



Swansea Mews Update

Item 7

February 24, 2023

Board or Directors

Report: TCHC:2023-11

To: Board of Directors (“Board”)

From: Vice President, Facilities Management
Acting Chief Development Officer
General Counsel and Corporate Secretary

Date: February 16, 2023

PURPOSE:

The purpose of this report is to seek authorization from the Board of Directors (“the Board”) to apply to the City of Toronto for a permit to demolish the buildings located at TCHC properties at Queensway/ Windermere (“Swansea Mews”).

RECOMMENDATIONS:

It is recommended that the Board:

1. receive the information contained in this report that there is no viable engineering solution that would permit the buildings located at TCHC properties at Swansea Mews to be remediated to satisfy the Chief Building Official’s Order to Remedy Unsafe Condition;
2. authorize TCHC to apply to the City of Toronto for a permit to demolish the buildings located at Swansea Mews in light of that advice;
3. authorize the appropriate staff to take the necessary actions to give effect to the above recommendations.

REASONS FOR RECOMMENDATIONS:

Summary

On May 27, 2022, the underside of a structural concrete panel detached and fell in a bedroom of a townhome unit in Block H of the Swansea Mews

community (the “May 27 Event”). This had a significant impact on the tenants who call that community home. Former Swansea Mews tenants had their lives disrupted and have had to leave their homes. While all of the former tenants have been re-housed in relocation units or temporary units awaiting relocation, this report outlines the first step in a process through which TCHC will work closely with CreateTO and the Housing Secretariat to ensure the replacement of the Swansea Mews units. The actions outlined in this report reflect the first steps taken by TCHC down the path to rebuilding the community and support TCHC’s commitment to engage tenants in the planning and development process that will support that rebuilding process.

The application process for demolition involves a number of steps and requires significant collaboration and coordination between TCHC, CreateTO and the City of Toronto. TCHC will seek to expedite the process where possible. As outlined in this report, the application for a demolition permit will include the submission of a Housing Issues Report that outlines a detailed description of the units to be demolished including the number of units, number of bedrooms, the tenure (RGI, Affordable or Market), and an overview of associated amenities. This information will become the basis of TCHC’s replacement obligations. Through the application process, the replacement requirements for the Swansea units will become a requirement of the demolition approvals.

Background

Queensway/Windermere (1-154 Swansea Mews) consists of 9 blocks of 4-storey stacked townhouses totaling 154 units, built in 1973.

In response to the May 27 Event, TCHC engaged third-party architectural/structural engineers, CS&P Architects (“CS&P”) and WSP Global Inc. (“WSP”) to identify the factors that contributed to the event. At the time that the May 27 Event occurred, TCHC had already engaged CS&P and WSP to prepare designs that would support a planned deep retrofit project at Swansea Mews which had construction planned to commence in 2023.

TCHC also retained RJC Engineers, separately, by TCHC to provide an additional independent point of view and to ensure adherence to engineering principles, best practices and all related codes and regulations as it related to the May 27 Event.

Initial engineering reports completed by CS&P and WSP after the May 27 Event, found defects in the manufacture of the relevant ceiling slab dating back to the original construction of Swansea Mews in 1971. External experts retained by TCHC to assist it in its response to the May 27 Event have consistently expressed the view that the May 27 Event was neither a consequence of improper maintenance nor detectable through routine maintenance and inspections.

On June 12, 2022 the City's Chief Building Official (the "CBO") issued an Order to Remedy Unsafe Condition and an Emergency Order to TCHC (the "City Orders"). The City Orders required TCHC to relocate any remaining Swansea Mews tenants until such time as work was completed that would make the buildings safe for tenants to return. As of July 10, 2022, all Swansea Mews households were successfully evacuated to temporary locations.

As units were vacated, structural supports (shoring) were installed to protect against the potential of another similar event, allowing engineers to enter and inspect the units to determine whether other ceiling panels existed that bore the same construction features as the one involved with the May 27 Event.

TCHC'S Incident Response

The recommendations of this report are in keeping with the findings of both internal and external consultants. Demolition has been determined as the only viable course of action that will satisfy the City Orders.

On June 12, 2022 RJC Engineers ("RJC") provided their findings based on destructive testing of multiple concrete panels throughout the Swansea Mews buildings. Based on the results of those tests, RJC concluded that "there is no means to determine how widespread this issue is" and that the "risk of sudden failure poses an imminent and serious health and safety risk to all occupants and action is required immediately".

On June 16, 2022, the CBO wrote TCHC, further to the City Orders regarding the Swansea Mews buildings. In that correspondence, the CBO expressed the City's concern that units at the complex were still occupied contrary to the Emergency Order. The CBO advised that if full compliance with the Emergency Order was not achieved imminently, he would have no choice but to proceed with an application to the Superior Court of Justice for an Order enforcing the Emergency Order.

