notice of its decision to the individuals who requested the review within the time frame in Government Requirements after the board meeting. The board can use the attached Form I, Notice of Result of Review of Refusal of Membership Application.

TAB B

POLICY NAME	Dealing with Information/Confidentiality Policy
POLICY NUMBER	
DATE	
DATE REVIEWED OR REVISED	
REFERENCES	<i>Housing Services Act, 2011</i> <i>Ontario Regulation 367/11 ss169(1) s145</i> <i>Personal Information Protection and Electronic Documents Act, 2000</i> <i>Occupational Health and Safety Act, 1990</i> <i>RGI Service Agreement with the City of Toronto</i> <i>Checklist for PIPEDA and HSA</i> <i>Sample Confidentiality Agreement</i> <i>Consent to Disclose Personal Information</i>
SEE ALSO	<i>Records Management</i> <i>Policy Dispute Resolution</i> <i>Policy</i>

POLICY STATEMENT

In accordance with its obligations under the *Personal Information Protection and Electronic Documents Act (PIPEDA)*, the *Housing Services Act, 2011*, and the *Occupational Health and Safety Act (OHSA)*, will protect the privacy and confidentiality of the applicants, tenants, employees, board members, volunteers, and other stakeholders by ensuring the appropriate treatment of their personal information.

DEFINITIONS AND CLARIFICATION

PURPOSE AND SCOPE

PURPOSE

The purpose of this policy is to ensure compliance with the PIPEDA and the *HSA, 2011 Ontario Regulation 367/11 s.145*. Together, these pieces of legislation set out standards for the collection, use, disclosure, and protection of personal information gathered through the administration and operation of non-profit housing.

This policy also sets out the conditions under which personal information may be shared with staff or volunteers in order to protect them from experiencing workplace violence, harassment, or domestic violence in the workplace in accordance with the *Occupational Health and Safety Act*.

SCOPE

This policy applies to the personal information collected by the non-profit from applicants, rent-geared-to-income and market rent tenants, staff, board members, volunteers, and others.

Privacy Officer

Refers to the individual responsible for the organization's compliance with all privacy legislation.

Personal Information

Refers to the following types of information:

- a. an individual's personal address, telephone number, or email address;
- b. any identifying number assigned to an individual which can lead to their identification (e.g. Social Insurance Number);
- c. information regarding an individual's income and assets;
- d. bank account and credit card information;
- e. information about rent payment history;
- f. information relating to the race, national or ethnic origin, citizenship status, colour, religion, age, sex, sexual orientation, marital or family status of an individual;
- g. information relating to the education, medical, psychiatric, psychological, criminal or employment history of the individual;
- h. credit and rental history reports;
- i. financial information for the purposes of establishing rent-geared-to-income assistance;

- j. an individual's blood type or fingerprints;
- k. information about an individual's personal or political opinions;
- l. correspondence sent to *Harry Sherman Crowe Housing Co-operative* that is of a private or confidential nature, and any replies from *Harry Sherman Crowe Housing Co-operative* that would reveal contents of the original correspondence;
- m. the individual's name if it appears with other confidential information (e.g. rental arrears reports); and,
- n. employee information including résumés, salary and benefits, disciplinary action, bank account information, tenant complaints about the individual, and problems between staff.

The Non-Profit

Refers to the organization whose board of directors has approved this policy.

Unauthorized individual

Refers to an individual who is not authorized to view the personal information in question.

1. THE PRIVACY OFFICER

PROCEDURE

- a. The non-profit will appoint a member of the board to act as the privacy officer for the organization.
- b. The responsibilities of the privacy officer:
 - I. to review the non-profit's policies and practices with regard to personal information;
 - II. to implement the necessary changes to guarantee that the collection and retrieval of personal information follow the non-profit's policy;
 - III. to inform the members/ tenants and public on how the non-profit treats personal information; and,
 - IV. to respond to complaints, questions, and requests for personal information made under this policy.
- c. The non-profit will, on all forms which pertain to the collection of personal information; identify the name and title of the privacy officer, along with contact information.

1. COLLECTION OF INFORMATION

Personal information will be collected only for the following purposes:

- a. to approve membership / tenancy and determine appropriate unit type and size;
- b. to determine income and assets for rent calculation;

- c. to demonstrate compliance with funding requirements;
- d. to protect the health and safety of the tenant;
- e. to ascertain service levels required in special needs housing;
 - f. to conduct reference and employment checks;
 - h. to retain relevant information on employees for government reporting purposes; and to assist a member of staff to design and implement a Personal Safety Plan for the workplace.
 - i. Staff will not seek out personal information about members/ tenants or applicants unless it is relevant to their work (see also Section 7.0 of this policy). All documents used for collection of personal information will include:
 - I. the purpose(s) of the collection;
 - II. the reasons for collection, including the fact that the information may be shared as necessary for the purpose of making decisions or verifying eligibility for assistance under the *Housing Services Act, 2011*, the *Ontario Disability Support Program Act, 1997*, the *Ontario Works Act, 1997* or the *Day Nurseries Act*; or as authorized by an agreement under *Ontario Regulation 367/11 ss169(1) s145*
 - III. the name, title and contact information of the privacy officer who can answer questions and respond to complaints about the collection, use or disclosure of the information; and will include,
 - IV. a consent form to be signed by the applicant or members/ tenant authorizing the collection, use, verification and disclosure of the information being collected.

1. THE PROTECTION OF INFORMATION

- a. All staff, board members, volunteers, and any other individuals who may have access to applicant, members/ tenant or employee files will be required to sign a confidentiality agreement.
- b. Applicant, members/ tenant and employee files must be safeguarded against unauthorized access.
 - I. Paper copies of applicant/ members/ tenant information and employee information must be stored in a locked filing cabinet. Secure storage facilities must be provided for archived applicant/tenant/employee and accounting information.
 - II. Databases containing files with personal information, and other confidential electronic files must be password protected against unauthorized access.
 - III. Screen-savers and/or other security measures will be used to protect confidentiality of personal information on computer monitors.
- c. Access to records containing personal information will be granted only if access is required in order to fulfil the designated individual's duties.
- d. When communicating members/ tenant issues to the board, staff will use non-identifying information as much as possible. For example, arrears reports will use codes in place of the

actual names of members/ tenants, or summary information will be provided.

- e. All staff has a responsibility to ensure that unauthorized individuals do not have unsupervised access to areas where files are kept and used.
- f. Personal information will be disposed of at the end of the required storage period for tenant records; 5 years after the tenant has moved out, and 7 years after the end of the fiscal year for financial records.
- g. Paper-based personal information must be shredded prior to disposal. Electronic media must be purged prior to disposal.

1.

RELEASE OF INFORMATION

- a. No personal information will be released to third parties without the written consent of the individual (for example: credit references, members/ tenant or personal references). When responding to inquiries for references, staff must limit information provided to the questioner and confirm only the information already provided by the individual making the inquiry.
- b. It is not necessary to have a signed consent to release information to collect a debt, for example to a collection agency, or for a Landlord Tenant Board or Small Claims Court action.
- c. Staff will confirm the identity of the people to whom information is released.
- d. Personal information will be released to the following:
 - 1. Funders and Auditor: The non-profit, in order to be in compliance with funding program requirements, must release information to funders and auditors. People doing these jobs have their own professional code of ethics and are required to maintain confidentiality. Staff will confirm that the person concerned is seeking access legitimately.
 - 2. Access Centre: As part of its responsibilities to the co-ordinated access system, the Co-operative will provide the access system with information about members/ tenants who have left in arrears. This information will be used by the co-ordinated access system as part of their screening process for applicants for non-profit housing.
 - 3. Researchers: Occasionally, the non-profit may be asked to assist an approved accredited researcher. Authorization to have access to files will depend on their credentials and the nature of their research. The board of directors must approve all such requests for personal information.
 - 4. Credit Bureaus: Information on orders or judgements for money owing will be provided to any credit bureau of which the non-profit is a member.
 - 5. Law Enforcement: While the non-profit has a responsibility to protect the right to privacy of applicants and members/ tenants, this responsibility must be balanced with an obligation to protect the broader community. Law enforcement agencies requesting personal information about applicants, members/ tenants, employees, board members or volunteers, for example confirmation that they live or work at the non-profit, will be required to provide a written request or "warrant" before information will be released.

Personal information may be released to the police:

- 1. In the context of reporting criminal activity, staff with personal knowledge will report the incident.

- II. With respect to crimes against persons, witnesses are obligated to report and provide appropriate information to the police so that charges can be laid.
 - III. If there is a substantiated reason to suspect criminal activity, such as drugs or gangs, staff with knowledge of the activity will report it to the police.
 - IV. Victims of crimes are responsible for reporting the crime directly to the police. However, if the victim is a child or a person with a disability that renders them incapable of making the decision to report, and an individual has knowledge of this crime, the legal responsibility lies with all citizens and the non-profit to report the crime to the police.
 - V. In the case of suspected child abuse, information will be provided to the Children's Aid Society. (This duty to report is required under Section 72 of the *Child and Family Services Act*.)
- 6. Health and Safety Officials: Personal information will be provided to outside agencies, individuals and institutions when it can be clearly identified as contributing to the applicant or members/ tenant's benefit, for example, information about an individual's medical condition to the paramedics or fire department.
 - 7. Next of Kin or Emergency Contacts: It may be appropriate to use personal information to contact a community service agency or a designated relative in exceptional circumstances, such as, when using an emergency contact provided by a members/ tenant and held on file, or contacting medical support services when a members/ tenant is unable to function and maintain his/her membership/ tenancy.

1. ACCESS TO, AND CORRECTION OF, PERSONAL INFORMATION

- a. The privacy officer will respond to all requests for access to or correction of personal information.
- b. An individual who provides satisfactory identification will be informed of the existence, use and disclosure of his or her personal information and will be given access to that information. The privacy of others' personal information must be protected when giving an individual access to their own personal information.
- c. However, if the privacy officer believes that releasing personal information to an individual would prejudice the mental or physical health or security of any person, he or she will not release the information.
- d. Information contained in the file will be reviewed prior to providing access to the file and may be redacted or edited as necessary to protect the privacy and personal information of others.
- e. An individual will be able to challenge the accuracy and completeness of the information and have it amended as appropriate. If the privacy officer is not in agreement with the individual's request for correction, a written counter-statement explaining why the information should not be amended will be provided to the individual and filed with the original information.

1. PROCEDURE FOR HANDLING COMPLAINTS

- a. The privacy officer will respond to all complaints about collection, use, disclosure, storage and disposal of personal information within thirty (30) days of the request being made, and advise the complainant as to the action that has been taken.
- b. Each complaint will be assessed to determine whether:
 - I. the collection of personal information is necessary;
 - II. the information was collected, used, released or disposed of inappropriately;
 - III. the non-profit's policies and procedures need to be modified; or,
 - IV. Disciplinary or other action needs to be taken with respect to a breach of a confidentiality agreement.
- c. Where necessary, the privacy officer will make the necessary recommendations to the board of directors in connection with resolution of the complaint.

1. PREVENTION OF WORKPLACE VIOLENCE

- a. The non-profit, as part of its Workplace Violence and Workplace Harassment policies, must notify staff, contractors, casual workers, and volunteers if there is the risk of workplace violence from any person (including members/ tenants and co-workers) with a history of violent behavior if:
 - I. they can be expected to encounter that person in the course of their work, and,
 - II. the risk of workplace violence or harassment is likely to expose them to physical injury.
- b. Members/ Tenant and employee personal information, disclosed in accordance with the non-profit's Workplace Violence and Workplace Harassment policies, is permissible and will not be considered a breach of confidentiality.

1. BREACH OF CONFIDENTIALITY

- a. The following constitute breaches of confidentiality:
 - I. Discussion of any confidential information within or outside the organization where it may be heard by individuals who are not authorized to have access to that information.
 - II. The provision of confidential information or records to unauthorized individuals.
 - III. Failing to secure written or electronic personal information which results in the information being visible, or potentially visible, or distributed to unauthorized individuals.
 - IV. Deliberately accessing confidential material that is not required by that individual in the performance of their duties.
- b. A breach of confidentiality may be grounds for staff to be disciplined or terminated.
- c. A breach of his or her confidentiality agreement may be grounds for a board member to be removed as a director of the corporation. A board member who breaches confidentiality

may not be covered by *Harry Sherman Crowe Housing Co-operative Inc.*'s insurance if he or she is sued for libel.

- d. All others associated with the non-profit who sign a confidentiality agreement (volunteers, contractors, etc.) will be held to the same standard as staff and board members.

Policy ___ of Harry Sherman Crowe Housing Co-operative Inc. passed by the Board of Directors at a duly constituted meeting held on _____.

POLICY ON DEALING WITH REVIEWS

Date Passed:

The Housing Services Act, s. 155-156 requires the City of Toronto, as service manager, to have a system under which households can request reviews of housing provider RGI decisions. All RGI Administrators/ housing providers carry out their own reviews of all other decisions about RGI household's through the "Review Body". In addition to the formal decision-making process of a "review body", RGI Administrators can review decisions informally when a household requests a review. Being able to solve problems informally allows the opportunity to improve the efficiency and outcome.

Rules for reviews

The following rules apply to a review requested under section 156 or 157 of the *HSA*:

1. The review body may substitute its decision for the decision that was reviewed.
2. The review body shall give its decision in writing and shall give reasons in writing.
3. The review body shall give notice of its decision and reasons to,
 - i. the person who requested the review,
 - ii. the person who made the decision that was reviewed, and
 - iii. any housing provider that was given notice, under subsection 53 (2) or 66 (2), of the decision that was reviewed.

Consideration Given to Members:

- Members should be given the Information they need to fully understand a decision.
- Have the right to request an in-person hearing and the right to bring someone of their choosing to the hearing.
- The hearing should be procedurally fair and without biases

Rules for appointment and removal of members of the "Review Body"

There shall be an appointment of four members to the body. Three of which shall be non-Board members, and one of which will be a sitting Board member.

The Board member chosen by the Board shall be done so during a Board of Director's meeting. The remaining three members of the review body shall be appointed during a general meeting for which all co-operative members were invited. Three members will either volunteer or be recommended, and will then be subject to a vote.

Governing Rules for Review Body

- No one who participated in the decision may participate in the review as a member of the review body.
- Members of the review body must be knowledgeable about the Act and Regulations

- No one who discussed the decision with the decision maker may participate in the review as a member of the review body.
- No member of the review body may discuss the decision with the decision maker except during the course of the review.

A household can ask for a review of these types of RGI Administrator decisions:

- Eligibility for RGI assistance (initial eligibility issues or those applying to resident households)
- Size and type of unit that a household is eligible for (most common - Is the household eligible for unit they occupy or are they over housed under local occupancy standards)
- Priority category (for Internal transfer)
- Amount of RGI rent payable - Notice of Decision Letter Once a written request for a review has been submitted to the office within the 30-day period that the household is required, it's the responsibility of the housing administrator to contact the "review body" and inform them of the request for a review. A member of the "review body" will review the information and meet with the member(s) and explain the process taken when determining the decision.

Request for Review- Loss of Eligibility for Rent Geared-to-Income Assistance

When issuing a decision that a household is no longer eligible for RGI assistance the housing provider must include the City's Request for Review Form with the Notice. RGI assistance must be reviewed by your staff:

- annually,
- when an RGI household notifies you of a change in income, assets, or household composition,
- at other times if the service manager requires it, and
- before you offer a unit to a household applying for RGI assistance.

✓ A notice for Loss of Eligibility for RGI could be served to a household if they don't meet the requirements such as:

- Did not provide Information for Annual Review of income and assets
- Did not report Mid-Year changes in income or who lives in the household
- Did not try to obtain Income
- Failure to Obtain Income
- Absent from the unit more than 90 days than permitted under the Local Absence from Unit rules
- Over housed under local Occupancy Standards/refused offers
- Did not divest leased or owned residential property when issuing the notice of Loss of Eligibility for RGI, the "Request review form" (copy attached) should be attached to the notice. Staff will need to inform the Member household that the form must be submitted to the City of Toronto – Review Body, within 30 days after receiving the Notice of Decision Loss of Eligibility for Rent Geared-to-Income Assistance.

