



**STAFF REPORT TO THE PLANNING & TRANSPORTATION COMMITTEE  
MEETING OF MAY 27, 2009**

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**SUBJECT:** Approval of CRHD Bylaw No. 363, "Capital Regional Hospital District Bylaw No. 143, 2007, Amendment Bylaw No. 1, 2009"- Increased Funding to Access Health Centre

**PURPOSE/ISSUE:**

To consider a request by the Victoria Cool Aid Society and AIDS Vancouver Island (the 'Societies') for additional funding in the amount of \$500,000 to complete the redevelopment of the Access Health Centre.

**BACKGROUND:**

The Victoria Cool Aid Society and AIDS Vancouver Island are major service providers for the downtown homeless and indigent people. The facilities currently used by the Societies are cramped and inadequate, rendering them unable to effectively serve the current downtown population. This un-served or under-served population eventually becomes so ill as to require more costly emergency, diagnostic and overly long inpatient stays at the Region's hospitals.

The ACCESS Health Centre is a multiparty project that brings together the services of Victoria Cool Aid Society, AIDS Vancouver Island, VIHA Mental Health & Addictions Services, and other providers of health social and educational services under one roof within the Capital Region. The building will be used to provide services for the homeless, persons suffering with mental illness and addictions, and persons affected by HIV/AIDS and hepatitis C.

By successfully consolidating services at one location, this project will eventually lead to easier access for patients and provision of effective program operations and support through sharing the same space. The community-at-large will also benefit through reduced demands on emergency and acute health care services and a reduction in transmitted diseases.

The initial total cost of the project was estimated at \$4.6 M. The initial estimate was based on securing \$2.3 M from various levels of government (e.g. federal and provincial government {VIHA}, CRD, City of Victoria) and approximately \$2.3 M from non-governmental sources (e.g. AVI/VCAS, foundations, fundraising). Recognizing the importance of an expanded primary health centre to the homeless in the downtown core, the CRHD Board approved a grant in the amount of \$545,148 for this project.

Following the commencement of construction, the budget required a revision to reflect the actual and anticipated costs to complete the project. The revised project budget is \$5.3 M, a \$700,000 increase from the original estimate. Appendix 1 provides a detailed comparison of the change in total project cost and the various funding sources share from October 2007 to April 2009.

As of April 2009, the Societies have raised \$3.5 M of the required \$5.3 M. The total current funding shortfall is \$1.8 M. Although, the majority of government funding (excluding the federal government share) has now been secured, the slowing economy has impacted the overall fundraising campaign for this project. According to the Societies, many of the foundations and businesses have had their donation capacity significantly curtailed. Therefore, the Societies are seeking additional government funding, and have requested an additional \$500,000 contribution from the CRHD to support this project, leaving an additional \$1.3 M in shortfall which will be fundraised.

The project is scheduled to be completed in the fall of 2009.

**ALTERNATIVES:**

1. **Approval of CRHD Bylaw No. 363, to amend CRHD Bylaw No. 352, “Capital Regional Hospital District Capital Bylaw No. 143, 2007, Amendment Bylaw No. 1, 2009” to increase the CRHD grant to the Victoria Cool Aid Society and AIDS Vancouver Island by \$500,000 to a maximum of \$1,045,148 for the completion of the ACCESS Health Centre.**
2. **Approve the funding request subject to an additional matching funding commitment from the provincial government and/or other government agencies.**
3. **Do not approve the additional funding request**

**FINANCIAL IMPLICATIONS:**

**Alternative One:**

Table 1	Total Project Cost	CRHD Share	Annual charge: 2009 assessed residential value (\$521,818)	Annual charge: \$100,000 of assessed residential value
Initial Approval – October 2007	\$4,595,000	\$545,148	\$0.80	\$0.15
Revised Approval – May 2009	\$5,300,000	\$1,045,148	\$1.51	\$0.29

The Regional Hospital District's 2009-2016 Ten Year Capital Plan identified a possible \$1 M allocation to allow the Board the opportunity to consider smaller projects which have not been identified as immediate priority projects within the annualized VIHA capital planning process. However, taking into consideration the importance of this project as a Regional priority, VIHA has provided a grant of \$1 M for this initiative.

Although, the \$1 M allowance is identified in the CRHD Ten Year Capital Plan, approval of this project would result in an increase in the overall CRHD requisition. The cost of borrowing an additional \$500,000 over five years for this project entails an added \$0.73 to the existing \$0.80 annual charge against 2009 average assessed residential value (\$521,818). The CRHD contribution would be capped at \$1,045,148.

The projects that are funded out of the CRHD Non-Traditional Projects category typically represent key community priorities for the Region. The ACCESS Health Centre will be a significant investment to the community as it will help alleviate pressures on the already cramped acute care system. As a result of more direct care and early intervention opportunities, capital funding for this project may also defer or reduce future capital costs relating to emergency and/or acute care needs.

**Alternative Two:**

The Societies are presently pursuing additional funding from various provincial government sources; however, their initial discussions with the respective ministries have indicated further funding this project is unlikely.

**Alternative Three:**

If the CRHD does not approve the additional funding, the Societies will be required to rely on continued community fundraising which is uncertain in the current economic climate and will further delay project completion. Alternatively, the Societies could undertake private financing for the additional costs; however, this increase in operating costs reduces funding for the Centre's programs and services.

The need to undertake this project is evident. Projects like this are needed to improve the lives of the homeless and other marginalized people and the safety, security and quality of the experience of the

Capital Region's downtown. A comprehensive downtown health centre also has the benefit of providing health services for people in a location that they are more likely to use, meaning that treatment will occur earlier and before conditions have worsened to the point of requiring much more expensive emergency care, diagnostics and/or inpatient stays.

The project has the support of the Downtown Service Providers Committee, and the United Way. It has been endorsed as a "Priority Initiative" by the Greater Victoria Coalition to End Homelessness. The completed project will have the capacity to serve 6,000 homeless and vulnerable clients each year.

### **SUMMARY/CONCLUSIONS:**

The ACCESS Health Centre project is a key strategic project for the Victoria Downtown core. The project brings together key service providers such as Cool Aid, AIDS Vancouver Island, VIHA and other local organizations to address a common and critical issue faced by our Region. This Health Centre will provide an opportunity for the underprivileged access to much needed health and social services under one roof.

The CRHD previously agreed to provide funding for the Centre in 2007. Due to escalating costs and tough economic times, fundraising has been challenging and therefore, the Societies are requesting the CRHD provide an additional \$500,000 funding for this project.

Approving additional funds, through the Non-Traditional Projects category, would solidify CRHD's continued support towards community priority projects. Subject to the outcome of the discussion related to the "Non-Traditional Projects – CRHD Participation and Future Outlook" staff report, staff will prepare the future policy direction and funding strategies for this category.

Our Region is faced by a growing homeless population with varying issues such as mental health and addictions. Treating and supporting these people in a downtown centre can divert people from acute care and also lessen the adverse impact on our Region's hospitals. This is a much needed project for our Region and therefore, staff recommends Alternative One.

### **RECOMMENDATION:**

That the Planning & Transportation Committee recommends the CRHD Board:

- 1. Approve of CRHD Bylaw No. 363, to amend CRHD Bylaw No. 352, "Capital Regional Hospital District Capital Bylaw No. 143, 2007, Amendment Bylaw No. 1, 2009" to increase the CRHD grant to the Victoria Cool Aid Society and AIDS Vancouver Island by \$500,000 to a maximum of \$1,045,148 for the completion of the ACCESS Health Centre.**

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COMMENTS: