

TORONTO COMMUNITY HOUSING CORPORATION

FULLY IMPLEMENTED AUDIT RECOMMENDATIONS (Verified by the Auditor General)

Report Title: Moving Forward Together: Opportunities to Address Broader City Priorities in TCHC Revitalizations

Report Date: 03/28/2019

| No. | Recommendation |
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| 1 | City Council request the City Manager, in consultation with the Chief Executive Officer, Toronto Community Housing Corporation (TCHC), to make recommendations to City Council regarding city-building objectives that will be addressed through TCHC revitalizations, and the related funding requirements to achieve those objectives, prior to proceeding with future revitalizations and/or phases that have yet to obtain planning approvals and Shareholder consent. |
| 5 | City Council request the Executive Director, Social Development, Finance & Administration, in consultation with the Chief Executive Officer, Toronto Community Housing Corporation (TCHC), to ensure that TCHC's long-term development capital and operating needs for revitalizations are considered as part of developing a long-term permanent funding model. |
| 11 | City Council request the Toronto Community Housing Corporation Board to report annually to City Council through the City Manager and the City's Chief Financial Officer on the long-term building repair and development capital plans, including funding sources and any unfunded amounts the City needs to include in its Capital Plan. |
| 13 | The Board request the Chief Executive Officer, Toronto Community Housing Corporation, to ensure that all likely capital and operating costs and cost avoidances, be reasonably estimated and reported all together when recommending the business case and anchor business plans (including amendments if there are significant changes) for new revitalizations. Where costs cannot be estimated, but the budget may be impacted, then at minimum, such costs should be discussed qualitatively. |
| 14 | The Board request the Chief Executive Officer, Toronto Community Housing Corporation, to implement regular status reporting for each revitalization project. At minimum, the frequency and extent of such reporting should be based on thresholds developed for the following elements: a. total cost; b. spending to date; c. total committed funding; d. total unfunded requirements; and e. timeline projections. |
| 16 | The Board request the Chief Executive Officer, Toronto Community Housing Corporation, to ensure that the significant negotiated terms, and the financial impacts, are fully described and compared when recommending a development partner for future projects. |
| 17 | The Board request the Chief Executive Officer, Toronto Community Housing Corporation (TCHC), to: a. ensure the financial terms of both initial and final offers are analyzed and evaluated on a discounted cash flow basis to reflect the timing of cash flows and TCHC's cost of capital; and b. ensure key assumptions and underlying estimates are documented and retained. |
| 19 | The Board request the Chief Executive Officer, Toronto Community Housing Corporation, to use certified appraisals to determine the fair market value of the land prior to marketing revitalization opportunities to potential proponents. |
| 20 | The Board request the Chief Executive Officer, Toronto Community Housing Corporation, to ensure that terms of reference for market analyses and/or appraisals is documented and retained. |
| 22 | The Board request the Chief Executive Officer, Toronto Community Housing Corporation, to retain sufficient and appropriate documentation in order to adequately support development related decisions. |
| 23 | City Council request the City Manager to forward this report to other major agencies and corporations for their review and consideration of the relevance of the recommendations to their respective organizations. |