Types of income and RGI reviews

- initial review—to assess factors for eligibility of a household, conducted before the offer of assistance is finalized
- annual review—to ensure a current household is still eligible for assistance, conducted once in a 12-month period
- in-year review—to assess impacts on continued assistance, conducted when household reports various changes and before the next annual review

Annual Reviews:

Dates for annual reviews Plan the annual review so that RGI rent changes will take effect on one of the following dates:

- same day for all households in the building
- anniversary of the day that a household took occupancy of a unit
- anniversary of the household's last annual review

Although RGI administrators can decide to change annual review dates, this is not recommended. However, if the annual review date is changed, it cannot require the use of a different tax year's NOA than would have been used for the original review date.

To Prepare for Annual Reviews:

The Board and Property Managers will cooperate with each other to ensure that all households know that it is time to submit annual income and RGI review documents and the importance of submitting them on time.

The communication tools that shall be used are:

- leasing interviews or other in-person meetings, where applicable
- emails and letters
- bulletin boards

Within reason, the Co-op can extend the deadline to provide annual income and RGI review documents to allow flexibility and prevent losses of eligibility. Special Priority members who believe they could be at risk of being abused if they must provide such documents will be noted as exempt by the Co-op upon sharing such information with the property office staff.

RGI administrators must use care and discretion in removing RGI eligibility for not providing documents. The RGI administrator must have either met face to face with members of a household or discussed getting the documents with family members or support agency staff, with the household's consent. If all efforts to get the documents fail, the RGI administrator can then issue a notice that the household is losing eligibility for RGI assistance. RGI administrators may withdraw this notice, if the requirements are met, or reissue it with a new due date.

Reporting

- Households must notify the Co-op within 30 calendar days of the following changes or events:
 - Household composition has seen a permanent change.
 - A household member ceases to be a full-time student.

- A member of the household begins or stops receiving social assistance, such as OW or ODSP.
- A member of a benefit unit has a permanent increase in income that causes the benefit unit to exceed their non-benefit income limit.
- A member of the household has had their taxes reassessed or additionally assessed.

Households not reporting changes may lose their eligibility for RGI assistance. They must provide documentation for these changes or events, which the Office staff must then add to the household's file.

Exceptions:

- If the household has a member who gave birth to a child in Canada , they may report the addition at the next annual review point
- A sole resident of a household, absent from their unit for any one of the following reasons, must report the in-year change and provide documents within 30 calendar days of returning to the unit
 - Required medical care
 - Is in jail awaiting trial
 - Has a bail condition that prevents their return to the unit
- The exception for absence above applies when the household does all the following—
 - informs the RGI administrator of their absence
 - provides acceptable documentation of the reasons for the absence
 - offers proof of their return date

Changes or events that are grounds for an in-year review

Initial and additional in-year reviews for any of the following reasons:

- there has been a reduction in net household income of at least 20% since the most recent income and RGI review
- there has been a permanent change in the household composition
- a member of the household has begun full-time attendance at a recognized educational institution
- a member of the household has ceased to be in full-time attendance at a recognized educational institution
- a member of the household has started to receive, or stopped receiving OW or ODSP
- any member of the household has had their income tax return reassessed
- the housing provider projects that the non-benefit income of a benefit unit will exceed the non-benefit income limit

For household members with no changes in income, RGI administrators must use the income from the most recent annual income and RGI review. At the time of an in-year review, only household members who have experienced a change as described above must sign a new Consent & Declaration Form. Some in-year reviews will require the use of the approximated net income method

Notice of Decision

This must be issued in the following circumstances:

- the housing provider refuses to offer a unit to an applicant household
- the household RGI rent has been recalculated due to an annual or in-year review
- the household no longer qualifies for the special needs unit in which they live
- the household has become over-housed
- the household is no longer eligible for RGI assistance

For over-housed and loss of eligibility decisions, RGI administrators must use the City's mandatory forms on RGI Forms and Tools.

Loss of eligibility for RGI assistance

When making a decision to remove eligibility for RGI assistance, RGI administrators must download and use the following City forms, both on RGI Forms and Tools:

- Notice of Decision - Loss of Eligibility for Rent-Geared-to-Income (RGI) Assistance
- Request for Review Form
- LOE Certificate of Service To be valid, Notice of Decision documents must be complete

What shall be contained in a Notice of Decision

The Co-op must notify the household of any RGI decision by sending them a Notice of Decision within **seven business days** after making the decision. The notice must include the following:

- date of the decision
- decision
- effective date of the decision (For more information, refer to “Effective dates for decisions.”)
- reasons why the decision was made
- information about how to request a review of the decision (if it is eligible for review) and the deadline for requesting it

Board of Directors Responsible to ensure that the Co-op's System for Dealing with Reviews are being followed:

- Regular reports should be given **to** the Board from the Management Staffs and Review Bodies
- Board may ask Management staff to provide a blank version of the Income/Asset Verification package sent to households and verify if it includes the proper information about review opportunities and notice periods.
- Board member who sits on the Review Body will ensure the system is being followed.

Harry Sherman Crowe Housing Co-operative Inc.

By-law No.

SPENDING BY-LAW

Passed by the Board of
Directors on .
Confirmed by the Members
on .

This *Spending By-law* sets out the rules for how the co-op's money is spent and who must give permission for each type of spending. The *Spending By-law* takes priority over all decisions of the board and of the members regarding spending.

1 Operating expenses

Article 1.1 The Occupancy By-law says that each year the members will approve an operating budget for the next fiscal year. The board has the authority to spend the operating funds of the co-op in each fiscal year up to the amount of the complete operating budget.

Unless the members decide otherwise at the time of budget approval, the board can use a surplus in one category of expense to offset a deficit in another category within the budget.

Article 1.2 Individual members and committees of the co-op may not authorise expenditures or otherwise make financial commitments on behalf of the co-op unless the board has given them explicit authority to do so.

Article 1.3 The board may delegate authority to spend funds to the staff of the co-op within the limits it sets. The board may also delegate spending authority to committees for a specific expense or type of expense within the limits it sets.

Article 1.4 No person may initiate or approve any expense or purchase where that person has any conflict of interest in the matter.

Article 1.5 The board may feel that there should be a change in the

total operating expenses and/or housing charges during a fiscal year. If so, the board must call a special meeting of the members to consider the change. Procedures are set out in the Occupancy By-law.

2 Budget control

Article 2.1

The board will receive a monthly budget control report. The report will compare budgeted income and expenses to actual income and expenses.

Article 2.2

The board will also receive a written budget review every month. This report will:

- compare budgeted income and expenses to actual income and expenses
- show the projected income and expenses for each category in the budget for the rest of the year
- provide a written explanation of any projected actual surplus or deficit.

Normally the Finance Committee will review budget reports and give its comments to the board.

3 Capital expenses

Article 3.1

The board must prepare a capital budget if it is planning capital expenses. The budget will be presented to a meeting of the members for approval. The capital budget must show:

- the proposed capital expense(s)
- the proposed source of funds, and
- the impact of the proposed expenses on the co-op's current and future operating budgets.

The board must follow the procedures set out in the *Occupancy By-law*.

Article 3.2

Members' approval of the capital budget will authorise the board to spend the co-op's funds for capital expenditures for the purposes and from the sources specified, to a maximum of the total expenditures in the budget.

Article 3.3

The board must directly approve contracts and other documents that commit the co-op to spend significant amounts of capital funds. The board can delegate authority to the staff to spend lesser amounts. When the board delegates authority, it must set limits on the amounts staff may spend and give any specific directions relating to the expenses that it considers appropriate.

Article 3.4

No person may initiate or approve any capital expense or purchase where that person has any conflict of interest in the matter.

4 Emergency expenses

Article 4.1

Emergency expenses are those expenses the co-op must make immediately because a delay will

- risk property damage, or
- endanger the safety of persons or property, or
- disrupt essential services to members (for example, light and power, heat, hot water, refrigeration, cooking).

Article 4.2

The board can authorize any unbudgeted emergency expenses on the co-op's behalf without further authority from the members. The board may delegate authority for emergency expenditures to co-op staff or to any other persons.

Article 4.3

All unbudgeted emergency expenses must be reported to the board. Significant unbudgeted emergency expenses must be reported by the board to the members.

5 Fair, open and objective business practices

Article 5.1

The co-op will follow fair, open and objective business practices in all its purchasing and contracting. Its spending practices and awarding of contracts must be consistent with the co-op's Conflict of Interest By-law.

Article 5.2

The following rules apply to all spending except for routine or non-discretionary expenses such as property taxes, mortgage payments, utilities and existing salaries (once a staff position and salary have been approved).

(a) Expenses under \$2,000

The board is not required to get written quotes for expenses under \$2,000, but must take a prudent approach to spending at every level.

(b) Expenses between \$2,000 and \$14,999

The board will get three written quotes before approving a discretionary expense between \$2,000 and \$14,999.

The board may waive this requirement on a case by case basis where

- the co-op has used a particular supplier or contractor regularly, or participates in a bulk-buying program, and
- has found that their prices on particular items or services are competitive.

If this per unit comparison is done, even if the total

cost exceeds \$14,999, the co-op will not have obtain new quotes.

The co-op must review the prices of regular suppliers and contractors every year to see if their prices remain competitive. Where the co-op has a contract, the co-op must review prices at the end of the contract.

There will be no automatic renewal of any contract or agreement.

(c) Contracts of \$15,000 or more

The board must tender contracts and agreements of \$15,000 or more.

The board may waive this requirement on a case by case basis. In these cases, the board must get three written quotes before approving the expense.

Contracts or agreements costing \$15,000 or more must contain a clause allowing the co-op to terminate the contract or agreement without penalty where there has been a breach of the co-op's Conflict of Interest By-law.

There will be no automatic renewal of any contract or agreement except in extraordinary circumstances.

Article 5.3

Choosing a quote or tender

When choosing a quote or tender the board must:

- consider the quality of goods and services to be provided, and
- base its decision on written documents outlining

resources, timing, cost and fees.

The board does not have to choose the lowest quote. It may choose another quote for reasons such as quality, experience and timing. If it does not choose the lowest quote, it must document the reasons for its choice in the minutes.

PASSED by the Board of Directors and sealed with the corporate seal of the Co-op on _____.

President

(corporate seal here)

Secretary

CONFIRMED by at least two-thirds of the votes cast at a General Members' Meeting on _____.

President

(corporate seal here)

Secretary

TAB C

Rent-geared-to-income Processes

See Also: Pages 129-168 of the RGI Administration Manual

Currently the RGI minimum is 50% of the units housed at Harry Sherman Crowe Housing Co-operative.

Although there remains a low turnover rate for RGI units at the Co-op, the RGI Committee members must look to Internal Transfers and the Centralized Waiting list to fill RGI units. This means that these units can be filled externally or internally. Where there are members who become eligible for RGI subsidies, they will still need to be an applicant present on MyAccessToHousingTO and Centralized Waiting List in order to receive an RGI unit. They will retain priority based on the date they began living in the Co-op.

When filling RGI unit there are many factors to take into consideration, such as priority, and whether the vacancy will be filled Internally *or* externally. Choosing an RGI applicant for an RGI designated unit can be done so from the following:

- Centralized waiting List-City-Housing Connection
- The providers' Internal Transfer List

The Housing Services Act regulations for the RGI program inform this policy with respect to RGI Administration and Compliance.

Housing providers under the HSA are responsible for the following:

- maintaining internal transfer and market waiting lists
- ensuring their leases and related documents comply with the requirements for RGI leases
- posting and filling RGI vacancies using the CWL and MyAccessToHousingTO
- administering RGI by determining eligibility, verifying income and calculating RGI rent
- providing housing to households that are homeless or hard to house
- providing special-needs housing
- complying with the HSA, the RGI Administration Manual and its associated City Guidelines, including Local Rules
- providing accurate and timely information to the public
- having RGI related policies for
 - guests
 - internal transfers
 - in-situ subsidies
 - reviews of RGI decisions
 - medical exemptions for absences and additional bedrooms

Internal Transfers

This refers to RGI households who want to transfer to another unit within the co-op.

The Housing Provider will offer vacant units to individuals in the following priority:

1. to geared-to-income or special needs members who have requested an internal transfer and been given special priority status under Government Requirements
2. to members who have to make a required transfer under this By-law. They will be ranked in the following order:
 - o section 3.9 (Overhoused Geared-to-Income)
 - o section 3.10 (Special Needs – Modified Units)
 - o section 3.11 (Special Needs – Support Services)
3. to members on the Internal Waiting List who are required to transfer under the Co-op's by-laws
4. to members who have requested an internal transfer
5. to external applicants.

Internal Transfer List Organization

The Internal Transfer List must be organized based on the following factors:

- The number of bedrooms required by the household
- Priority designations held by the household
- By date the household was added to the internal transfer list

Process for Filling with the Internal Transfer List

1. RGI Internal Transfer member candidates must be registered with MyAccesstoHousingTO.
2. The RGI/Membership Committee will be responsible for reviewing internal transfer applications based on the priority outlined above compared to the vacant unit and will make recommendations to the Board. The Board will then make their decision on the candidate during a Board Meeting.
3. The Board will send the household an offer in writing.
4. The offer must state which unit is being offered and date when the unit is available
5. If the Board is unable to make contact with the member after 48 hours, the unit will be offered to the next eligible member but the original member offered the unit will retain their priority in the list.
6. There will be a viewing scheduled of the unit.
7. The Board must inform household that they have 48 hours to attend the office and sign a form for acceptance or provide their refusal in writing.
8. The Board must provide written acknowledgement of the response.
9. The Board must update Internal list chart by adding any notes of offering or refusing, if the was accepted, and what unit they transferred to.
10. If unit has been accepted, a request in writing must be made for most current income Information for each member of the household over the age of 16.
11. Determine rent amount based on the market rent of the unit and the RGI subsidy information
12. The Board must have the internal member sign an occupancy agreement and provide unit key, mailbox, and any other information relating to the unit.
13. The Board must update all information and store it in tenant's file.
14. The member must vacate their previous unit and move into the new unit on the specified date.

Annually, Co-op staff shall ensure that RGI households complete an assessment of their income and state the names occupying the unit. The RGI Committee shall review the annual changes for RGI members.

If an over-housed household is made an offer from the internal transfer list, the Co-op's RGI/Membership Committee will post the vacancy to MyAccessToHousingTO and link the offer to the household. MyAccessToHousingTO will notify the Co-op of any required instructions relating to eligibility for RGI assistance.

The Co-op will continue to fill all resulting vacancies until they have completely exhausted their internal transfer list of SPP and over-housed households.

All accepted internal transfers for RGI households, including SPP and non-priority transfers, must be recorded as "Housed" on MyAccessToHousingTO once the household has moved. The household's address must be updated to allow for proper tracking of RGI vacancies

If any vacancies remain after considering RGI units who hold special priority or are over-housed, the co-op can fill the vacancy using the remaining RGI internal list, the Centralized Waiting List, and finally, as a last resort – a market rent household. The RGI/Membership Committee must document all decisions and considerations with respect to the internal and centralized lists in writing.

Filling RGI Units using the Centralized Waiting List

Applicants for RGI subsidies must be on the City's Centralized Waiting List which is managed by MyAccessHousingTO. **All offers made for RGI units, must be made to applicants contained in the CWL.** In-situ applicants (market rent households applying for RGI assistance in their current unit) are backdated on the CWL to the date of their original application or lease agreement. The Co-op should upload a copy of the original market rent application or lease and create a service ticket in MyAccessToHousingTO to change the household status to in-situ.

If the Co-op learns that a household is over-housed, they must place that household on the CWL.

Process for Offer and Acceptance

1. If special priority and over-housed internal transfers have been considered and exhausted for a vacancy, the RGI/Membership Committee will review the first five (5) eligible applicants printed from the CWL and any RGI internal transfer requests. They will recommend to the Board which member to offer the unit to based on their eligibility and needs. The RGI Administration Manual outlines that every seventh (7th) RGI vacancy must be filled by a household hold a Disadvantaged rating (DA). RGI Committee members must ensure to document in writing turnovers and offers to disadvantage households.
2. Board will call the applicant and offer unit.
3. Board will Schedule a viewing of the unit.
4. The Board will inform the applicant that they have to provide 24 hours to submit response; acceptance or refusal of the unit.