On June 17, 2022, TCHC wrote to the CBO advising that it shared the CBO's concerns with respect to the ongoing occupancy of the units that were the subject of the CBO's Emergency Order. In that same correspondence TCHC advised that investigations into the May 27 Event were ongoing and, while it continued to investigate options for the potential remediation of the Swansea Mews buildings, work to that date had not identified any reliable method for remediating the panels. TCHC advised the CBO that it had engaged an engineer who specialized in precast structures to review the failure.

On June 18, 2022, TCHC provided Toronto Building with two engineering reports. The first report was prepared by Mr. Kraincanic of WSP and the second report was prepared by Jovo Mitrovic, P. Eng., of Precast Design Solutions Inc. ("PDS"). WSP had sought an opinion from PDS, a precast concrete engineering specialist. Both reports concluded that the Swansea Buildings were not safe for occupancy due to the fact that another failure could occur at random and there was no way of knowing absent destructive testing which units were safe to occupy.

Both reports also confirmed that the precast hollow-core panels could not be salvaged or repaired. PDS indicated that "future failures can occur in the same random mode that cannot be detected and repaired with any available tools and processes." In its report of June 18th, WSP also concluded that the panels could not be repaired. WSP recommended that all the Swansea Buildings be demolished.

CS&P also provided a report, stating their opinion on renewal or replacement of the townhouses at Swansea Mews. The results were received by TCHC on June 16, 2022 (and reaffirmed by Memorandum dated November 23, 2022) that:

"The decision to go ahead with the renewal project versus a full replacement must, first and foremost, consider the safety and well-being of the Swansea community. We believe that there is no choice, the existing buildings must be demolished and a new Swansea Mews community must be built."

Upon receipt of TCHC's advice in this regard, the CBO retained an external engineering firm to perform a due diligence review of the advice that TCHC had provided in relation to the potential for the remediation of the buildings on the Swansea Mews site. TCHC's external engineers, having reviewed

the report provided to the CBO by Thornton Tomasetti in that regard, stand by their recommendation that all residential blocks at Swansea Mews must be demolished in order to respond to the conditions identified in the Emergency Order issued by the City's CBO.

Most recently, Toronto Building have advised that as the owner of the Swansea Mews buildings, the decision regarding the manner in which the site will be made safe rests with TCHC, noting that demolition and reconstruction will require permits from Toronto Building. At that time, Toronto Building advised that, once received, it will review the application(s) in accordance with the requirement of the *Building Code*. Toronto Building does not identify any engineering solution, viable or otherwise, to the conditions that gave rise to the Emergency Orders.

Due to safety concerns with respect to the structural failure that occurred, without warning, on May 27, 2022, and the future risks of structural failures consistent with the findings of TCHC Staff and external consultant reports, it has been determined that demolition is the only option to comply with the City Orders. Given that no engineering solution has been identified that would allow TCHC to comply with the City's Order to Remedy Unsafe Condition, TCHC seeks the Board's authorization to apply to the City for a permit to demolish the Swansea Mews buildings. The failure to demolish the townhouse units presents an ongoing risk as there is no other viable option to remedy the Order to Remedy Unsafe Condition.

In March of 2021, the City of Toronto passed Bylaw 204-2021. Through that Bylaw, the City designated the entire City of Toronto as an area of demolition control pursuant to Section 33 of the *Planning Act*. Article 6 of the City of Toronto Municipal Code Chapter 363 sets out the processes for approving and issuing residential demolition permits. Pursuant to the Bylaw, the Chief Building Official is delegated authority to make a preliminary assessment to determine whether Chapter 667, Residential Rental Property Demolition and Conversion Control, applies to the proposed demolition. If the Chief Building Official is of the opinion that Chapter 667 may apply, the application is forwarded to the Chief Planner to make a final determination on the application of Chapter 667. Should Chapter 667 of the Municipal Code be found to apply to the demolition, the Chief Planner is delegated authority to approve the demolition or, alternatively, to refer the matter to Council for its

consideration. In the case of the demolition of Swansea Mews, a referral to Council would likely be required.

NEXT STEPS:

Should the Board authorize TCHC staff to pursue the application recommended in this report, TCHC will submit for City approval an application to demolish the 154 units at Swansea Mews. This submission will be considered a Rental Housing Demolition and Conversion Application. The application will include the submission of a Housing Issues Report that outlines a detailed description of the units to be demolished including the number of units, number of bedrooms, the tenure (RGI, Affordable or Market), overview of associated amenities, etc. This information will become the basis of forming TCHC's unit replacement obligations.

