



Date: December 20, 2018

Report to: Board of Directors
CityHousing Hamilton Corporation

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Chief Executive Officer/
Secretary

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Subject: **CEO Information Written Update**

1.0 CHH undertaking extensive asbestos remediation work

In September of 2018, staff was undertaking annual unit inspections of two high rise apartment buildings at 20 and 30 Congress. Each building has 110 units that are 2 bedroom family units. In completing the inspections it was identified that there were ceilings in most corridors and residential units that were delaminating. It was recognized that these were areas are asbestos-containing texture finishes.

CityHousing Hamilton immediately retained First General to perform preliminary air monitoring services. As well, Pinchin Ltd. (i.e. environmental consultants) was retained to provide expertise and direction on the asbestos abatement to ensure that all work will be completed in accordance with the Ontario Asbestos Regulation (O. Reg. 278/05).

It was quickly determined that the delaminated areas did not pose an immediate health risk to the residents, but could be if not properly managed. As per the Airborne Asbestos Report, "the air sample results are well below the Ontario Occupational Exposure Limit...and the Ministry of Environment ambient air criteria." To ensure ongoing safe air quality the delaminated areas were encapsulated in plastic pending the abatement work.

The residents were immediately notified of the asbestos issue. There have been town hall meetings held at the apartments to provide information to the residents and ensure they can understand what has happened; the current status of the work; and the future abatement activities. In order to complete the asbestos work there will be the need for an extensive resident relocation plan to provide minimal disruption to families.

Context:

The presence of asbestos is common in buildings of this structure and age. Asbestos fibres are only released when physically disturbed. There is no potential risk for exposure just from having asbestos-containing materials present within a building. Asbestos-containing materials only need to be managed to ensure they remain in good condition. In this current case at 20 and 30 Congress, water damage resulted in the delamination of parts of the ceiling so CHH is removing and repairing parts of the texture finish avoiding it getting worse in the future.

Large scale removal of asbestos has occurred at CHH properties in the past. In 2008/09 asbestos remediation work was undertaken at 801 Upper Gage. In this case, it was due to the need to repair suspended concrete slabs that necessitated the removal of the existing spray stucco finish containing asbestos. The scope of the work has similarities to the work at 20 and 30 Congress. It is in a high-rise apartment building, there is work required throughout the building and residents will need to be relocated. The cost for asbestos remediation at 801 Upper Gage was approximately \$3,000,000.

Current Status:

To date, the below work has been undertaken:

- Sealed exposed asbestos areas
- Air quality testing
- Inspection of all units
- Resident communication – meetings and written
- RFP for abatement
- Resident Relocation Plan - logistics

CHH is currently in the process of preparing an RFP for the asbestos remediation. Based on the scope of the work that has been identified, the estimated cost of the project could be approximately \$2,800,000. This is a very preliminary number and based on a high level cost estimate prepared by Pinchin Ltd.

Another factor to be considered at these two buildings is the requirement to replace the risers that caused the damage. It is being projected that the total cost to replace the risers at the two buildings will be \$2,000,000.

Consequently, the estimated total cost of the above two projects is \$4,800,000 and will have a major impact on the 2019 CHH capital budget. Considering that the capital budget for the next fiscal year is \$8,600,000 the work at 20 and 30 Congress represents 55% of the capital budget. This will severely impact the ability of CHH to address its deferred capital maintenance.



Tom Hunter
Chief Executive Officer/Secretary