5. Co-op staff must enter all notes of all action taken and dates, RGI Committee must ensure to provide a copy of all information to the applicants.
 6. Once the applicant has provided their response, RGI Committee will need to update MyAccessToHousingTO.
 7. If the applicant accepts the offer, the following Information Is requested by Co-op staff to determine their rent amount.
 - Fill in a site application form
 - Fill in a RGI form
 - Submit supporting documents for each individual listed on the subsidy application printed out from MyAccessToHousingTO
 - Photocopy all personal information
 - Obtain confirmation of status in Canada
 - Obtain Income information for everyone over the age of 16
 - Obtain 2 months of bank statements, investment statement for everyone over the age of 16
 - Obtain school information for children over the age of 16 who are registered in school
 - Process credit and landlord check once all the above has been approved contact the applicant to Inform the Move-In Date and to sign lease agreement (everyone over the age of 16 must sign agreement} and must Indicate Move In date and unit by updating Housing Connections.
- ✓ A checklist has been provided for each process:
- New application procedures
 - Move-In/Out process
 - Transfer procedures for member/tenant

TAB D

**Harry Sherman Crowe Housing Cooperative
Budget
July 1, 2022 to June 30, 2023**

Budget Contents

	<u>Pages</u>
Budget	3-6
Assumptions	7

The Harry Sherman Crowe Housing Coop
OPERATING BUDGET
WORKSHEET
July 2022 through to June 2023

ACCOUNT & DESCRIPTION	Budget 2020-2021	Budget 2021-2022	Actuals		Budget 2022-2023
			Jul 2021 - Dec 2021	YE - Forcast Straight Line	
Ordinary Income/Expense					
Income					
5999 · Housing Charges					
6000 · Market Housing Charges	1,027,583	1,088,160	521,057	1,042,114	1,101,216
6010 · RGI Housing Charges	1,215,365	1,175,628	609,994	1,219,988	1,189,740
Total 5999 · Housing Charges	2,242,948	2,263,788	1,131,051	2,262,102	2,290,956
6001 · Vacancy Loss - Market	0	(13,155)	0	(13,155)	(13,155)
6011 · Vacancy Loss - RGI	(10,596)	(10,596)	(2,642)	(5,284)	(5,284)
6013 · Subsidy Revenues					
6060 · Property Tax Subsidy	162,092	168,532	77,062	154,123	168,533
6061 · Operating Subsidy	530,013	525,149	262,575	525,149	525,149
Total 6013 · Subsidy Revenues	692,105	693,681	339,637	679,272	693,682
6064 · Other Revenues					
6100 · Sector Support Revenue	0	23,485	11,784	23,568	23,568
6200 · Interest & Investment Income	5,604	0	0	0	0
6203 · Parking Fees	58,976	84,144	32,373	64,747	84,144
6204 · Laundry Income	30,100	25,633	3,448	6,896	10,000
6207 · NSF and Late Fees	475	1,309	0	0	1,309
6210 · Comercial Parking Revenue	55,288	18,292	8,308	16,617	16,617
6220 · Miscellaneous Revenue	2,872	11,442	495	990	990
Total 6064 · Other Revenues	153,315	164,305	56,408	112,818	136,628
Total Income	3,077,772	3,098,023	1,524,454	3,035,753	3,102,827
Expense					
7000 · Property Management Fee	169,895	147,719	73,860	147,719	90,000
7020 · Bad Debts	3,000	3,000	0	0	3,000
7010 · Municipal Property Tax	169,271	168,533	0	168,533	168,600
7015 · Property Boiler & Liab. Ins.	69,319	89,000	0	0	80,000
7029 · Total Utilities					
7030 · York U Hydro Electric	241,214	155,000	44,358	88,717	160,000
7031 · Enbridge Gas	68,014	83,000	3,908	7,815	83,000

The Harry Sherman Crowe Housing Coop
OPERATING BUDGET
WORKSHEET
July 2022 through to June 2023

ACCOUNT & DESCRIPTION	Budget 2020-2021	Budget 2021-2022	Actuals		Budget 2022-2023
			Jul 2021 - Dec 2021	YE - Forcast Straight Line	
7040 · York U Admin Fee	245	0	0	0	
7032 · York U Water and Sewage	174,749	195,000	70,395	140,790	200,000
7033 · Waste Disposal Mngmnt Utilities	45,143	42,719	25,812	51,624	51,625
Total 7029 · Total Utilities	529,365	475,719	144,473	288,946	494,625
7049 · Total Mortgage & Capital					
7060 · Contribution to Capital Reserve	106,119	116,730	58,365	116,731	120,000
7120 · On Call Expense	0	27,000	0	0	20,000
Total 7049 · Total Mortgage & Capital	106,119	143,730	58,365	116,731	140,000
7110 · Maintenance Contractor	78,780	75,000	41,146	82,293	72,000
7199 · Total Maintenance Contracts					
7201 · Elevator Contracts	22,612	23,902	7,755	15,510	17,510
7203 · Grounds Contracts	12,312	23,000	0	31,640	31,640
7204 · HVAC Contract	848	4,755	14,134	28,269	34,000
7206 · Security Contract	426	84,000	33,809	67,617	70,000
7207 · Snow Removal Contract	31,541	26,000	0	31,075	31,075
Total 7199 · Total Maintenance Contracts	67,739	161,657	55,698	174,111	184,225
7299 · Total Maint. Material Supplies					
7300 · Cleaning Supplies	0	817	0	0	0
7303 · Hardware Supplies	4,120	0	0	0	0
7305 · Paint Supplies	703	687	285	570	684
7307 · Plumbing and Heating Supp.	8,992	13,110	5,066	10,131	12,158
7308 · Other Maintenance & Supplies	31,318	20,808	13,569	27,138	32,566
Total 7299 · Total Maint. Material Supplies	45,133	35,422	18,920	37,839	45,408
7319 · Maintenance & Repairs					
7326 · Appliance Repair	2,813	31,303	290	580	696
7330 · Carpet Cleaning	2,000	3,835	2,415	4,830	5,796
7335 · Compactor Shute Repair	1,751	385	0	0	0
7338 · Doors & Locks	6,604	6,462	0	0	0
7342 · Electrical Inspection	167	2,051	0	0	0
7343 · Electrical Repairs	6,265	13,619	0	0	0

The Harry Sherman Crowe Housing Coop
OPERATING BUDGET
WORKSHEET
July 2022 through to June 2023

ACCOUNT & DESCRIPTION	Budget 2020-2021	Budget 2021-2022	Actuals		Budget 2022-2023
			Jul 2021 - Dec 2021	YE - Forcast Straight Line	
7345 · Elevator Inspection / License	1,717	694	330	660	792
7346 · Elevator Non Contract	0	0	0		
7356 · Fire System Inspection	1,865	6,447	8,422	16,844	20,213
7357 · Fire System Supply & Repair	6,969	3,909	0	0	0
7360 · Garage Cleaning	28,485	0	0	0	0
7361 · Garage Door Repair	3,599	1,813	6,333	12,666	15,200
7362 · Garbage Bins	1,743	1,864	450	900	1,080
7363 · Generator Maintenance	601	0	0	0	
7364 · General Repair and Maint.	10,495	3,854	2,393	4,786	5,744
7367 · HVAC Non Contract	8,822	832	0	0	0
7374 · Painting	180	3,489	0	0	0
7376 · Pest Contron	14,950	14,465	4,422	8,843	10,612
7378 · Plumbing Repairs	29,930	21,791	2,998	5,996	7,195
7379 · Roof and Eves	4,500	0	0	0	0
7385 · Security Cameras	1,000	0	0	0	0
7386 · Small Tools & Vaccuum Repairs	500	0	0	0	0
7399 · Window and Glass Repair	0	564	0	0	0
7400 · Unit Turnover Paint	7,000	0	0	0	0
7401 · Unit Turnover Floors	5,230	0	0	0	0
7501 · Annual General Meeting	521	0	0	0	0
Total 7319 · Maintenance & Repairs	147,707	117,377	28,053	56,105	67,328
7499 · Total Administration Costs					
7504 · Baord Meeting & Members	10,352	2,614	420	840	840
7506 · Audit	9,500	9,500	4,794	9,500	9,500
7510 · Bank Fees	3,711	3,000	1,398	2,795	3,000
7513 · Computer & Softwar License	4,638	1,214	441	881	1,058
7516 · Conference & Education	260	0	0	0	0
7527 · Internet	475	2,588	528	1,056	1,400
7528 · Legal	5,000	15,000	16,968	33,935	15,000
7530 · Membership Fee CHFT	7,950	8,699	4,350	8,699	8,699

The Harry Sherman Crowe Housing Coop
OPERATING BUDGET
WORKSHEET
July 2022 through to June 2023

ACCOUNT & DESCRIPTION	Budget 2020-2021	Budget 2021-2022	Actuals		Budget 2022-2023
			Jul 2021 - Dec 2021	YE - Forcast Straight Line	
7531 · Membership Fee - CHFC	8,006	9,361	4,680	9,361	9,361
7535 · Office Equipment New and Repair	4,463	0	0	0	
7532 · Miscellaneous Expense	2,334	11,290	12,819	25,637	2,000
7536 · Office Supplies	3,470	2,078	623	1,245	1,500
7538 · Penalties Paid	6,996	0	0	0	0
7539 · Postage & Courier	357	336	0	0	0
7540 · Photocopy Lease / Printing	3,564	3,000	1,675	3,350	3,000
7544 · Telephone, Basic & Cell	12,099	13,000	6,630	13,261	13,000
7602 · Social Committee & Education	5,596	0	2,024	4,048	5,000
Total 7499 · Total Administration Costs	88,771	81,680	57,350	114,608	73,358
TOTAL OPERATING EXPENDITURES	1,475,099	1,498,837	477,865	1,186,885	1,418,544
Mortgage Costs Principal & Interest	1,604,857	1,604,777	810,534	1,621,069	1,621,069
TOTAL EXPENDITURES	3,079,956	3,103,614	1,288,399	2,807,954	3,039,613
NET BUDGET SURPLUS (DEFICIT)	(2,184)	(5,591)	236,055	227,799	63,214

The Harry Sherman Crowe Housing Coop
OPERATING BUDGET
ASSUMPTIONS
July 2022 through to June 2023

* Total Income

The revenues included in the budget maintains the revenue assumptions of the budget distributed on March 31, 2022.

There is a 1.2% increase in Market Rents commencing the July 1, 2022.

Total Annual Revenues \$ 3,102,827

* Expenses

Project Management Fee (Account Number 7000)

The project management fees have been reduced to \$90,000 down from \$147,719 in the March 31, 2022 budget to reflect the replacement of the project managers.

Security Contract (Account Number 7206)

Security Contract has been reduced to \$70,000 from \$84,000 in the March 31, 2022 budget.

Miscellaneous Expense (Account Number 7532)

Miscellaneous expense has been reduced to \$2,000 down from \$30,764 in the March 31, 2022 budget.

On Call Expenses (Account 7120)

On call expenses have been reduced to \$20,000 down from \$27,000 in the March 31, 2022 budget.

Contribution to Capital Reserve (Account 7060)

Contribution to capita reserves has been increased to \$120,000 up from \$116,730 in the March 31, 2022 budget.

* Budget Surplus

The result of the adjustments shifts the budget from a deficit position of **\$(52,709.36)** to a surplus of \$63,214.

TAB E



Serving co-ops in Durham, Toronto and York Region.



Serving co-ops in Peel and Halton Regions, and Dufferin County.



2022 Winter/Spring Education Program

Virtual Saturday Sessions Held via Zoom from January to June

Did you miss the Board of Directors’ workshop on February 26 and March 12? Not to worry, we’ve got you covered. Here are new dates –

Board of Directors

Facilitators: Mary Ann Hannant and Emily Ramirez

Part 1 – What makes a good board?

May 28 – 9:30 am – 12:00 pm

Part 2 – What makes a good director?

June 4 – 9:30 am – 12:00 pm

Fee: If your co-op is a member of CHFT, PHCHF or your local federation (or CHF Canada if there is no local federation) registration for this two-part workshop is \$100 per person for the first two people. Any additional people who register from your co-op will receive a 50% discounted rate of \$50.

Summary

Part 1 We will discuss governance and management, board accountability, the board’s legal obligations and the importance of good meetings.

Part 2 We will discuss principled leadership, director accountability and the role of individual directors.

To register, go to <https://bit.ly/3G0NqbZ>. If you have any questions about registration, contact Vaijomiy Anandarajah at reception@coophousing.com. If you have any questions about the workshop, contact Mary Ann Hannant at maryann@coophousing.com.

Thank you to our event sponsor



This is Exhibit "CC" referred to
in the Affidavit of Julie Western
Set, sworn on the 10th day of
November, 2022.

A handwritten signature in black ink, appearing to read "Mark Siboni", written over a horizontal line.

Mark Siboni
A Commissioner for taking Affidavits



Doug Rollins
Director, Housing Stability Services

Housing Secretariat
Abigail Bond, Executive Director

Housing Stability Services
Metro Hall, 6th Floor
55 John Street
Toronto, ON M5V 3C6

Tel: 416-392-0054
Fax: 416-696-3718
Doug.Rollins@toronto.ca
www.toronto.ca

May 27, 2022

Mr. Bryan A. Tannenbaum
RSM Canada Limited
11 King St W #700,
Toronto, ON M5H 4C7

Dear Sir:

Re: Service Agreement – Harry Sherman Crowe Housing Co-op.

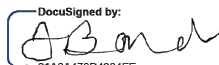
This letter is provided as notice pursuant to section 3 of the Receivership Services Agreement made the 11th day of May, 2022 (the "Agreement") between the City of Toronto and RSM Canada Limited.

RSM is hereby appointed as Receiver of the Housing Project subject to the terms of the Agreement. In accordance with paragraph 2(a)i of Schedule 1 the City requests that effective **May 30th, 2022** RSM take control, direction and possession, or any of them, of the Housing Project, the revenue and the assets of the Housing Provider, the operation and books, records and accounts of the Housing Provider or any part of them, pertaining to the Housing Project; subject to the terms of the Agreement and the authority of an interim receiver and manager appointed pursuant to paragraph 6 of section 85 of the Housing Services Act, 2011.

Capitalized terms herein have the meanings defined in the Agreement.

If you have any questions about the appointment of the interim receiver, please contact Suzana Lama, Housing Consultant, at 416-338-8210.

Sincerely,

DocuSigned by:

0196A470D4984FE...
Abigail Bond
Executive Director

cc: Doug Rollins, Director, Housing Stability Services
Julie Western Set, Manager, Housing Stability Services
Suzana Lama, Housing Consultant

Receivership Services Agreement

THIS AGREEMENT made in duplicate the 8th day of April, 2022

BETWEEN:

City of Toronto

(hereinafter called the "Service Manager")

-and-

RSM Canada Limited

(hereinafter called "RSM")

WHEREAS the City has been designated the service manager for the City of Toronto for the purposes of the *Housing Services Act, 2011* and regulations thereunder;

AND WHEREAS the responsibility for administering and funding the housing program relating to the Housing Project was transferred as of May 1, 2002 to the Service Manager;

AND WHEREAS the Housing Provider has contravened the *Housing Services Act, 2011* and the regulations thereunder;

AND WHEREAS the housing provider is unable to pay its debts as they become due;

AND WHEREAS the City selected RSM to provide receivership services for the Housing Provider;

AND WHEREAS the Service Manager wishes to appoint RSM as the interim Receiver and Manager (the "Receiver") of the Housing Project pursuant to paragraph 6 of section 85 of the *Housing Services Act, 2011* and the Service Manager and RSM have agreed to execute this Agreement which sets out further terms and conditions of the appointment;

In consideration of the mutual covenants and agreements contained herein and subject to the terms and conditions herein contained, the parties agree as follows:

1) Definitions

For the purposes of this Agreement, the following terms shall, unless the context requires otherwise, have the meanings specified in this article:

"Director, Insurance & Risk Management" shall mean the Director, Insurance & Risk Management for the City of Toronto;

"Housing Project" shall mean all or part of the residential accommodation, including facilities used for ancillary purposes, located in one or more buildings used in whole or in part for residential accommodation, owned and operated by the Housing Provider, located at 51 Chimneystack Road, Toronto, Ontario, M3J 3L9;

"Housing Provider" shall mean Harry Sherman Crowe Housing Co-op;

"Property Manager" shall mean a company hired under a property management agreement to manage the Housing Project; or staff of the Housing Provider that have been hired under an employment contract to manage the Housing Project;

“Proposal” shall mean the Proposal for Receivership Services for Social Housing Providers submitted under Request for Quotation 20099729-DS submitted by the Receiver dated January 18, 2022;

“Services” shall mean the services described in the Terms of Reference for Receiver attached to this Agreement as Schedule 1.

