

DATE OF MEETING NOVEMBER 19, 2025

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**SUBJECT CHILDREN'S HEALTH FOUNDATION OF VANCOUVER ISLAND
FUNDING REQUEST**

OVERVIEW

Purpose of Report

To provide the Finance and Audit Committee with options to consider in response to the funding request for financial assistance from the Children's Health Foundation of Vancouver Island for their Home Away From Home project being built in Nanaimo.

Recommendation

That the Finance and Audit Committee recommend that Council direct staff to proceed with one of the presented options relating to the grant request from the Children's Health Foundation of Vancouver Island.

BACKGROUND

At the 2025-OCT-20 Regular Council meeting, the Children's Health Foundation of Vancouver Island gave a presentation on the scope of the new Home Away From Home project and its overall intended objective of building the Foundation's third and largest home on Vancouver Island. (Attachment A)

They followed up the presentation with a letter to Council on 2025-OCT-24 (Attachment B) with a request for a \$183,000 grant in support of their newest project in Nanaimo. This grant request represents the full cost of the building permit fees and development cost charges associated with the project.

At the 2025-NOV-03 Regular Council meeting, further discussion was had, and the following motion was passed:

"That Council direct Staff to report at the next Finance and Audit Committee Meeting on funding options to support the Home Away from Home Project."

The Children's Health Foundation of Vancouver Island started in 1926 and their mission is to invest in the health of Island kids. They dedicate themselves to transforming access to services for kids and youth with health challenges, supporting every island family in finding care for their children.

Currently, they have built two (2) facilities on Vancouver Island: Jeneece Place in Victoria and Q^walayu House in Campbell Reiver. These facilities offer a place for families to stay while their children are receiving medical care in those communities.

Their latest Home Away From Home project is the Jesse's House project located on a parcel of land on the Nanaimo Regional General Hospital campus. This will be a 16-bedroom facility and will welcome families from across Vancouver Island and the surrounding islands who need a place to stay while accessing Nanaimo Regional General Hospital and nearby health care services. Construction is estimated to be complete by spring 2027.

The vision of the Jesse's House project is:

"Building on the success of our other homes, Jeneece Place (Victoria) and Q^walayu House (Campbell River), Jesse's House will ensure that all families travelling to major Vancouver Island hospital centres for perinatal, maternal, and pediatric care will have access to a warm, welcoming, and affordable place to stay. These families will include:

- Pregnant mothers from remote communities with no local labour and delivery care
- Mothers experiencing high-risk pregnancies
- Families whose children need access to specialized pediatric care
- Families of children and youth in crisis
- Families who travel to Nanaimo for specialized care"

The Foundation launched a \$10 million funding raising campaign to build the facility. As of 2025-OCT-08, the Foundation has generated \$7 million for the project through assurances from the community, including Coastal Community Credit Union, Budget, the Rogers Foundation and an anonymous donor who stepped forward with a \$2 million funding gift. |

DISCUSSION

A building permit (BP129913) has been issued for a 3-storey 402.2m² building that includes shared kitchen space, communal living rooms and 16 independent accommodation rooms at 1661 Grant Avenue, on the hospital campus of 1200 Dufferin Crescent.

The Fee Breakdown is as follows:

Fee Slip - 2025-AUG-19		Net Fees Paid		
Charges	Amount Owing	City	RDN	Total
Building Permit	54,030.75	54,030.75	-	54,030.75
Development Cost Charges	128,163.15	95,870.47	32,292.68	128,163.15
Refundable Deposit:				
Erosion & Sediment Control	6,500.00			
Total Fees & Deposits Owning	188,693.90	149,901.22	32,292.68	182,193.90
Less:				
Payments to date	(5,499.50)			
Payable at 2025-AUG-19	183,194.40			

Building Permit Fees

The Building Inspections section generates revenue through building permit fees to recover costs for services provided. Typically, these services are not full cost recovery. Building permit fees vary depending on building permit type and are generally based on a percentage of the permitted value of construction. Building permit fees of \$54,030.75 were paid prior to issuance of building permit BP129913 based on a construction value estimate of \$7,800,000.

There is no bylaw provision to waive building permit fees payable. Nor is there a specific grant fund established to offset building permit fees for projects undertaken by non-profit entities such as the City, BC Housing, Island Health, and non-profit societies. These entities pay building permit fees required by bylaw to recover costs associated with the services of the Building Inspections section.

Development Cost Charges (DCCs)

Development Cost Charges (DCCs) are a provincially regulated development finance tool that helps a municipality recover the costs of off-site infrastructure needed for growth. DCCs are based on the principle of sharing the costs of infrastructure between existing taxpayers and new developments. DCCs associated with this project total \$128,163.15, which includes \$32,292.68 of DCC's collected on behalf of the Regional District of Nanaimo (RDN).

Under the *Local Government Act*, municipalities may pass a bylaw to waive or reduce DCCs in support of development resulting in the creation of affordable rental housing or reduced environmental impact. PART 6 of the Development Cost Charges (DCC) Bylaw 2017 No. 7252 outlines the rules around reductions and waivers of DCC's. This project does not fall within the parameters for which DCCs can be waived or reduced.