Through the application process, the unit replacement requirements for the Swansea units will become a requirement of the demolition approvals. Given the need to move quickly, TCHC staff will be working closely with the City to expedite this process and will work with the City to determine how units that are approved for demolition will be replaced.

With the submission of a rental housing application, TCHC will begin negotiations with City Planning to determine the next steps for replacement of the demolished Swansea Mews units. Through this process TCHC will work closely with CreateTO and the Housing Secretariat to ensure the approach to replacement of the demolished units is in keeping with the TCHC approvals framework for new revitalization projects or such other processes as the City may establish to development and revitalization processes impacting TCHC properties.

Concurrent to the review of the application to demolish, a more detailed replacement plan will be developed in partnership with the Housing Secretariat and CreateTO. The resulting plan will be presented back to BIFAC, the TCHC Board, Planning and Housing Committee and City Council.

That report will include: the recommended approach to replace units, any projected funding through market partnerships, identification of community, tenant and Council priorities, and an outline of all costs associated with any reconstruction or revitalization plans. This process will involve the City,

CreateTO, Stakeholder and Tenant engagement in order to develop the preferred proposal.

Demolition costs will be confirmed through a competitive procurement process. Facilities Management staff anticipate returning to BIFAC and the Board for budget approval for demolition costs. TCHC Development staff anticipate returning to BIFAC and the Board with a request for budget approval to procure consulting services to undertake the above review of redevelopment options and to determine the preferred replacement proposal for BIFAC / Board and City Council Review. The timing of these requests will be subject to budget availability.

TENANT AND STAKEHOLDER OUTREACH AND COMMUNICATIONS:

In advance of the Board's meeting on February 24, TCHC has provided notice to TCHC tenants displaced by the May 27 Event that it would recommend that TCHC seek the City's approval to demolish the Swansea units, in light of the manner in which doing so would impact them. The key outreach steps in communicating TCHC's intent to seek the City's approval to demolish these units include:

1. Tenant Outreach and Information Sharing through the tenant newsletter and direct staff to tenant engagement as required;
2. Posting information on the TCHC website around the intent to seek approval to demolish; and
3. Background briefings with the Mayor's Office, Local Councillor and media on TCHC's intent to request that the City issue a permit authorizing the demolition of the buildings located at Swansea Mews as the only viable means to meet the City Order to Remedy Unsafe Condition.

As we move towards redevelopment of Swansea Mews, TCHC Development and Communications staff are working together to develop a Tenant and Stakeholder Communication and Engagement Plan. The plan will ensure that tenants, displaced from Swansea Mews and Stakeholders will have the opportunity to provide input into the planning process. There will continue to be ongoing communication with affected tenants prior to each stage required in the demolition application and future development of the site.

Tenants will also be able to depute on the Rental Housing Demolition Application should the Chief Planner refer the application to City Council for approval.

IMPLICATIONS AND RISKS:

In compliance with the City of Toronto's Emergency Order issued June 12, 2022 all units at Swansea Mews have been vacated. As units were vacated, structural supports (shoring) were installed to protect against the potential of another similar event, allowing engineers to enter and inspect the units to determine whether other ceiling panels existed that bore the same construction features as the one involved with the May 27 Event.

Failure to demolish the townhouse units presents risk. Given that no engineering solution exists that would allow for the remediation of the Swansea Mews buildings to ensure compliance with the City's Order to Remedy Unsafe Condition, the failure to demolish the townhouse units will extend the period during which TCHC tenants, displaced from Swansea Mews, are required to continue to reside in temporary and long-term temporary accommodation in the absence of a clear plan that would contemplate a return to permanent replacement housing.

Failure to demolish also carries significant financial implications. Approval of a demolition permit typically takes between 6-8 months or can extend to up to 18-24 months if rezoning is required. Currently, on-going costs associated with security and shoring at Swansea Mews is approximately \$326,000.00 per month. Security costs incurred are being managed within TCHC's Emergency Containment and Restoration Budget. Staff continue to monitor and review ongoing costs and will assess all opportunities to reduce those amounts as the demolition permit process proceeds.

A public RFP will be issued for the demolition and the recommendation will be based on awarding the work as per the RFP requirements. TCHC is currently investigating options to fund the demolition and future replacement of any units in the Swansea Mews buildings that are approved for demolition.

SIGNATURES:

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ATTACHMENT:

Confidential Source and Use of Funds/Budget Allocation
Attachment 1:
Reason for Information related to the security of the property of
Confidential TCHC and commercial and financial information of TCHC
Attachment: that has monetary value or potential monetary value.