“**SCHEDULE**” – The following schedule is attached (as amended or replaced from time-to-time) and forms an integral part of this Agreement:

Schedule 1 Terms of Reference for the Receiver

2) Obligations of the Receiver

The Receiver shall act in accordance with and provide the Services as described in the Terms of Reference for Receiver attached to this Agreement as Schedule 1.

3) Term

This Agreement shall become effective as and from the date that the City notifies RSM in writing that it has been appointed the Receiver of the Housing Project, and shall terminate 90 days following the date of such appointment unless the parties agree to an extension of not more than a further 90 days; or unless the Superior Court of Justice extends such appointment on the application of the Service Manager pursuant to s. 95 (3) of the *Housing Services Act, 2011*

4) Termination

- a) In the event either Party wishes to terminate this Agreement they may do so by providing sixty (60) days prior written notice to the other Party. All provisions which by their terms are intended to survive the termination of this Agreement or the appointment of the Receiver of the Housing Project, shall survive the termination of this Agreement or appointment in accordance with their terms.
- b) The Service Manager reserves the right to terminate this Agreement and the appointment without cause, upon such conditions as the Service Manager may require, on 48 hours written notice to the Receiver.
- c) If the Service Manager terminates this Agreement and the appointment prior to its expiration, the Service Manager shall only be responsible for ensuring payment, from the revenues of the Housing Project or from funds provided by the Service Manager, of the Receiver’s professional fees and disbursements incurred in connection with this Agreement up to and including the date of termination. Notice of termination may be sent by registered mail or hand delivered to the last known address of the Receiver.
- d) Notwithstanding termination of this Agreement or any appointment, any outstanding obligations of either Party under this Agreement shall continue until performed or satisfied.
- e) Upon termination of the appointment pursuant to this Article 4, or the expiry of this Agreement or of the appointment of the Receiver pursuant to Article 3, the Receiver shall return control of all property, assets and books to the Housing Provider, or to another party as directed by the Service Manager, within forty-eight (48) hours of termination. Such property, assets and books include but are not limited to: all keys, invoices, books of account, leases, operating contracts, working papers, data and information which the Receiver may have in its possession pertaining to the Housing Provider and the Housing Project and/or on computer disk(s). The Receiver acknowledges and agrees that these are the sole and exclusive property of the Housing Provider. All data and information on computer disk shall be returned to the Housing Provider in a form compatible with the operating system and software of the Housing Provider’s computer(s). The Receiver shall be entitled to retain copies of records relating to its administration of the receivership.

5) Fees and Disbursements

- a) The Service Manager shall authorize payment of the Receiver's professional fees and disbursements from the revenues of the Housing Provider derived from the Housing Project, as authorized by subsection 120(3) of the *Housing Services Act, 2011*, subject to the following conditions:
 - i) The Receiver shall provide the Service Manager with a billing each month showing details of all professional fees and disbursements incurred during the prior month, which is subject to Service Manager's approval;
 - ii) The Receiver's disbursements shall consist of the Receiver's out-of-pocket expenses incurred in connection with carrying out the Receiver's duties under the appointment except for mileage and meal costs. The nature of such disbursements shall be mutually agreed to by the parties, and shall be charged on a direct cost pass through basis with no markup or other charges added.
 - iii) The Service Manager shall provide funding to the Receiver in the event that the revenues of the Housing Provider derived from the Housing Project is not sufficient to pay the professional fees and disbursements of the Receiver as well as the expenses of the Housing Project.

6) Limitations

- a) The Receiver shall not terminate any of the Housing Provider's agreements without the prior written approval of the Service Manager nor enter into any new agreements for a term in excess of the term of Receivership without the prior written approval of the Service Manager or as directed in the Terms of Reference for Receiver.
- b) The Receiver shall provide a copy of this Agreement to the Housing Provider together with the notice referred to in Section 3. .

7) Assignment

The Receiver shall not assign this Agreement or any part thereof, without the prior written approval of the Service Manager, which may be unreasonably withheld.

8) Communication And Notice

- a) All communications and notices pertaining to this Agreement shall be in writing and shall be deemed to have been given when actually received if personally delivered or if mailed by first class registered mail or sent by telegram, telecommunication or facsimile transmission, shall be deemed to be received on the second business day following the day on which it is sent, in each case addressed as follows:
 - i) To the Service Manager:
Housing Secretariat
C/o Director, Housing Stability Services
City of Toronto
55 John St, 6th Floor
Toronto, ON M5V 3C6

Telephone: (416) 392-0054
Fax: (416) 696-3718
 - ii) To the Receiver:

RSM Canada Limited

11 King St W #700, Toronto, ON M5H 4C7 Toronto, ON
Attention: Bryan A. Tannenbaum
Telephone (416) 480-0160
Direct telephone – (416) 238-5055
Fax. (416) 480-2646

9) Liability And Indemnity

- a) Save and except for the provisions of this Agreement, the Service Manager shall not be liable for any injury (including death) or damage suffered by any officer, employee, consultant or agent of the Receiver, or for the loss or damage to the property of the Receiver or the property of its officers, employees, consultants or agents in any manner or for any claims, actions, judgments, costs and expenses whatsoever against the Receiver.
- b) The Receiver agrees to indemnify and save the Service Manager harmless from all claims, liabilities, costs or expenses that the Service Manager may incur or that may be asserted against the Service Manager arising out of this Agreement to the extent that they are attributable to the gross negligence or willful misconduct of the Receiver.

10) Insurance

- a) The Receiver shall purchase and maintain in force, at its own expense (including the payment of all deductibles) and for the duration of this Agreement, the following insurance coverage, under policies in each case in a form and with an insurer licensed to operate in Ontario, and deliver to the Service Manager upon execution of this Agreement by the Receiver, a certificate of each such policy bearing an original signature of an authorized agent of the issuing insurer indicating the extent and terms of coverage, and deliver a similar certificate in connection with, and appropriately in advance of the date of effectiveness of, any replacement, renewal or modification of each such policy:
 - i) Professional Liability Insurance in an amount of not less than \$1 million per claim, which shall be kept in full force and effect for a period of time ending no sooner than Two (2) Years after the termination or expiry of this Agreement, as the case may be;
 - ii) General Liability Insurance in an amount not less than \$2 million per occurrence showing the City of Toronto as an additional insured
- b) The Receiver will review the insurance coverage maintained by the Housing Provider and shall ensure that such insurance coverage complies with the mandatory coverages required by the Housing Services Corporation for property, business interruption, crime (employee dishonesty), boiler and machinery and comprehensive general liability, with limits and deductibles satisfactory to the Director, Insurance & Risk Management. The Receiver will ensure that it is a named insured with respect to such insurance. In addition to the foregoing, the Receiver will ensure that the comprehensive general liability insurance policy:
 - i) is in the amount of not less than TWO MILLION DOLLARS (\$2,000,000.00) for each occurrence;
 - ii) adds the Service Manager and any subcontractors of the Receiver as additional insureds;
 - iii) has provisions for cross-liability as between the Receiver and the Service Manager, blanket contractual liability, owner's/contractor's protective liability, completed operations liability, contingent employer's liability, premises and operations liability, broad-form property damage liability, occurrence property damage liability, and personal injury liability arising out of false prosecution, libel slander, defamation of character, invasion of privacy or wrongful eviction; and
 - iv) provides for Thirty (30) Days' prior notice of any cancellation, termination or expiry of, or amendment or change (in a material respect) to the policy.
- c) The Receiver shall provide the Service Manager with proof of Professional Liability insurance maintained by any subcontractor engaged by the Receiver in relation to the Services, where such subcontractor is under a professional obligation to maintain the same, in the amount and for the period specified in clause (a)(i), no later than the execution of such agreement by the Receiver and in a form and with an insurer acceptable to the Director, Insurance & Risk Management.

- d) Notwithstanding subparagraphs (a) and (b), the Director, Insurance & Risk Management, bearing in mind the Service Manager's reasonable commercial concerns, may require the Receiver to provide a policy of insurance in an amount either greater or less than the applicable amount stated therein, the terms of which and any alteration in the limits of the coverage whereunder shall be subject to sole approval by such Manager, on the basis that if the Receiver is required to provide coverage in an amount greater than provided in those subparagraphs, the Service Manager shall reimburse the Receiver for the actual expense of any additional premium incurred by the Receiver in complying with such requirement.

11) Conflict Of Interest

- a) The Receiver, any sub-contractors and any of their respective advisors, partners, directors, officers, employees agents and volunteers shall not engage in any activity or provide any services to the Service Manager where such activity or the provision of such services, creates a conflict of interest (actually or potentially in the sole opinion of the Executive Director, Housing Secretariat) with the provision of services pursuant to this Agreement. The Receiver acknowledges and agrees that it shall be a conflict of interest for it to use confidential information of the Service Manager relevant to the Services where the Service Manager has not specifically authorized such use.
- b) The Receiver shall disclose to the Service Manager without delay any actual or potential situation that may be reasonably interpreted as either a conflict of interest or a potential conflict of interest.
- c) A breach of this Article by the Receiver shall entitle the Service Manager to immediately terminate this Agreement, in addition to any other remedies that the Service Manager has under this Agreement, in law or in equity.
- d) All other terms and conditions of the RFP and Proposal are in effect, and time continues to be of the essence.

12) Confidentiality

The Receiver agrees that all of its employees and/or agents having access, by virtue of this Agreement and its appointment as Receiver over the Housing Project, to materials and personal information regarding the tenants of the Housing Provider shall treat same as confidential personal information not to be disclosed to third parties or used in any unauthorized way except in accordance with the provisions of the Housing Services Act, 2011. In addition, the Receiver shall not disclose or use any information that the Service Manager cannot or may not wish to disclose or use under the *Municipal Freedom of Information and Protection of Privacy Act, R.S.O. 1990, c. M56*.

13) Arbitration

- a) In the case of any dispute between the parties as to the meaning of any part of this Agreement or any appointment or about a claim arising hereunder or thereunder, the parties may submit the dispute to a single arbitrator under the *Ontario Arbitration Act, 1991* who shall be (i) an individual agreed to by the Parties if permitted by law; or (ii) if required by applicable law, a judge of the Superior Court of Justice of Ontario in accordance with the provisions of the *Municipal Arbitrations Act, R.S.O. 1990, Chap. M.48* (the "*Municipal Arbitrations Act*"), as amended from time to time;
- b) That arbitrator shall be qualified and licensed to practice in Ontario and shall reside within a 50 kilometre radius of the Toronto City Hall. The arbitrator may appoint counsel and may submit to him disputed points of law, and the arbitrator may act upon the advice of counsel, and may apportion and charge the cost thereof between the parties hereto.
- c) In the event the City appoints an Official Arbitrator pursuant to Section 1(3) of the *Municipal Arbitrations Act* then all disputes shall be resolved in accordance with this Article 13 except that arbitration shall take place before the Official Arbitrator in accordance with the *Municipal Arbitrations Act*; however, in the event of existing disputes where an arbitrator has already been appointed at the time of the appointment of the Official Arbitrator, the arbitration shall continue before the arbitrator already appointed.

14) Waiver

The failure by the Service Manager to insist on one or more instances upon the performance by the Receiver of any of the terms or conditions of this Agreement or any appointment shall not be construed as a waiver of Service Manager's right to require future performance of any such terms or conditions, and the obligations of the Receiver with respect to such future performance shall continue in full force and effect. A waiver is binding on the Service Manager only if it is in writing.

The failure by the Receiver to insist on one or more instances upon the performance by the Service Manager of any of the terms or conditions of this Agreement or any appointment shall not be construed as a waiver of the Receiver's right to require future performance of any such terms or conditions, and the obligations of the Service Manager with respect to such future performance shall continue in full force and effect. A waiver is binding on the Receiver only if it is in writing.

15) Enurement

- a) This Agreement will operate to the benefit of and will be binding upon the successors and assigns of the Service Manager and upon the permitted successors of the Receiver.

16) Priority

In the event of a conflict or inconsistencies between the provisions of the various documents which comprise this Agreement, it shall be resolved, in accordance with the following priorities:

- a) Firstly, the provisions of the Terms of Reference for Receiver;
- b) Secondly, the provisions of the body of this Agreement;
- c) Lastly, the provisions of any other material incorporated by reference into this Agreement.

17) Time Of The Essence

Time is of the essence in this Agreement and any dates or deadlines are to be strictly adhered to.

18) Interpretation

- a) This Agreement shall be construed in accordance with the laws of the Province of Ontario.
- b) The headings which precede the paragraphs of this Agreement are merely for the assistance of the reader and do not affect the meaning, effect or construction of the Agreement.
- c) Whenever words that have well known technical or trade meanings are used in this Agreement, they are used in accordance with such recognized meanings.

19) Authority

Each party stipulates that it has full authority to enter into and perform this Agreement, and the person signing this Agreement on behalf of the named party is properly authorized to sign it, and each party further acknowledges that it has read this Agreement, understands it and agrees to be bound by it.

20) General

- a) If any term, covenant or condition of this Agreement be held in whole or in part invalid or unenforceable, the remainder of the Agreement shall not be affected thereby and each term, covenant and condition of this Agreement shall be separately valid and enforceable to the fullest extent permitted by law.
- b) This Agreement shall not be modified or amended except, after approval by the Service Manager, by an instrument in writing signed by the parties hereto or by their successors and assigns.

IN WITNESS WHEREOF the parties hereto have executed this Agreement, the Receiver under corporate seal and the Service Manager pursuant to the Service Manager's delegated authority.

Dated at Toronto this 8th day of April, 2022

City of Toronto

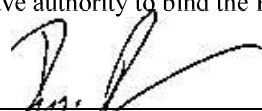
Per:  _____

Doug Rollins,
Director, Housing Stability Services

EXECUTED ON BEHALF OF THE RECEIVER this 11th day of May, 2022

RSM Canada Limited

I/We have authority to bind the Receiver

Per:  _____

Name Bryan A. Tannenbaum

Title President

Schedule 1

Terms of Reference for Receiver

Services

- 1) This Schedule forms part of the Receivership Services Agreement between the City of Toronto and RSM Canada Limited.
- 2) The Services under this Schedule (hereinafter referred to as "the Services") shall be as follows:
 - a) The Receiver shall operate the Housing Project under the powers granted in the *Housing Services Act, 2011* and the regulations made thereunder; in particular the Receiver shall:
 - i. Upon the written request of the City take control, direction and possession, or any of them, of the Housing Project, the revenue and the assets of the Housing Provider, the operation and books, records and accounts of the Housing Provider or any part of them, pertaining to the Housing Project;
 - ii. on behalf of the Housing Provider exercise control and direction of the employees and agents of the Housing Provider performing services on or with respect to the Housing Project with the understanding that all employees of Housing Provider shall remain the employees of Housing Provider until such time as the Receiver, acting on Housing Provider's behalf, terminates the employment of such employees. The Receiver shall not be responsible for any employee-related liabilities, including wages, severance pay, termination pay, vacation pay, and pension or benefit amounts, other than such amounts as the Receiver may specifically agree in writing to pay;
 - iii. Receive and recover and use all revenues and assets of the Housing Provider relevant to the operation of the Housing Project;
 - iv. Incur and pay liabilities;
 - v. Maintain, operate and repair the Housing Project;
 - vi. Comply with the reporting requirements of the *Bankruptcy and Insolvency Act R.S.C. 1995, c.B-3* as amended, should the Receiver determine it is applicable to the receivership;
 - vii. Execute and prosecute in the name of the Housing Provider all suits, proceedings and actions which the Receiver considers necessary for the proper protection of the Housing Project, defend all suits, proceedings and actions against the Housing Provider or the Receiver, appear in and conduct the prosecution and defense of any suit, proceeding or action then pending or thereafter instituted and to appeal any suit, proceeding or action.
 - b) The Receiver shall, on behalf of the Housing Provider, direct the Property Manager, employees or agents of the Housing Provider to perform the following functions:
 - i. Accounts receivables and payables;
 - ii. Bookkeeping and monthly financial reports;
 - iii. Tenant placement;
 - iv. Rent calculation;
 - v. Rent collection;
 - vi. Maintenance and capital works;
 - vii. Communication with tenants;
 - viii. Implementation of the Service Manager compliance review recommendations and audit recommendations;
 - ix. Reporting and liaising with the Receiver and the Service Manager;
 - x. The duties and responsibilities of the Housing Provider under the RGI Service Agreement between the Housing Provider and the Service Manager dated as of May 1, 2002;
 - xi. Investment of capital reserves and any other surplus funds;
 - xii. Any other specific functions as directed by the Receiver in conjunction with the Service Manager.