Other Grant Programs

The only grant stream that the City offers that would consider this type of request would be the Other Grants stream. Other Grants are available to recognize the significant value that volunteers, volunteer groups and Non-Profit Organizations contribute to the spiritual, education, social, cultural and physical well-being of the community. Under this grant stream, capital grants up to a maximum of \$5,000 are considered. The Other Grant program has two funding intakes. In 2025, the total budget of \$7,000 was fully allocated during the first intake. The next intake will be in the Spring of 2026.

It is important to note that the Other Grants stream, along with many other City grant funding streams, include criteria requiring that requests provide non-profit services benefiting City residents.

FINANCIAL CONSIDERATIONS

Should Council choose to issue a grant to cover the costs associated with the building permit and DCCs, a funding source would need to be identified. The total grant ask is \$183,000, however the fees and charges only total \$182,193.90.

The following funding options are available:

- **Property taxation** – The grant could be included in the 2026 Provisional Budget and funded from general revenue. This would result in an increase to property taxes of approximately 0.11% for the full \$183,000.
- **Strategic Infrastructure Reserve (SIR)** – The current projected 2026 closing balance for the SIR is \$4,218,944, with a minimum balance requirement of \$351,780. Several initiatives are currently seeking funding should Council choose to proceed. Depending on the timing and scope of these initiatives, this may impact Council's ability to fund additional initiatives from this reserve.
- **2025 General Operating Surplus** – Based on the Q2 financial results, it is anticipated that the general operating surplus will be \$4,110,800 and approximately \$1.5 million of it remains unallocated. If Council chose to proceed with proving the grant, it could be funded from the 2025 surplus.

CONCLUSION

The grant request is for \$183,000 to cover the full cost of the project building permit fees and DCCs. However, the actual fees and charges total \$182,193.80. Of that total only \$149,901.22 are City fees and the remaining \$32,292.68 relates to RDN DCC charges. There are no mechanisms in place to waive or reduce building permit or DCC fees in this case.

If Council chose to issue a grant to the Children's Health Foundation of Vancouver Island, it is recommended that only the City fee portion of \$149,900 be granted. The organization could apply to the RDN for a grant to cover their portion of DCCs.

The following funding options are available:

- Fund the City portion of \$149,900 from the 2025 general operating surplus
- Fund the City portion of \$149,900 from 2026 property taxes
- Fund the City portion of \$149,900 from the Strategic Infrastructure Reserve

OPTIONS

1. That the Financial and Audit Committee recommend that Council deny the grant request for \$183,000 from the Children's Health Foundation of Vancouver Island.
 - The advantages of this option: Funding would be available for other Council initiatives
 - The disadvantages of this option: No funding would be provided valuable initiative for families needing accommodation for their children undergoing medical treatment.
 - Financial Implications: None.
2. That the Financial and Audit Committee recommend that Council defer a decision on the grant request for \$149,900 from the Children's Health Foundation of Vancouver Island and fund the grant from the 2025 general operating fund surplus in early 2026.

- The advantages of this option:
 - Would provide funding for a valuable initiative for families needing accommodation for their children undergoing medical treatment.
 - The disadvantages of this option:
 - There would be less funds available for other City initiatives.
 - Could set a precedent for similar funding asks in the future.
 - Financial Implications: The 2026-2030 Financial Plan would be updated to include this item for final.
3. That the Financial and Audit Committee recommend that Council approve the grant request for \$149,900 from the Children's Health Foundation of Vancouver Island for 2026 and fund the grant from property taxation.
- The advantages of this option:
 - Would provide funding for a valuable initiative for families needing accommodation for their children undergoing medical treatment.
 - The disadvantages of this option:
 - This will put upwards pressure on the 2026 property tax increase.
 - Could set a precedent for similar funding asks in the future.
 - Financial Implications: This will increase 2026 property taxes by approximately 0.09%. The 2026-2030 Financial Plan will be updated to include this item for provisional.
4. That the Financial and Audit Committee recommend that Council approve the grant request for \$149,900 from the Children's Health Foundation of Vancouver Island and fund the grant from the Strategic Infrastructure Reserve.
- The advantages of this option:
 - Would provide funding for a valuable initiative for families needing accommodation for their children undergoing medical treatment.
 - The disadvantages of this option:
 - The SIR fund has many potential funding asks relating to other City initiatives. This will reduce the amount of funding available to other Council initiatives.
 - Could set a precedent for similar funding asks in the future.
 - Financial Implications: The 2025-2029 Financial Plan will be amended to include this item.
5. That the Financial and Audit Committee provide alternative direction. |

SUMMARY POINTS

- The Children's Health Foundation of Vancouver Island requested financial assistance in the way of a \$183,000 grant to help fund their Home Away From Home project, Jesse's House, built in Nanaimo.

ATTACHMENTS:

ATTACHMENT A: 2025-OCT-20 Children's Health Foundation of Vancouver Island
Presentation to Council

ATTACHMENT B: 2025-OCT-24 Grant Funding Request Letter from the Children's Health
Foundation of Vancouver Island

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