

**BRITISH
COLUMBIA**

The Best Place on Earth

SHAREHOLDER'S LETTER OF EXPECTATIONS

BETWEEN

**THE MINISTER OF FORESTS AND RANGE
AND MINISTER RESPONSIBLE FOR HOUSING
(AS REPRESENTATIVE OF THE SHAREHOLDER,
THE GOVERNMENT OF BRITISH COLUMBIA)**

AND

**THE CHAIR OF THE BRITISH COLUMBIA HOUSING MANAGEMENT
COMMISSION (AS REPRESENTATIVE OF THE BRITISH COLUMBIA
HOUSING MANAGEMENT COMMISSION)**

PURPOSE

This Shareholder's Letter of Expectations between the Shareholder and Corporation is an agreement on the respective roles and responsibilities of each, and serves as the basis of agreement between the Shareholder and the Corporation on corporate mandate including high-level performance expectations, public policy issues and strategic priorities¹. It will be reviewed annually and updated as required. The Shareholder's Letter of Expectations is the basis for the development of the Corporation's Service Plans and Annual Service Plan Reports. The Letter applies to the Shareholder, the Corporation and its subsidiaries. This Letter does not create any legal or binding obligations on the part of the Shareholder or the Corporation but rather is intended to define and promote a positive and co-operative working relationship.

¹ The Province of British Columbia's Crown Agency Accountability System (CAAS) ([http://www.gov.bc.ca/cas/down/shareholder's_expectations_manual_\(version%208\)_june_2_06.pdf](http://www.gov.bc.ca/cas/down/shareholder's_expectations_manual_(version%208)_june_2_06.pdf)) establishes guiding principles for the governance of Crown corporations. The CAAS also identifies roles and responsibilities for the Shareholder and Crown corporations, and provides for a Shareholder's Letter of Expectations (Letter) to be jointly developed.

CORPORATION ACCOUNTABILITIES

Through the provincial housing strategy, *Housing Matters BC*, the Shareholder has affirmed its commitment to the following strategic directions related to the Corporation:

- the homeless have access to stable housing with integrated support services;
- BC's most vulnerable citizens receive priority for assistance;
- aboriginal housing need is addressed;
- low income households have improved access to affordable rental housing; and
- homeownership is supported as an avenue to self-sufficiency.

In responding to government's performance expectations and the general and specific frameworks and direction of the Shareholder, the Corporation will:

- conduct its affairs to achieve its mandate and the performance expectations and objectives of the Shareholder, including establishing and implementing corporate strategies, policies, programs, plans and financial outcomes that are consistent with the Shareholder's general direction and consistent with principles of efficiency, effectiveness, consumer choice and customer service;
- prepare Service Plans with clearly articulated goals, objectives, strategies and performance measures and targets, and Annual Reports that detail progress toward achieving those goals and post both documents on its website;
- display all annual Statement of Financial Information schedules prepared under the *Financial Information Act* in an easily accessible location on its website (some of this information is included in annual reports and does not need to be otherwise displayed);
- conduct its operations and financial activities in a manner consistent with the legislative, regulatory and policy framework established by the Shareholder;
- develop and implement strategies to mitigate risks identified in the Service Plan, particularly the cost of capital and financial viability of the Corporation;
- encourage staff involvement in developing ideas and new solutions to meet government's environmental and climate change objectives, including recycling and energy conservation programs and fleet and traffic management initiatives, and report on results achieved;
- provide the Shareholder with reports and other information that would enable the Shareholder to carry out its responsibilities;
- provide information to the Shareholder if the Corporation is unable to meet the targets identified in its Service Plan; and
- take appropriate action to ensure that if Shareholder-directed transactions affect the Service Plan or financial targets of the Corporation, the Shareholder is informed of any impacts.

In addition the Shareholder directs the Corporation to take the following specific actions:

- work collaboratively with Office of Housing and Construction Standards staff of the Ministry of Forests and Range to implement the provincial housing strategy and related program design, including program evaluation frameworks;
- within the 2007/08 budget confirmed for the Corporation, and the 2008/09 and 2009/10 budget targets and Ministry transfers as set out in the Corporation's 2007/08

to 2009/10 Service Plan, ensure effective planning for, and management and delivery of, housing programs and services by:

- working in partnership with provincial health authorities, the non-profit and private sectors, local governments and others to deliver the *Independent Living BC* program (4,050 units by 2008/09);
- working with other provincial ministries and health authorities to establish long-term housing and support services to respond to the needs of homeless/at risk individuals through the Provincial Homelessness Initiative (2,287 units to be completed by 2010/11);
- integrating the federal social housing portfolio with the provincial social housing portfolio;
- supporting Aboriginal capacity building in the area of housing and transferring administration of additional housing units to the Aboriginal Housing Management Association;
- initiating comprehensive re-development plans for appropriate subsidized housing sites to further the objectives of the provincial housing strategy;
- improving access to, and maximizing the use of, government-owned public housing for those with complex housing and health needs through initiatives such as the Supportive Seniors Housing Program (conversion of 750 units by 2009/10);
- incorporating environmentally responsible construction and management techniques into developments whenever possible;
- finding innovative ways to deliver on its mandate and providing support for innovative projects initiated by others; and
- increasing the number of year-round emergency shelter beds.