- c) If the employees or agents of the Housing Provider are not able to perform these functions the Receiver shall be expected to contract, on behalf of the Housing Provider, the services of a qualified firm to perform these functions. The term of any of the above services contract(s) shall not exceed one year unless the Service Manager agrees to a longer term. In the selection, appointment and contractual terms, the Receiver will be guided by the Service Manager and all such arrangements must be acceptable to the Service Manager.
 - d) The Receiver shall direct the Housing Provider’s auditor in the completion of any outstanding financial statements and Annual Information Returns.
 - e) The Receiver, during the term of the Receivership, shall act honestly and in good faith and be responsible, as part of its general powers, for the following specific functions:
 - i. Providing the Service Manager with reports, as requested;
 - ii. Providing notifications to creditors;
 - iii. Informing tenants of the appointment of the Receiver through written notification (after consultation with the Service Manager);
 - iv. Receiving and recording input from tenant accounts;
 - v. Contracting and directing the Property Manager;
 - vi. Contracting and directing other service firms and staff;
 - vii. Overseeing the Housing Provider’s financial situation;
 - viii. Reviewing and assessing employment contracts and collective agreements;
 - ix. Any other specific functions as directed by the Service Manager.
 - f) In addition to the services described above, the Receiver shall:
 - i. As soon as possible after the appointment, take control of the assets of the Housing Provider and develop a plan to manage the property of the Housing Provider following the appointment, including the tendering for Property Manager on behalf of the Housing Provider (if required).
 - ii. Provide the Service Manager with a written report on the progress of the Receivership as soon as possible following the appointment and written and verbal updates as required and requested by the Service Manager.
 - iii. Meet with the Service Manager on a regular basis and obtain the Service Manager’s instructions on matters of importance.
 - g) The Receiver shall pay, from funds available from the Housing Provider and/or as provided by the Service Manager, the professional fees and disbursements of Property Manager that the Receiver has contracted with on behalf of the Housing Provider, subject to the following conditions:
 - i. Property Manager shall provide the Receiver with a billing each month showing in detail all fees and disbursements incurred during the prior month, which is subject to the Receiver’s approval.
 - ii. The fees of the Property Manager do not exceed the fee stated in the Property Manager Agreement as approved by the Service Manager.
 - h) The Receiver, with the assistance of the Property Manager, agrees to operate the Housing Project in accordance with the terms and provisions of the Housing Services Act, 2011, and any other non-profit housing program requirements of the Service Manager which the Service Manager has notified the Receiver of, and otherwise act as would a prudent Receiver of a similar non-profit housing project.
3. The Receiver shall cause the Services to be performed by the following personnel at the rates specified:

<u>Title</u>	<u>Rate</u>
President	\$595
Senior VP	\$575
VP/Senior Manager	\$495
Senior Associate	\$270
Estate Administrator	\$125

The maximum fee payable under this Schedule shall be \$49,999 for Services rendered during the initial 90 day term of the Agreement, not including taxes or disbursements, unless otherwise agreed to in writing by the Service Manager.

This is Exhibit "DD" referred to
in the Affidavit of Julie Western
Set, sworn on the 10th day of
November, 2022.

A handwritten signature in black ink, appearing to read 'Mark Siboni', written over a horizontal line.

Mark Siboni
A Commissioner for taking Affidavits



Wendy Walberg LL.B., LL.M., *C.S.

City Solicitor
Legal Services
55 John Street
Stn. 1260, 26th Flr., Metro Hall
Toronto ON M5V 3C6
Tel. (416) 392-8047
Fax (416) 397-5624

** Certified by the Law Society as a Specialist
in Municipal Law: Local Government*

Reply To: Michael A. Smith
Tel: 416-392-7245
Fax: 416-392-1017
E-Mail: Michael.A.Smith@toronto.ca

File: 604-5000-7493.2009

June 1, 2022

Without Prejudice

Via email betty@bettyslaw.com

Mr. Courtney Betty
Barrister & Solicitor
Betty's Law Office

Dear Mr. Betty:

Re: Harry Sherman Crowe Housing Co-operative Inc. ("Harry Sherman")

We write to you today, further to our conversation this past Monday May 30, and having reviewed the emails you delivered to Doug Rollins and myself.

The appointment of an interim receiver is a remedy that Service Managers can exercise in order to ensure that triggering events that housing providers have failed to respond to appropriately are addressed. Harry Sherman Crowe Housing Co-operative Inc. ("Harry Sherman") were advised that failure to comply with all or any part of the matters identified in the Notice of Triggering Events (the "NTE") dated March 29, 2021, may result in the Service manager exercising any or all of the remedies available to it under section 85 of the *Housing Services Act, 2011* (the "HSA") – including the appointment of a receiver and manager. This advice regarding the consequences of failing to comply with the NTE was expressly set out in the NTE itself, which was delivered to the Board, and in subsequent correspondence delivered to both you and the Board on March 31, 2022.

The Service Manager carefully considered the information provided to it by Harry Sherman following the delivery of the NTE. It determined that the housing provided failed to comply with all or part of the NTE. These failures included, but were not limited to:

- (i) A failure – over the course of the 14 months since the delivery of the NTE through and until May 9, 2022 – to ensure that the following statements and reports were prepared and provided to the Service Manager:
 - **Balance Sheet** showing cash on hand, investments and monies owed;

- **Statement of Revenue and Expense** showing budget, actual data and variances;
 - **Payables List** showing all outstanding invoices;
 - **Arrears Report** showing occupancy charge amounts unpaid by residential members; and
 - **Investment Ledger (Report)** showing the balance of all investments
- (ii) A failure to deliver an action plan detailing what steps the Board will take to eliminate the accumulated deficit and ensure that the housing provider will not incur losses in future years; and
- (iii) A failure to create and submit the prescribed training plan that all members of the Board of Directors was to receive.

In light of these failures and in all the circumstances, section 90(5)(b) of the HSA expressly dispenses with the need for the Service Manager to provide advance notice of its intent to exercise the remedy of appointing a receiver and manager.

The steps taken by the Service Manager to appoint the receiver and manager were appropriate and proper, given the failures of the housing provider, and were done in accordance with and pursuant to the provisions of the HSA. These steps were taken in order to ensure that the significant issues facing Harry Sherman, financial and otherwise, are diagnosed and the operations of the housing provider are normalized. The housing provider's actions to prevent the Service Manager from exercising this remedy as authorized by the HSA is improper.

In the circumstances, the City will take any necessary remedial action. This includes bringing an Application to ensure that effect is given to the lawful steps taken by the City to appoint the receiver and manager.

Given the above, we urge the housing provider to allow the receiver and manager to access the property and undertake the necessary remedial work. In that regard, we ask that Harry Sherman provide confirmation in writing (by way of letter or email delivered to my attention) that the receiver and manager will be granted access to the property by 12 pm on Friday June 3, 2022.


Yours truly,

Michael A. Smith

Michael A. Smith
Solicitor | Municipal Law
City of Toronto Legal Services Division

MAS/mnh

This is Exhibit "EE" referred to
in the Affidavit of Julie Western
Set, sworn on the 10th day of
November, 2022.

A handwritten signature in black ink, appearing to read "Mark Siboni", written over a horizontal line.

Mark Siboni
A Commissioner for taking Affidavits

June 3, 2022

Without Prejudice

Sent via Email:

Michael Smith
55 John Steet.
Stn. 1260, 26th Flr, Metro Hall
Toronto, ON M5V 3C6

Michael.A.Smith@toronto.ca

Dear Michael Smith

Re: Response Letter – Harry Sherman Crowe Housing Co-operative Inc. (“Harry Sherman”

We write this letter in response to your letter dated June 1, 2022.

You outlined that Harry Sherman failed to address properly the items in the Triggering events letter and as a result the City exercised their remedy of appointment of an interim receiver. We were most recently given the date of May 9, 2022 to provide a response on behalf of Harry Sherman to the City with respect to the Triggering Events Letter. We ensured that we had done this and addressed the topics outlined in the said letter.

It should be noted that the actions of the City have now impacted the ongoing negotiations with York University. This is extremely damaging and an unnecessary action by the City of Toronto.

You specifically noted that Harry Sherman failed to ensure the following statements and reports were prepared and provided to the service manager.

- **Balance Sheet** showing cash on hand, investments and monies owed;
- **Statement of Revenue and Expense** showing budget, actual data and variances;
- **Payables List** showing all outstanding invoices;
- **Arrears Report** showing occupancy charge amounts unpaid by residential members; and
- **Investment Ledger (Report)** showing the balance of all investments

You outlined further that an action plan detailing the steps that will be taken to eliminate the deficit of Harry Sherman’s Board and to ensure future losses would be avoided was not submitted to the City, and that a training plan for all Board members was not provided to the City.

To address this, we have assembled the most recent reports and statements approved by the Office Managers and Harry Sherman's Accountant to be reviewed by the service manager.

A training plan was intended, however has been placed on hold due to the impending election and potential that this current Board will not remain in their positions. The Board will attend training and update their training manual upon receiving confirmation from the general members that they shall remain in their governing positions. The election is intended to be held by the end of this month.

In regards to the action plan, the City of Toronto is well aware of the negligence of the previous management company which Harry Sherman was forced to terminate, which has certainly impacted on some of Harry Sherman's goals including the requested action plan which we are currently working on. The accountant, in partnership with Harry Sherman's Board are working towards completing a thorough action plan to address the deficit and avoid future losses that will be provided to the city for review as soon as practicable.

Lastly, I am awaiting a response in terms of my request that Suzanna Lama, who has demonstrated a complete lack of understanding of culture and diversity, be immediately removed from this file.

Please review the appended reports.

We hope to communicate further on setting aside the receivership and allowing Harry Sherman to completely address all remaining issues promptly.

Sincerely,



Courtney Ewart Betty
BETTY'S LAW OFFICE
2300 Yonge St. #1600
Toronto, ON
Tel: 416-972-472
Email: betty@bettyslaw.com

Harry Sherman Crowe Co-Operative

Balance Sheet

/REPORT/FS/BS

Begin:
End: 30 Apr 2022
Index: date
Type: amount
Tag: financial
Nrep: yes

Line v	Name	Description	
1		ASSETS	
2	BS-1002	1002 · Alterna Savings - Operating	(59.04)
4	BS-1003	1003 · Alterna - Bonus Shares	192.96
5	BS-1004	1004 · Alterna - Membership Shares	15.00
6	BS-1005	1005 BMO	169,204.36
7	BS-1105	1105 · Investments-Capital Replacement	162,058.42
8	BS-1000	1000 · Petty Cash	500.00
10	BS-TOTALBANK	Total Bank	<u>331,911.70</u>
11			
12	BS-1020	1020 · Commercial Parking Receivable	(2,097.50)
13	BS-1020-1	1020 · Commercial Parking Receivable	4,634.40
14	BS-1030	1030 · Accounts Receivable - Current	17,868.21
15	BS-1031	1031 · Accounts Receivable - Move Outs	4,874.00
17	BS-TOTALAR	Total Accounts Receivable	<u>25,279.11</u>
18			
19		Other Current Assets	
23	BS-1035	1035 · Allowance for Doubtful Accounts	(7,950.35)
24	BS-1040	1040 · Other Receivable	1,771.76
25	BS-1060	1060 · Subsidy Receivable	128,730.00
26	BS-1070	1070 · AR HST Rebate Due from CRA	144,902.34
28	BS-1086	1086 · Prepaid Property Tax	28,230.09
29	BS-1087	1087 · Prepaid Dues	(2,370.69)
32	BS-OTHERCA	Total Other Current Assets	<u>293,313.15</u>
33			
34	BS-TOTALCA	Total Current Assets	650,503.96
35			
36		Fixed Assets	
37	BS-1200	1200 · Land & Buildings	23,336,792.00
38	BS-1210	1210 · Sector Support Asset	235,769.00
40	BS-1240	1240 · Acc Amortization - Mortgage	14,283,228.02
41			
42	BS-TOTALFA	Total Fixed Assets	9,289,332.98
43			
44		Other Assets	
45			
47			
48	BS-ASSETS	Total Assets	9,939,836.94
49			

Begin:
End: 30 Apr 2022
Index: date
Type: amount
Tag: financial
Nrep: yes

Line v	Name	Description	
50		LIABILITIES & EQUITY	
51		Current Liabilities	
52	BS-2005	2005 · Accounts Payable	598,539.64
53	BS-2010	2010 - Other Payables	58,071.96
54	BS-3011	3011 · Resident Dep - Member Parking	4,248.44
56	BS-2020	2020 · Due to City	(2,976.24)
57	BS-2050-1	2050-1 · Accrued Expenses - Hydro	11,598.00
58	BS-2050-2	2050-2 · Accrued Expenses - Gas	3,300.00
59	BS-2050-3	2050-3 · Accrued Expenses - Water	16,752.01
60	BS-2050-4	2050-4 · Accrued Expenses - Solid Waste	4,267.05
61	BS-2050-5	2050-5 - Accrued Expenses - Other	1,800.00
62	BS-2053	2053 · Commercial Parking HST Payable	2,345.30
63	BS-2051	2051 · Accrued Expenses - Audit	6,516.48
64	BS-2055	2055 · Accrued Expenses - Mortgage Int	135,089.07
67	BS-3000	3000 · Resident Deposits - Member Dep	117,834.87
69	BS-25500	25500 · GST/HST Payable	(8,702.03)
74	BS-TOTALCL	Total Current Liabilities	948,684.55
75			
76		Long Term Liabilities	
78	BS-3100	3100 · Mortgage Payable - 1st	9,289,333.12
79			
80	BS-TOTALLT	Total Long Term Liabilities	9,289,333.12
81			
82		Equity	
83	BS-4005	4005 · Capital Reserve Mandated	(301,820.36)
84	BS-4900	4900 · Member Fees Contributed Surplus	10,325.00
89			
92	BS-NI	Net Income	(2,379.83)
93	BS-32000	32000 · Retained Earnings	(2,379.83)
95	BS-TOTALEQ	Total Equity	(293,875.19)
96			
97	BS-TOTALLIABEQ	TOTAL LIABILITIES & EQUITY	9,944,142.48
98			
99	BS-PROOF	Balance Sheet Proof	4,305.54

Harry Sherman Crowe Co-Operative

Income Statement

/REPORT/FS/IS

Line v	Description	Monthly Actual Begin: 01 Apr 2022 End: 30 Apr 2022	Monthly Budget Begin: 01 Apr 2022 End: 30 Apr 2022	Monthly Variance	YTD Actual Begin: 01 Jul 2021 End: 30 Jun 2022	YTD Budget Begin: 01 Jul 2021 End: 30 Jun 2022	YTD Variance
1	--- Reveue -						
2	6000 · Market Housing Charges	98,034.00	90,680.00	(7,354.00)	1,142,001.00	1,088,160.00	(53,841.00)
4	6010 · RGI Housing Charges	90,615.00	97,969.00	7,354.00	1,123,825.00	1,175,628.00	51,803.00
5	6011 · Vacancy Loss - RGI	(1,321.00)	0.00	1,321.00	(10,568.00)	0.00	10,568.00
6	6012 · RGI Subsidy Allocated	(60,381.00)	0.00	60,381.00	(776,932.00)	0.00	776,932.00
7	6050 · RGI Subsidy Received	71,674.00	0.00	(71,674.00)	716,740.00	0.00	(716,740.00)
9	6060 · Property Tax Subsidy	12,753.58	14,044.39	1,290.81	128,075.80	168,532.69	40,456.89
10	6061 · Operating Subsidy	42,085.42	43,762.42	1,677.00	435,947.20	525,149.00	89,201.80
11	6065 · SHRRP Deferred Revenue	0.00	0.00	0.00	35,280.00	0.00	(35,280.00)
12	6100 · Sector Support Revenue	1,956.00	1,957.09	1.09	23,544.00	23,485.09	(58.91)
15	6200 · Interest & Investment Income Op	(509.46)	0.00	509.46	(4,486.64)	0.00	4,486.64
16	6203 · Parking Fees	5,328.00	7,012.00	1,684.00	65,013.35	84,144.00	19,130.65
17	6204 · Laundry Income	0.00	2,136.04	2,136.04	15,539.38	25,632.50	10,093.12
18	6205 · Hydro Income	90.00	0.00	(90.00)	1,080.00	0.00	(1,080.00)
20	6207 · NSF & Late Fees	0.00	109.09	109.09	0.00	1,309.09	1,309.09
21	6210 · Commercial Parking Revenue	2,193.53	1,524.32	(669.21)	20,984.18	18,291.84	(2,692.34)
22	6220 · Miscellaneous Revenue	0.00	953.49	953.49	600.00	11,441.90	10,841.90
26	Total Revenue	262,518.07	260,147.84	(2,370.23)	2,916,643.27	3,121,774.11	205,130.84
27							
29	7000 · Property Management Fees	3,676.42	12,309.95	8,633.53	122,687.76	147,719.40	25,031.64
30	7110 · Maintenance Contractor	5,880.73	6,250.00	369.27	72,759.02	75,000.00	2,240.98
31	7010 · Municipal Property Tax	0.00	14,044.39	14,044.39	80,687.80	168,532.69	87,844.89
32	7015 · Property Boiler & Liability Ins	0.00	7,416.67	7,416.67	57,379.56	89,000.00	31,620.44
33	7020 · Bad Debt Expense	0.00	250.00	250.00	0.00	3,000.00	3,000.00
34							
35	Utilities						
36	Utilities:7030 · York U Hydro Electric	(2,282.00)	12,916.67	15,198.67	64,670.73	155,000.00	90,329.27
37	Utilities:7031 · Enbridge Gas	0.00	6,916.67	6,916.67	40,260.60	83,000.00	42,739.40
38	Utilities:7032 · York U Water & Sewer	0.00	16,250.00	16,250.00	90,033.59	195,000.00	104,966.41
39	Utilities:7033 · Waste Disposal/Management	4,527.79	3,559.92	(967.87)	43,530.73	42,719.03	(811.70)
42	Utilities	2,245.79	39,643.26	37,397.47	238,495.65	475,719.03	237,223.38
43							
44							
46	Mortgage & Capital						
47	Mortgage & Capital:7050 · Mortgage Interest	59,433.34	0.00	(59,433.34)	594,333.40	0.00	(594,333.40)
48	Mortgage & Capital:7051 · Mortgage Amortization Expense	75,655.73	133,731.42	58,075.69	756,557.30	1,604,777.00	848,219.70
49	Mortgage & Capital:7060 · Contribution to Capital Reserve	0.00	9,727.58	9,727.58	70,442.00	116,730.90	46,288.90
50	Mortgage & Capital:7065 · SHRRP Amortization Expense	0.00	0.00	0.00	35,280.00	0.00	(35,280.00)
52	Mortgage & Capital	135,089.07	143,459.00	8,369.93	1,456,612.70	1,721,507.90	264,895.20
53							
54	7120 · On Call Expenses	2,310.82	2,250.00	(60.82)	31,306.48	27,000.00	(4,306.48)
55							
59							
60	Mortgage & Capital						
61	Maintenance Contracts:7201 · Elevator Contract	2,052.00	1,991.86	(60.14)	20,670.98	23,902.28	3,231.30
62	Maintenance Contracts:7203 · Grounds Contract	16,929.00	1,916.67	(15,012.33)	56,494.00	23,000.00	(33,494.00)
63	Maintenance Contracts:7204 · HVAC Contract	0.00	396.22	396.22	35,556.17	4,754.67	(30,801.50)
64	Maintenance Contracts:7206 · Security Contract	5,632.00	7,000.00	1,368.00	58,010.16	84,000.00	25,989.84
65	Maintenance Contracts:7207 · Snow Removal Contract	0.00	2,166.67	2,166.67	0.00	26,000.00	26,000.00
67	Maintenance Contracts	24,613.00	13,471.42	(11,141.58)	170,731.31	161,656.95	(9,074.36)
68							
69	Maintenance Materials & Supplies						
70	Maintenance Materials & Supplie:7300 · Cleaning Supplies	0.00	68.11	68.11	0.00	817.29	817.29
73	Maintenance Materials & Supplie:7305 · Paint Supplies	0.00	57.28	57.28	459.64	687.33	227.69
74	Maintenance Materials & Supplie:7307 · Plumbing & Heating Supplies	1,403.75	1,092.48	(311.27)	12,282.39	13,109.80	827.41
75	Maintenance Materials & Supplies - Other	1,858.51	0.00	(1,858.51)	24,824.92	0.00	(24,824.92)
77	Maintenance Materials & Supplies	3,262.26	1,217.87	(2,044.39)	37,566.95	14,614.42	(22,952.53)
78							
80	Maintenance & Repairs - General:7326 · Appliance Repair	0.00	2,608.60	2,608.60	290.00	31,303.15	31,013.15
81	Maintenance & Repairs - General:7330 · Carpet Cleaning	435.50	319.57	(115.93)	4,613.43	3,834.82	(778.61)
82	Maintenance & Repairs - General:7335 · Compactor/Shute Repair	0.00	32.07	32.07	0.00	384.81	384.81
83	Maintenance & Repairs - General:7338 · Doors & Locks	0.00	538.46	538.46	0.00	4,661.54	4,661.54
84	Maintenance & Repairs - General:7342 · Electrical Inspection	0.00	170.92	170.92	0.00	2,050.99	2,050.99
85	Maintenance & Repairs - General:7343 · Electrical Repairs	0.00	1,134.94	1,134.94	0.00	13,619.31	13,619.31
86	Maintenance & Repairs - General:7345 · Elevator Inspection/Licence	0.00	57.85	57.85	629.64	694.16	64.52
88	Maintenance & Repairs - General:7356 · Fire System Inspection	0.00	537.25	537.25	10,857.00	6,447.01	(4,409.99)
89	Maintenance & Repairs - General:7357 · Fire System Supply & Repair	0.00	325.71	325.71	0.00	3,908.50	3,908.50
92	Maintenance & Repairs - General:7361 · Garage Door Repair	564.30	151.10	(413.20)	7,256.18	1,813.22	(5,442.96)
93	Maintenance & Repairs - General:7362 · Garbage Bins/Clean/Replace/Repa	0.00	155.30	155.30	450.00	1,863.60	1,413.60
95	Maintenance & Repairs - General:7364 · General Repair & Maintenance	644.38	321.19	(323.19)	6,066.47	3,854.25	(2,212.22)
96	Maintenance & Repairs - General:7365 · Grounds Maintenance Non Contrac	0.00	0.00	0.00	317.78	0.00	(317.78)
97	Maintenance & Repairs - General:7367 · HVAC Non Contract	0.00	69.40	69.40	0.00	832.74	832.74
99	Maintenance & Repairs - General:7374 · Painting	0.00	290.75	290.75	0.00	3,488.98	3,488.98
100	Maintenance & Repairs - General:7376 · Pest Control	0.00	1,205.46	1,205.46	9,791.70	14,465.48	4,673.78
101	Maintenance & Repairs - General:7378 · Plumbing Repairs	646.64	1,815.93	1,169.29	11,154.38	21,791.15	10,636.77
107	Maintenance & Repairs - General:7399 · Windows & Glass Repair	2,038.92	47.01	(1,991.91)	2,309.78	564.11	(1,745.67)
109	Total Maintenance & Repairs - General	4,329.74	9,781.51	5,451.77	53,736.36	117,377.82	63,641.46
110							
111	Unit Turnovers						
118							
119	Administration:7500 · Advertising	0.00	0.00	0.00	(7.00)	0.00	7.00
121	Administration:7504 · Board Meeting & Member Expenses	0.00	217.81	217.81	621.12	2,613.67	1,992.55
122	Administration:7506 · Audit	2,052.00	791.67	(1,260.33)	14,437.28	9,500.00	(4,937.28)
123	Administration:7510 · Bank Fees	237.22	250.00	12.78	2,245.96	3,000.00	754.04
124	Administration:7513 · Computer Software/Licences	0.00	101.18	101.18	440.70	1,214.18	773.48
126	Administration:7516 · Conferences & Education	0.00	0.00	0.00	215.46	0.00	(215.46)
128	Administration:7527 · Internet	0.00	215.63	215.63	527.88	2,587.54	2,059.66
129	Administration:7528 · Legal	20,978.38	1,250.00	(19,728.38)	37,945.92	15,000.00	(22,945.92)
130	Administration:7530 · Membership Fee - CHFT	0.00	724.91	724.91	5,074.37	8,698.92	3,624.55

Line v	Description	Monthly Actual	Monthly Budget	Monthly Variance	YTD Actual	YTD Budget	YTD Variance
		Begin: 01 Apr 2022 End: 30 Apr 2022	Begin: 01 Apr 2022 End: 30 Apr 2022		Begin: 01 Jul 2021 End: 30 Jun 2022	Begin: 01 Jul 2021 End: 30 Jun 2022	
131	Administration:7531 · Membership Fee - CHFC	775.56	780.06	4.50	16,298.48	9,360.77	(6,937.71)
132	Administration:7532 · Miscellaneous Expense	291.83	940.81	648.98	20,184.76	11,289.72	(8,895.04)
133	Administration:7535 · Office Equipment New & Repair	0.00	0.00	0.00	460.67	0.00	(460.67)
134	Administration:7536 · Office Supplies	559.22	173.12	(386.10)	1,311.46	2,077.49	766.03
136	Administration:7539 · Postage & Courier	0.00	28.00	28.00	0.00	336.04	336.04
137	Administration:7540 · Photocopy Lease/Printing & Pape	814.30	250.00	(564.30)	3,233.34	3,000.00	(233.34)
139	Administration:7544 · Telephone Basic & Cell	1,518.01	1,083.33	(434.68)	13,332.80	13,000.00	(332.80)
140	Administration:7602 · Social Committee	0.00	0.00	0.00	2,024.17	0.00	(2,024.17)
147	Administration	27,226.52	6,806.52	(20,420.00)	118,347.37	81,678.33	(36,669.04)
148							
149	Total Expenses	208,634.35	256,900.59	48,266.24	2,440,310.96	3,082,806.54	642,495.58
150							
151	Net Income	53,883.72	3,247.25	(50,636.47)	476,332.31	38,967.57	(437,364.74)

HARRY SHERMAN CROWE HOUSING CO-O
51 THE CHIMNEystack RD
NORTH YORK ON M3J 3L9

Advisor: Encasa Financial East Team
119 Spadina Avenue
Suite 400 Toronto ON M5V2L1
Tel.: 416-488-3077
Fax: 416-205-9459
Email: information@encasa.ca

Exchange Rate at Valuation Date: USD\$1.000 = CAD\$1.2829

Client Name	Account Open	Account	Type of Account	Market Value
HARRY SHERMAN CROWE	October 4, 2018	751 - 162A - 2	CASH ACCOUNT	162,058.42 CAD
Total Portfolio Value of CAD\$ Accounts				\$ 162,058.42

Disclaimer

Worldsource Financial Management Inc. ('WFM') issues official client statements quarterly, in accordance with regulatory requirements. Portfolio Summary(s) generated by your Advisor are not official WFM statement(s). Book Value – means the total amount you paid to purchase an investment, including any transaction charges related to the purchase, adjusted for reinvested distributions, return of capital and corporate reorganizations. WFM cannot guarantee the accuracy of the book value since it may have been acquired from an external source. At times, market value may be used rather than book value, if book value was not available at time of transfer. Book values shown may not be suitable for income tax purposes as they may not reflect all required adjustments. It is important to keep records of all investment transactions and consult a tax specialist to properly determine gains and losses for income tax purposes. If the Rate of Return (ROR) or Return on Investment (ROI) is included in this summary at the account level it is money-weighted and based on an Internal Rate of Return (IRR) methodology. This calculation is a money weighted return calculation and takes into account the exact timing of each cash flow within the return period. For ROR shown since inception, and for a period of one year or longer, the ROR is shown as an annualized return. When this return methodology is shown as RoR it is shown as the cumulative return since the inception of your holding period and when shown as CRoR it is the annualized inception return. Both the RoR and CRoR use the IRR calculation methodology to calculate the rate of return. The regulatory requirement is to report ROR for a period of one year or longer. If you have not held the security for that length of time we are only able to show ROR for the time period held. ROR shown for a period of less than one year in this report should be disregarded. Past performance may not be repeated. If this is not clear, please ask your Advisor about this methodology for further explanation. The Canadian Western Trust acts as Trustee for registered plans held by WFM.



Holdings Summary

As Of April 30, 2022

Client Name: **HARRY SHERMAN CROWE**
 Account Number: 751-162A-2 CASH ACCOUNT
 Date of First Deposit **October 4, 2018**

Account Performance

Value of account at October 4, 2018	0.00
Invested	202,466.17
Withdrawn	30,482.85
Net Invested for the Period	171,983.32
Value of account at April 30, 2022	162,058.42
Annualized return from October 4, 2018	-3.96 %

FIXED INCOME	Held Since	Quantity	Average Cost	Book Value	Price	Market Value	% of Assets	
MUTUAL FUNDS								
ENC702	ENC CDN S-T BOND FND S A A -NL	08/31/2020	16,917.917	10.32	174,557.54	9.579	162,058.42	100.00
			FIXED INCOME		\$ 174,557.54		\$ 162,058.42	100.00 %
			Total Portfolio		\$ 174,557.54		\$ 162,058.42	100.00 %

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Transaction History

From April 1, 2022 to April 30, 2022

Client Name: **HARRY SHERMAN CROWE**
Account Number: 751-162A-2 CASH ACCOUNT

No transactions to report.

Disclaimer

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HARRY SHERMAN CROWE HOUSING CO-O
51 THE CHIMNEystack RD
NORTH YORK ON M3J 3L9

Advisor: Encasa Financial East Team
119 Spadina Avenue
Suite 400 Toronto ON M5V2L1
Tel.: 416-488-3077
Fax: 416-205-9459
Email: information@encasa.ca

Exchange Rate at Valuation Date: USD\$1.000 = CAD\$1.2829

Client Name	Account Open	Account	Type of Account	Market Value
HARRY SHERMAN CROWE	October 4, 2018	751 – 162A – 2	CASH ACCOUNT	162,058.42 CAD
Total Portfolio Value of CAD\$ Accounts				\$ 162,058.42

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Holdings Summary

As Of April 30, 2022

Client Name: **HARRY SHERMAN CROWE**
 Account Number: 751-162A-2 CASH ACCOUNT
 Date of First Deposit **October 4, 2018**

Account Performance

Value of account at October 4, 2018	0.00
Invested	202,466.17
Withdrawn	30,482.85
Net Invested for the Period	171,983.32
Value of account at April 30, 2022	162,058.42
Annualized return from October 4, 2018	-3.96 %

FIXED INCOME	Held Since	Quantity	Average Cost	Book Value	Price	Market Value	% of Assets	
MUTUAL FUNDS								
ENC702	ENC CDN S-T BOND FND S A A -NL	08/31/2020	16,917.917	10.32	174,557.54	9.579	162,058.42	100.00
			FIXED INCOME		\$ 174,557.54		\$ 162,058.42	100.00 %
			Total Portfolio		\$ 174,557.54		\$ 162,058.42	100.00 %

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Transaction History

From April 1, 2022 to April 30, 2022

Client Name: **HARRY SHERMAN CROWE**
Account Number: 751-162A-2 CASH ACCOUNT

No transactions to report.