SHAREHOLDER RESPONSIBILITIES

The Shareholder is responsible for the legislative, regulatory and public policy framework in which Crown corporations operate. In order to meet these responsibilities and support achievement of government's performance expectations, the Shareholder will:

- establish, review, revise and communicate Crown corporations' mandates;
- establish the overall and Crown specific financial frameworks under which Crown corporations operate (borrowing, investment, and payment to the Shareholder);
- issue performance management guidelines, including guidelines for service planning and annual reports (<http://www.gov.bc.ca/cas/rpts/>);
- provide strategic input and advice to Crown corporations in the development of their Service Plans and Annual Reports;
- provide broad policy direction and confirmation of general frameworks/principles to Crown corporations, within which the Crown corporations may establish and apply specific policies/processes;
- advise Crown corporations of government's priorities, strategic decisions and public policy and performance objectives and expectations that may impact the Crown corporation; and
- issue directives or orders, or sponsor submissions on behalf of Crown corporations that may be required to seek decisions or policy direction by the Executive Council or

its committees, in order to facilitate Crown corporations fulfilling their mandates and achieving the performance targets outlined in Crown corporations' Service Plans.

The Shareholder has developed policies for ministries and Crown corporations for Capital Asset Management (<http://www.fin.gov.bc.ca/tbs/camf.htm>) and Board remuneration policies for Crown agencies. The shareholder has also issued Best Practice Guidelines for board governance and disclosure to be implemented by April 2006 <http://www.fin.gov.bc.ca/ooop/brdo/corporateguidelines.pdf>. During the term of this Letter, the Shareholder may provide policy direction to the Crown agency sector, and will communicate any such direction, including implementation expectations, to Crown corporations as decisions are made.

The Shareholder will also, on a continuing basis, monitor the achievement of the goals, objectives and targets identified in the Corporations' Service Plans.

Specific to the Corporation, the Shareholder:

- approves the Corporation's mandate under the *Ministry of Lands, Parks and Housing Act*, to fulfill the government's commitment to subsidized housing through the following core services:
 - management of existing public housing and group homes,
 - administration of housing programs and services, and
 - facilitation of an increased supply of subsidized housing.
- works collaboratively with the Corporation to implement the provincial housing strategy, *Housing Matters BC*, and related program design, including program evaluation frameworks;
- continues the Corporation as an agent of the Crown with the same rights and benefits as the Province; and
- confirms the role of the Minister of Finance as fiscal agent to the Corporation, providing the Corporation with access to government financing and banking services.

AREAS OF SHARED ACCOUNTABILITY:

Communications:

It is agreed by both the Shareholder and the Corporation that, to ensure effective and efficient day-to-day communications and relationship building, officials representing both parties will be tasked with implementing the contents of this Letter and keeping the Minister Responsible and the Board of Directors informed of progress in a timely fashion.

Reporting:

The Shareholder and the Corporation are committed to enhanced transparency and accountability to the public. The Shareholder has put in place a public reporting structure set out in the *Budget Transparency and Accountability Act*, the *Financial Administration Act*, and the *Financial Information Act*. The Shareholder will provide the Corporation with a financial reporting calendar and details of performance reporting requirements (<http://www.gov.bc.ca/cas>). The Corporation agrees that it will meet these financial and performance reporting requirements. If government determines that changes to the reporting requirements are necessary, the Shareholder will communicate these to the Corporation.

It is agreed by both the Shareholder and the Corporation that there will be advance discussion and review of key strategic documents such as Service Plans, Quarterly Financial Reports and Annual Reports. These discussions will be completed sufficiently in advance to ensure effective and timely input by the Shareholder.

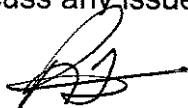
In addition to these financial and performance reporting requirements, the Corporation agrees to provide information to the Shareholder related to risks and opportunities anticipated in achieving financial forecasts.

The Shareholder and the Corporation agree that, as a matter of course, each will advise the other in a timely manner of any issues that may materially impact the business of the Corporation or the interests of the Shareholder.

It is agreed that the Corporation will post the most recent signed copy of the Shareholder Letter of Expectations on its website. Crown Agencies Secretariat will also post a signed copy of the Letter on its website.

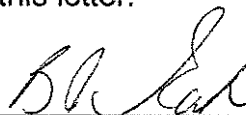
Review and Revision of this Letter:

The Minister Responsible for Housing is accountable for undertaking reviews of this Letter and monitoring its implementation. The Crown Agencies Secretariat is responsible for co-ordinating the overall process for preparing Shareholder's Letters of Expectation, and may assist the Minister in undertaking reviews of this Letter and monitoring its implementation. If deemed necessary by either party, the Shareholder and the Corporation will discuss any issues and may agree to amend this letter.



Honourable Rich Coleman
Minister of Forests and Range
and Minister Responsible for Housing

Feb 12/08
Date



Brenda Eaton
Chair, British Columbia Housing
Management Commission

Feb 22/08
Date

cc. Honourable Gordon Campbell
Premier

Jessica McDonald
Deputy Minister to the Premier and Cabinet Secretary

Chris Trumpy
Deputy Minister and Secretary to Treasury Board
Ministry of Finance

Molly Harrington
Chief Executive Officer
Crown Agencies Secretariat

Mary Freeman
Associate Deputy Minister, Housing
Ministry of Forests and Range

Shayne Ramsay
Chief Executive Officer
British Columbia Housing Management Commission