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This is Exhibit "FF" referred to
in the Affidavit of Julie Western
Set, sworn on the 10th day of
November, 2022.

A handwritten signature in black ink, appearing to read "Mark Siboni", written over a horizontal line.

Mark Siboni
A Commissioner for taking Affidavits

Housing Secretariat
Abigail Bond, Executive DirectorHousing Stability Services
Metro Hall, 6th Floor
55 John Street
Toronto, ON M5V 3C6Tel: 416-392-0054
Fax: 416-696-3718
Doug.Rollins@toronto.ca

July 14, 2022

Board of Directors
Harry Sherman Crowe Housing Co-operative Inc.
51 The Chimneystack Rd.
Toronto, ON M3J 3L9Delivered via email at: harrysherman@bellnet.caMr. Courtney Betty
Betty's Law
6 Finch Ave W
Toronto, ON M2N 7G2Delivered via email at: betty@bettyslaw.com**Re: Harry Sherman Crowe Co-op Notice of Triggering Events**

Dear Board of Directors and Mr. Betty:

We write acknowledging receipt of, and having reviewed, correspondence delivered by Mr. Betty to the City of Toronto in respect of the above referenced matter on June 1, 2022, and on June 3, 2022.

The City takes issue with the characterization of its conduct and that of its staff in your above referenced correspondence. City staff have, throughout, acted in good faith to protect the interests of Harry Sherman Crowe Housing Co-operative Inc. ("Harry Sherman") and its members in a professional and courteous fashion. Any suggestion to the contrary is unfounded. The City would appreciate if our exchanges focus on the issues facing the Harry Sherman that need to be addressed.

As set out in our previous correspondence of June 1, 2022, the actions taken by the Service Manager to date have been appropriate, warranted under the circumstances, and taken in accordance with, and pursuant to, the provisions of the *Housing Services Act, 2011* (the "HSA").

We again draw your attention to the Notice of Triggering Events (the "NTE") delivered to Harry Sherman on March 29, 2021. In that correspondence Harry Sherman was advised that failure to address all or any part of the matters identified as triggering events, may result in the Service Manager exercising any or all of the remedies available to it under section 85 of the HSA. This advice regarding the consequences of failing to comply with the March 29, 2021, NTE was expressly set out in the NTE itself and in the subsequent correspondence delivered on March 31, 2022.

An objective review of Harry Sherman's responses to the original NTE and the subsequent March 31, 2022, correspondence, shows that the housing provider has been responding to these issues in piecemeal fashion and, critically, without the requisite degree of detail and specificity that would demonstrate how the ongoing triggering events have been resolved. By way of example, the housing provider failed to provide key financial statements and reports that were necessary to assess the financial position of the housing provider until June 3, 2022, and has only committed to provide the action plan that is required to address financial issues the housing provider has to negotiate "as soon as practicable". This situation cannot persist, as the lack of a fulsome, detailed, and comprehensive plan to resolve the triggering events compromises the ability of the Service Manager to fulfill its statutory oversight obligations, which entail protecting the interests of the housing project and its residents.

Notice is hereby given pursuant to clause 90(6(a)) of the HSA that, as a remedy to address certain triggering events specified below which are continuing, the City of Toronto, in its capacity as Service Manager, is considering making an application to seek the appointment of a receiver or a receiver and manager under paragraph 7 of section 85 of the HSA.

Attached as Appendix "A" to this correspondence is a document that the Service Manager has prepared, for ease of reference, that once again sets out the list of triggering events which have persisted since March 2021, along with the curative actions that the housing provider has still failed to take in order to address them.

Though the triggering events and the requisite curative actions speak for themselves, the Service Manager draws the housing provider's attention to one additional requirement in respect of the action plan it must deliver in respect of triggering event No. 2, and corrective action No. 8. A review of the documentation that was only provided to the City of Toronto on June 3rd, 2022, reveals that Harry Sherman owes over \$300,000 to one creditor – York University. As part of the action plan Harry Sherman must submit, the City requires that it present a signed agreement with York University evidencing how these parties plan to settle this significant, outstanding obligation.

The reasons why the Service Manager is considering the remedy of the appointment of an interim receiver and manager at this time are as follows:

1. The Housing Provider is unable to pay its debts as they become due; it has inadequate cash on hand to pay its debts that are due; and current liabilities exceed current assets;
2. The policies and procedures that have been submitted to the Service Manager do not fully address the gaps in the governance, financial control and RGI administration processes that the Service Manager has identified;

3. Setting aside any deficiencies in the policies and procedures that the housing provider has submitted to the Service Manager, the Housing Provider has not demonstrated that it has implemented the policies and procedures that it has submitted;
4. The triggering events specified in Appendix "A" have not been addressed in the manner required by the Notice of Triggering Events delivered to Harry Sherman Crowe Housing Co-operative Inc. on March 29, 2021, all of which are continuing.

In accordance with the provisions of the HSA, the Service Manager advises that the housing provider can make a written submission in respect of the proposed remedial action by Wednesday September 14, 2022. The Service Manager will consider any submission made and will decide, on the basis of all the information before it, whether it intends to pursue the above referenced subsection 85(7) remedy. The City of Toronto may reconsider or defer an application to seek the appointment of a receiver or a receiver and manager under paragraph 7 of section 85 of the HSA if the Housing Provider complies with all the requirements specified in Appendix "A" by September 14, 2022. If no submission is made, the Service Manager will make its decision on the basis of the information available to it.

All submissions, notices and correspondence with the subject matter of this letter should be addressed to our legal counsel Michael Smith at Michael.A.Smith@toronto.ca .

Sincerely,



Doug Rollins
Director, Housing Stability Services

- c. Julie Western Set, Manager, Housing Stability Services, City of Toronto
Suzana Lama, Housing Consultant, City of Toronto
Michael Smith, Solicitor, City of Toronto

Attach.

Appendix "A"

The information set out in this Appendix "A" is organized as follows:

- The Triggering Events, as originally set out in the March, 29, 2021, Notice of Triggering Events (the "NTE") are set out, generally.
- The Service Manager sets out how each of these triggering events are ongoing by: (A) Restating the advice it has previously given about the triggering events and their details; (B) Restating the direction previously given about the steps to be taken to cure/resolve the triggering events; and (C) Identifying specific examples of how the directions given by the Service Manager have yet to be heeded and how the curative actions that have not yet been taken/completed.
- Lastly, for clarity, the Service Manager has restated, in one list, the curative actions that have yet to be taken/completed in order to satisfactorily address/resolve the triggering events that have been identified.

The Triggering Events

- 1) In the opinion of the City of Toronto, in its role as Service Manager, the Housing Provider continues to contravene the HSA and the regulations (HSA, s. 83. paragraph 1):
 - a) The Housing Provider has failed to comply with the requirements of the HSA, s. 75(1) to operate the housing project and govern itself in accordance with: (a) the prescribed provincial requirements; and (b) the local standards made by the Service Manager.
 - b) The Housing Provider has failed to comply with the requirements of the HSA, s. 69(2) to ensure that the project is well managed.
- 2) In the opinion of the Service Manager, the Housing Provider has failed to operate a designated housing project properly (HSA, s. 83. Paragraph 11).

Triggering Event No.1(a) Remains Unresolved and is Ongoing

(A) In respect of Triggering Event 1(a), the Service Manager advised the housing provider that:

- i. The Housing Provider had inadequate documented policies dealing with the following:
 - a) Internal transfers, O. Reg. 367/11, s. 47 (1) paragraph 5.
 - b) Guests, O. Reg. 367/11, s. 96 (4).
 - c) Dealing with information to ensure that the provider's directors, officers, employees, agents and volunteers comply with the standards prescribed by section 146. (O. Reg. 367/11, s. 146 (9)).
 - d) Records management to ensure that the provider's directors, officers, employees, agents and volunteers comply with HSA, s. 79 (1) and O. Reg. 367/11, s. 102 (1).

- ii. The Board of Directors had not established the policies and procedures regarding:
 - a) System for dealing with reviews delegated to the Housing Provider under the Rent-Geared-to-Income Administration Services Agreement between the Service Manager and the Housing Provider; HSA s. 155 (3).
 - b) Lease/occupancy agreement policy, O.Reg. 367/11, s.100 (5) and City Guideline 2007-2.
- iii. The Board of Directors had not implemented correctly the required policies and procedures regarding RGI administration or filling RGI Units in accordance with the local standards set forth in the Rent-Geared-to-Income (RGI) Administration Manual issued by the City of Toronto as described in the rent-geared-to income (RGI) review.

(B) *In order to address those triggering events arising from, and related to, the failure of the housing provider to comply with the requirements of subsection 75(1) of the HSA, the original March 29, 2021, Notice of Triggering Events (the "NTE") required that, among other things, the housing provider:*

Submit the Corporation's response to the Operational Review report conducted on November 8, 2019 as well as:

- Update the Housing Provider's internal transfer policy and provide a copy of to the Service Manager as required by O.Reg 367/11 s. 47 and City Guideline 2012-1.
- Establish a system for dealing with reviews as required by the HSA s. 155-158
- Update written policies governing its standards for the collection, use, safeguarding and disclosure of personal information as required by HSA, O. Reg. 367/11, s. 145-147 and the RGI Service Agreement
- Update written processes and procedures governing records management as required by the HSA, O.Reg. 367/11, s.102 and the RGI Service Agreement
- Ensure the Housing Provider's occupancy agreements meet the requirements of the HSA, O.Reg. 367/11, s.100, City Guideline 2007-2¹

Revise oversight and management processes to ensure that appropriate oversight is being provided over RGI administration to identify deficiencies, prevent recurrence and ensure the Corporation's RGI compliance rate exceeds the minimum standard. This should include:

- Submitting the Corporation's response to the RGI Review report conducted on November 8, 2019
- Following the *RGI Administration Manual* in carrying out the duties delegated by the City of Toronto to administer RGI subsidies in accordance with the rules as set out in the *Housing Services Act* and Regulations
- Establishing documented business processes and procedures governing all aspects of RGI administration and filling RGI units²

¹ Curative Action No. 6, as set out in the original NTE.

² Curative Action No. 7, as set out in the original NTE.

By-Law 25: Housing Services Act By-Law, which the Service Manager understands was presented to it as a curative action that address Triggering Events 1(a)(i)(a) through 1(a)(i)(d) fails to sufficiently resolve these issues. The Board adopted CHFT's model By-law, designating it as By-Law 25. However, the Board failed to make the necessary modifications to the model by-law to include corporation-specific details. The model by-law that CHFT makes available to housing providers requires that it be modified to ensure that it is an instrument capable serving the particular housing provider in question. It must be modified to recognize, and work in concert with, other by-laws the housing provider already passed and specific corporate decisions that the housing provider needs to make in certain areas. An example of the way By-law 25 is deficient is how, on page 31 in Article 7 (Selection of Geared-to-Income and Special Needs Members), under section 7.3 Making Decisions, the by-law clause included a placeholder and the entire piece was in red text: "(d) The board will decide the duties of the committee. **Figure out the duties**". [emphasis added]

The housing provider still fails to demonstrate the requisite understanding of the RGI program rules and the capacity to manage the administration of the RGI units at the housing project, in accordance with their obligations. As a general proposition, the administration of a housing project's RGI program is carried out by staff, in accordance with an established set of practices and protocols. The practices and procedures that the housing provider has submitted, to date, also fail to delineate in sufficient detail the roles and responsibilities of a proposed RGI/Membership Committee and staff, in respect of the RGI Administration process, and – critically – they do not address the potential issues of turnover among members of the Committee or the real possibility that conflicts of interest may arise that would preclude a Committee comprised of Board members from making RGI Administration decisions.

The housing provider has not submitted a response to the November 8, 2019, RGI review.

Policies and procedures submitted regarding the establishment of a system for dealing with reviews delegated to the housing provider under the Rent-Geared-to-Income Administration Services Agreement between the Service Manager and the housing provider fails to mention that the City of Toronto is the body that is responsible for handling reviews of Loss of Eligibility decisions, while all other reviews are handled by the corporation's review body. It also fails to account for the changes that took effect in July 2021, as a result of the RGI simplification process. The policies and procedures submitted regarding RGI administration and the filling of RGI Units do not correctly set out the housing provider's obligation to ensure that 55% of the total units in the housing project are RGI units. Policies and procedures regarding leases/occupancy agreements remain deficient, in large part, because – as was the case with By-law 25, referenced above - the housing provider has failed to modify model by-laws that are available to them to address the specific circumstances and RGI rules that apply to the housing provider itself.

As a result of the above, Triggering Event No.1(a) remains unresolved and is ongoing.

Triggering Event No.1(b) remains unresolved and is ongoing.

(A) *In respect of Triggering Event 1(b), the Service Manager advised the housing provider that:*

- i. The Board of Directors has failed to establish appropriate governance

(B) *In order to address those triggering events arising from, and related to, the failure of the housing provider to comply with the requirements of subsection 69(2) of the HSA, the original March 29, 2021, Notice of Triggering Events (the "NTE") required that, among other things, the housing provider:*

- Notify the Service Manager at least two weeks in advanced of the dates and times of all future Board of Directors meetings until further notice (and that the Service Manager would attend as necessary);
- Provide the Service Manager with a copy of the agenda and "Board Package" at least 2 days before any scheduled Board meeting; and
- Provide the Service Manager with copies of minutes of the Board meetings and all attachments to said minutes at the latest, 3 weeks after the Board meetings were held.³

Create and submit a training plan outlining what courses will be taken to ensure that all members of the Board of Directors receive financial management and corporate governance training in a form acceptable to the City. The training plan must specify, at the very least, the names of the Board members, the course provider, the course name, and the scheduled date(s).

Submit a training strategy that ensures that new Board members and staff are appropriately trained in the future with respect to corporate governance, financial management and operation of the Housing Provider.

Provide to the Service Manager certificates of completion proving that all members of the Board have successfully completed the financial management and corporate governance courses.⁴

³ Curative Actions Nos. 1, 2, and 3, as set out in the original NTE.

⁴ Curative Actions Nos. 10, 11, 12, and 13, as set out in the original NTE

In the 16 months since the issuance of the Notice of Triggering Events, the Service Manager has not been provided with the requested information (save and except for a meeting that was convened on April 13, 2022). The City notes that as per City of Toronto Local Operating Standards set through City Guideline 2015-5, non-profit housing co-operatives Board of Directors must convene at least 4 times a year.

The housing provider has not provided the Service Manager with an education plan that ensures that members of its Board will receive the necessary training. No detailed syllabus of any course or series of courses have been provided. In addition, the housing provider has not provided the Service Manager with proof that all the current members of the Board have completed any courses related to the financial management of corporate governance.

As a result of the above, Triggering Event No.1(b) remains unresolved and is ongoing.

Triggering Event No.2 remains unresolved and is ongoing.

(A) *In respect of Triggering Event 2, the Service Manager advised the housing provider that:*

- a) The Board of Directors has not established effective financial management controls resulting an accumulated deficit. As of June 30, 2020, the co-op had an accumulated deficit of \$129,087.**
- b) The Board of Directors has not ensured that the necessary policies and procedures are in place to ensure appropriate approvals and monitoring of internal controls**

(B) *In order to address those triggering events arising from, and related to, the failure of the housing provider to establish effective financial management controls and ensure appropriate approvals and monitoring of internal controls are in place, the original March 29, 2021, Notice of Triggering Events required that, among other things, the housing provider:*

- Ensure that the following statements and reports are prepared monthly and are reviewed by the Board of Directors, and are provided to the City, no later than the last Thursday of the month until further notice:
 - **Balance Sheet** showing cash on hand, investments and monies owed;
 - **Statement of Revenue and Expense** showing budget, actual data and variances;
 - **Payables List** showing all outstanding invoices;
 - **Arrears Report** showing occupancy charge amounts unpaid by residential members; and
 - **Investment Ledger (Report)** showing the balance of all investments.⁵

⁵ Curative Actions Nos. 4 and 5, as set out in the original NTE.

- Submit an action plan detailing what steps the Board will take to eliminate the accumulated deficit and ensure that the Housing Provider will not incur losses in future years. The plan must include the following elements:
 - An assessment of the extent and nature of the financial difficulties;
 - A thorough analysis of qualitative factors contributing to the Housing Provider's financial problems;
 - A clear outline of specific steps to be taken to reduce expenditures and/or increase revenues
 - Specific objectives and detail on how they will be achieved;
 - A revised budget for the current year; and
 - Projected operating results for the next three years reflecting the housing provider's planned course of action and objectives.⁶

- Submit policies and procedures governing the following activities for approval:
 - Review and approval of monthly financial statements by the Board of Directors;
 - Purchasing, including clearly defined authorities and limits for both Board members, staff and agents as it pertains to legally binding contracts

- The Board must ensure that all processes include appropriate internal controls. The Housing Provider's internal controls should help to ensure that exposure to risk is managed. Once approved by the City the policies and procedures must be implemented immediately by the Housing Provider.⁷

⁶ Curative Action No. 8, as set out in the original NTE.

⁷ Curative Action No. 9, as set out in the original NTE.

The housing provider failed to provide the Service Manager with the requested statements and reports on a monthly basis for the 16 months since the issuance of the Notice of Triggering Events. The Service Manager was provided with one set of financial documents on June 3, 2022. However, the Service Manager's review of those documents indicates that they have not been properly prepared. By way of example, the Balance Sheet submitted on June 3, 2022, indicates that the value of the corporations assets do not equal its equity and its liabilities. The submitted balance sheet does not balance, and therefore has not been properly completed.

The financial information that the Service Manager has been provided with, has access to, and has reviewed shows:

- That since June 30, 2002, the housing provider's accumulated deficit has risen significantly. As of June 30, 2020, the accumulated deficit was \$129,087. As of June 30, 2021, the accumulated deficit was \$234,336.00. Despite delivery of the Notice of Triggering Events, that number has continued to grow. As of April 30, 2022, the housing provider's accumulated deficit was \$293,875.
- That the housing provider owes over \$300,000 to one creditor – York University.

Despite having 16 months to prepare an action plan, no action plan has been prepared or submitted.

The above noted failures to provide the necessary financial information and records on a regular basis since the issuance of the Notice of Triggering Events, and the failure to prepare and submit an action plan are evidence of failures on the part of the housing provider to establish and implement the requisite policies and procedures regarding the review of financial statements and the establishment of internal controls.

As a result of the above, Triggering Event No.2 remains unresolved and is ongoing.

Curative Actions that the Housing Provider Has Failed to Take to Date

- I. The housing provider must, on an ongoing, moving forward basis:
 - 1) Notify the City of Toronto (City) at least two weeks in advance of the dates and times of all future Board of Directors meetings until further notice. City staff will attend as deemed necessary.
 - 2) Provide copies of the agenda and "Board package" for each Board meeting is to be provided to the City at least two business days prior to each Board meeting.
 - 3) Provide the City with a copy of the Minutes and all attachments no later than three weeks following all Board of Directors meetings.
 - 4) 4Ensure that the following statements and reports are prepared monthly and are reviewed by the Board of Directors:
 - **Balance Sheet** showing cash on hand, investments and monies owed;
 - **Statement of Revenue and Expense** showing budget, actual data and variances;
 - **Payables List** showing all outstanding invoices;

- **Arrears Report** showing occupancy charge amounts unpaid by residential members; and
 - **Investment Ledger (Report)** showing the balance of all investments.
- 5) A copy of each of the above noted reports must be provided to the City, no later than the last Thursday of the month until further notice.

*** In light of the housing provider's failure to take these curative actions to date (save and except for a meeting that was convened on April 13, 2022, the City also requests that, no later than **Wednesday September 14, 2022**, it be provided with:

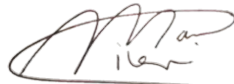
- Confirmation that the only Board meeting convened since the issuance of the March 29, 2021, Notice of Triggering Events was the April 13, 2022, meeting;
- Copies of any Board packages that were circulated in advance of any and all Board meetings convened since the issuance of the March 29, 2021, Notice of Triggering Events, through and until September 14, 2022;
- Copies of Minutes and all attachments to any Minutes of any and all Board meetings convened since the issuance of the March 29, 2021, Notice of Triggering Events, through and until September 14, 2022; and
- A schedule of any and all Board meetings that the housing provider plans on holding for the balance of 2022 and 2023.

II. No later than Wednesday September 14, 2022, provide, to the satisfaction of the Service Manager, the response to requirements as listed in the Notice of Triggering Events:

- 6) Submit the Corporation's response to the Operational Review Report, by updating/modifying the Housing Services Act By-Law (By-law 25) to include corporation-specific details and that ensures consistency across all the corporation's by-laws. The updated/modified by-law(s) must also be approved at a meeting of the general membership that has been called with appropriate notice in accordance with the Co-operative Corporations Act.
- 7) Revise oversight and management processes to ensure that appropriate oversight is being provided over RGI administration to identify deficiencies, prevent recurrence and ensure the Corporation's RGI compliance rate exceeds the minimum standard. This should include:
- a) Submitting the housing provider's response to the RGI Report.
 - b) Evidence that the Housing Provider is rigorously following the *RGI Administration Manual* in carrying out the duties delegated by the City of Toronto to administer RGI subsidies in accordance with the rules as set out in the *Housing Services Act* and Regulations by providing the monthly statistics describing, in detail, the vacancies that have arisen in the housing project and how they were filled, since the issuance of the original Notice of Triggering Events in March 2021.

- c) Establishing documented business processes and procedures governing all aspects of RGI administration and filling RGI units. The business processes and procedures documenting the above must be revised to provide details about how the Membership/RGI Committee structure will demarcate its roles and responsibilities and those of RGI administrative tasks that staff are responsible for. The business processes and procedures must also provide for a robust section that sufficiently addresses how the proposed Membership/RGI Committee structure would resolve potential conflicts of interest situation that could arise.
- 8) By **Wednesday September 14, 2022**, the Housing Provider will submit an action plan detailing what steps the Board will take to eliminate the accumulated deficit and ensure that the Housing Provider will not incur losses in future years. The plan must include the following elements:
- An assessment of the extent and nature of the financial difficulties;
 - A thorough analysis of qualitative factors contributing to the Housing Provider's financial problems;
 - A clear outline of specific steps to be taken to reduce expenditures and/or increase revenues;
 - Specific objectives and detail on how they will be achieved;
 - A revised operating budget for the current year
 - Projected operating results for the next three years reflecting the Housing Provider's planned course of action and stated objectives;
 - A capital expense budget for current year and a 5 years projection of the housing provider's capital expenses should be included in any plan;
 - In light of the information that has been made available to the Service Manager, any plan must provide that an agreement has been reached between the housing provider and its largest creditor, York University, for the settling of that creditor's account. Evidence of this agreement, in the form of a document signed by both the housing provider and York University, must be provided.
- 9) The Housing Provider will submit copies of its Spending By-Law, updated policies and procedures for reviewing and approval of monthly financial statements that have been properly approved by the Board of Directors at a properly convened and minuted Board meeting.
- 10) Submit a training strategy that ensures that all Board members and staff are appropriately trained in the future with respect to, corporate governance and the financial management and operation of the Housing Provider, and submit certificates and/or other evidence showing that all current Board members have completed training in these areas.

This is Exhibit "GG" referred to
in the Affidavit of Julie Western
Set, sworn on the 10th day of
November, 2022.

A handwritten signature in black ink, appearing to read "Mark Siboni", written over a horizontal line.

Mark Siboni
A Commissioner for taking Affidavits



BETTY'S LAW

Courtney Betty, JD
Counsel for Justice and Equity

September 22, 2022

Mr. Michael A Smith
Solicitor
City of Toronto
Legal Service/ Municipal law Unit
25 Floor, Metro Hall
55 John Street
Toronto, ON
M5V 3C6

Dear Mr. Smith,

Re: Harry Sherman Crowe Co-operation

I trust that you had a great summer. I am seeking a further extension of thirty (30) days to provide the detailed response needed for the Triggering events letter.

There are several events which has slowed the process. Firstly, a new Board has been elected and they are in the process of getting organized as well as shaping the future direction for the long-term stability of the Co-op. Also as seen below our auditor had some personal issues which forced him to reduce his practice. A copy of his resignation letter is hereto attached for your attention. This has presented some challenges in getting some of the information requested. I have asked Andrew Smith who is helping to create a financial strategy for the Co-op to present a summary of the present financial position. His summary is hereto attached below.

Finally, the loss of the Auditor has delayed the negotiations with York which should have been over the last two weeks. We are working to provide York with the information they require to decide how the outstanding balance will be paid. It should be noted that obligations to York are being kept current and the only challenge is the past amounts due.

I am also working on a detailed Affidavit which raises the issues faced by the Board in it's dealing with the City. What is clear is that the Board has not received the necessary support required by the City in the area of capital expenditures. Absent capital expenditures, the Co-op is in a positive cash flow. Further, without the



BETTY'S LAW

Courtney Betty, JD
Counsel for Justice and Equity

fraud committed against the Co-op by the previous management company some of these issues would have been resolved.

Harry Sherman needs the assistance of the City of Toronto in the area of capital expenditure and the outstanding balance with York University.

Let me know a good time next week to have a discussion.

Sincerely,

DocuSigned by:

Courtney Betty

390F0FD833C348B...

Courtney Betty
Barrister & Solicitor
Betty's Law Office

PRIVATE AND CONFIDENTIAL

CHARTERED PROFESSIONAL ACCOUNTANT

August 25, 2022

The Board of Directors
Harry Sherman Crowe Housing Co-operative Inc.
51 The Chimneystack Rd. Office
Toronto, Ontario
M6J 3L9

Dear Members of the Board:

It is with regret that, due to health reasons, I feel that, effective immediately, I am no longer able to provide the focus and resources required for the performance of a thorough audit at your Co-operative. I simply cannot perform an audit and in good conscience invoice the Co-op for it if I know that it would not live up to my standards.

It has been a pleasure working with Harry Sherman Crowe for the past 25 or so years and I wish the Co-op success in the future.

There are a number of alternate competent CPA firms that work in this sector, I would suggest contacting CHFT for their names and numbers.

Respectfully



Ed Roscetti

September 20, 2022

The Harry Sherman Crowe Co-operative Capital Expenditures

The current and subsequent operating budgets for the co-operative estimates a surplus of \$82K and \$203K for the June 2023 and June 2024 fiscal year ends (attached).

The co-operative received an Engineering Inspection which details capital expenditure requirements as follows:

- Year 1-5 Capital Replacement - \$995K
- Year 6-10 Capital Replacement - \$4.2M

The total estimated capital replacement is \$5.3M over the next 10 years.

The co-operative does not have a capital expenditure surplus account and needs funds in addition to those generated from operations to satisfy the capital requirements identified.

Sincerely,



Andrew Smith, CPA, CA
AWFS Consulting Inc.

**Harry Sherman Crowe Co-Operative
Annual Fiscal Operating Budget**

Description	30-Jun-23	30-Jun-24
REVENUES	3,121,266	3,230,510
EXPENSES		
Property Management Fees	90,000	91,350
Maintenance Contracts	72,000	73,800
Municipal Property Taxes	168,600	171,972
Property Boiler and Liability Insurance	80,000	80,000
Bad Debts	3,000	3,000
Utilities	494,625	500,561
Mortgage & Capital	1,741,070	1,741,070
On Call Expenses	20,000	20,000
Maintenance Contracts	184,225	180,000
Maintenance Materials & Supplies	45,408	40,000
Maintenance & Repairs	67,328	52,500
Administration	73,358	73,358
TOTAL EXPENSES	3,039,614	3,027,611
NET INCOME	81,652	202,899

This is Exhibit “HH” referred to
in the Affidavit of Julie Western
Set, sworn on the 10th day of
November, 2022.

A handwritten signature in black ink, appearing to read 'Mark Siboni', written over a horizontal line.

Mark Siboni
A Commissioner for taking Affidavits

Housing Secretariat
Abigail Bond, Executive DirectorHousing Stability Services
Metro Hall, 6th Floor
55 John Street
Toronto, ON M5V 3C6Tel: 416-392-0054
Email: Doug.Rollins@toronto.ca

September 23, 2022

Board of Directors
Harry Sherman Crowe Housing Co-operative Inc.
51 The Chimneystack Rd.
Toronto, ON M3J 3L9Delivered via email at: harrysherman@bellnet.caMr. Courtney Betty
Betty's Law
6 Finch Ave W
Toronto, ON M2N 7G2Delivered via email at: betty@bettyslaw.com

Dear Board of Directors and Mr. Betty:

Re: Harry Sherman Crowe Co-op Notice of Decision

This Notice of Decision is delivered in compliance with the requirements of s. 90 (6) of the Housing Services Act (the "Act").

On July 14, 2022, the City of Toronto, acting as Service Manager under the Act, delivered a notice to the board of directors of Harry Sherman Crowe Housing Co-operative Inc. (the "Housing Provider") and its counsel:

- specifying the particulars of the occurrence or continuation of the triggering events described therein and that the housing provider was unable to pay its debts as they became due and that both were continuing;
- specifying that the Service Manager was considering making an application to seek the appointment of a receiver or a receiver and manager under paragraph 7 of section 85 (the "remedy") and the reasons why the Service Manager was doing so;
- informing the Housing Provider that it could make a written submission on the Service Manager's proposed exercise of the remedy by a date that was not less than 60 days after the date the notice was given; and
- informing the Housing Provider that if no submission was received by September 14, 2022, the Service Manager would make a decision based on the information that is available to it.

No submission having been received by the Service Manager. The Service Manager has made a decision based on the information that is available to it to make an application to seek the appointment of a receiver or a receiver and manager under paragraph 7 of section 85 of the Act. The reasons for that decision are:

1. The Housing Provider is unable to pay its debts as they become due;
2. The policies and procedures that have been submitted to the Service Manager do not fully address the gaps in the governance, financial control and rent-gear-to-income administration processes that the Service Manager has identified;
3. The Housing Provider has not demonstrated that it has implemented the policies and procedures that it has submitted; and
4. The triggering events specified in Appendix "A" attached to the July 14, 2022 notice have not been addressed in the manner required by the Notice of Triggering Events delivered to the Housing Provider on March 29, 2021, all of which are continuing.

As a result, in the opinion of the Service Manager, the Housing Provider continues to contravene the provisions of the Act and has failed, and is failing, to operate the housing project properly.

All submissions, notices and correspondence with the subject matter of this letter should be addressed to our legal counsel Michael Smith at Michael.A.Smith@toronto.ca.

Sincerely,



Doug Rollins
Director, Housing Stability Services

- c. Julie Western Set, Manager, Housing Stability Services, City of Toronto
Suzana Lama, Housing Consultant, City of Toronto
Michael Smith, Solicitor, City of Toronto

BETWEEN:

CITY OF TORONTO
(Applicant)

-and-

**HARRY SHERMAN CROWE HOUSING
CO-OPERATIVE INC.**
(Respondent)

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)
Proceeding commenced at Toronto

**AFFIDAVIT OF JULIE WESTERN SET,
SWORN on NOVEMBER 10, 2022**

CITY SOLICITOR'S OFFICE

City of Toronto, Legal Services
Station 1260, Metro Hall
55 John St., 26th Floor
Toronto, ON M5V 3C6

Mark Siboni/Ryan Krahn

LSO Nos. 50101V/74645M
Tel: (416) 392-9786/(416) 338-1395
Fax: (416) 397-5624
Email: mark.siboni@toronto.ca

Lawyers for the Applicant, City of Toronto

BETWEEN:

CITY OF TORONTO
(Applicant)

-and-

**HARRY SHERMAN CROWE HOUSING
CO-OPERATIVE INC.**
(Respondent)

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)
Proceeding commenced at Toronto

APPLICATION RECORD

CITY SOLICITOR'S OFFICE

City of Toronto, Legal Services
Station 1260, Metro Hall
55 John St., 26th Floor
Toronto, ON M5V 3C6

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Lawyers for the Applicant, City of Toronto