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**Item No. 9.1.1**  
**HRM Grants Committee**  
**July 10, 2017**

**TO:** Chair and Members of HRM Grants Committee

Original Signed

**SUBMITTED BY:**

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Amanda Whitewood, Director of Finance & Asset Management/CFO

**DATE:** June 21, 2017

**SUBJECT:** **Community Grants Program 2017: Referral – Fairview United Family Resource Centre**

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**ORIGIN**

June 13, 2017 Motion of Regional Council:

Motion approved that Halifax Regional Council approve the fifty-two (52) grants as set out in Attachment 2 of the May 3, 2017 staff report for a total of \$48,658 from operating account M311-8004 Community Grants.

June 20, 2017 Motion of Regional Council:

Motion approved that Halifax Regional Council refer the Fairview United Family Resource Centre grant application to the July 18, 2017, Regional Council meeting on the basis of new information and that a staff report be provided to Regional Council for possible consideration of funding.

**LEGISLATIVE AUTHORITY**

*Halifax Regional Municipality Charter (2008)*

79(1) The Council may expend money required by the Municipality for

...  
(av) a grant or contribution to

...  
(v) any charitable, nursing, medical, athletic, educational, environmental, cultural, community, fraternal, recreational, religious, sporting or social organization within the Province,

(vi) a registered Canadian charitable organization.

**RECOMMENDATION**

It is recommended that the Grants Committee recommend that Regional Council approve a one-time capital grant for the kitchen renovation project outlined in this report in the amount of \$10,000 to the Fairview United Family Resource Centre from Account M311-8004.

## **BACKGROUND**

The 2017 *Community Grants Program* received a total of 130 applications for a combined total of \$1,421,480 in requests. The value of requests is not indicative of eligibility: certain organizations, projects or individual expenditures do not meet the program's funding criteria or priority outcomes.

The Fairview United Family Resource Centre made application to the 2017 *Community Grants Program* under the Diversity category based on services to the local immigrant population. A capital grant of \$25,000 was requested towards the conversion and expansion of a small staff kitchen. The project entails the addition of a second storey to an existing staff kitchen. The Centre's project budget was presented as follows with unconfirmed funding identified with an asterisk:

Community Grant Program	\$ 25,000.00*
HRM District Capital Fund	\$ 35,000.00
ACOA Canada 150	\$ 58,434.37*
Fairview United Family Resource Centre	<u>\$ 1,434.38</u>
Total	<u>\$119,868.75</u>

The Centre is sustained by a Nova Scotia Department of Community Services operating grant, Public Health Agency Canada (Community Action for Children), the United Way, and United Church of Canada (Mission Support). The Centre is a registered Canadian charity and society with the mandate to provide "a safe, supportive and friendly meeting place for both parents and their children from the wider Fairview community while promoting a positive environment and encouraging the healthy development and growth of all family members" (Notes to Financial Statement, p. 6). As such, the Centre's primary mandate is child development, pre-school and parenting support programs<sup>1</sup> and not an exclusive or specialized focus on immigrant settlement services.

The application was not recommended for funding on the basis of:

- the proportion of public funding;
- the proportion of unconfirmed government funding (\$83,000 or ~70%);
- the project could be phased;
- the program guidelines state that "preference may be given to applicants not in receipt of federal, provincial or municipal funding" (Guidebook, p. 10).

The review also noted a prior capital grant of \$25,000 awarded on appeal in 2014-15<sup>2</sup> towards an addition to accommodate programming "in particular a Boys & Girls Club and after school program"; the Centre has also applied for an increase in municipal property tax relief to 100% fully exempt.

## **DISCUSSION**

Council's request is based on new information from the applicant, as follows:

- the project cannot be phased: a letter provided by the selected contractor dated June 20, 2017, states "The scope of the project requires the roof and all the walls to be removed. Once removed the new framing/walls and roof to be constructed. For permit inspection, National Building Code, insurance and safety reasons the new framing/walls, flooring and drywall must be completed in a single phase"; and
- a letter provided by ACOA dated June 21, 2017, confirms funding in the amount of \$54,600: the applicant states that ACOA funding is one-time and must be completed by November, 2017.

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<sup>1</sup> Pre-school, parent support group, pre-natal support, public health nurse drop-in clinic, leisure (yoga, fitness), youth drop-in, lending library (books, small equipment), social worker/advocacy and referral, adult tutoring, cooking and nutrition instruction. Source: [www.ffcns.ca](http://www.ffcns.ca).

<sup>2</sup> The staff report to the Grants Committee meeting of May 15, 2017, incorrectly stated 2016 (p.25). The award was towards renovations to a former residence purchased by the society. The 2014 capital grant is described in the Grants Committee report to Regional Council meeting of September 23, 2014, p.2.

The initial application contained two (2) quotes: \$101,625 + HST (\$116,868.75) and \$83,200 + HST (\$95,680). As a registered charity, the Centre is eligible to apply to Revenue Canada for a partial HST rebate. The application did not provide an explanation as to why the higher quote was selected. To date, confirmed funding totals \$91,034.38 comprising 98% government funding:

HRM District Capital Fund	\$35,000.00
ACOA Canada 150	\$54,600.00
Fairview United Family Resource Centre	<u>\$ 1,434.38</u>
Total	\$91,034.38

According to the financial statement provided with the application the Centre had net revenues of \$21,497 in fiscal year 2016. Using the lower of the two quotes there appears to be sufficient capacity to complete the project without additional municipal funding.

The review accepts that partial demolition and construction cannot be phased. However, the higher quote selected by the applicant includes interior fit-up costs such as new kitchen cabinets, interior painting, new interior doors (office, stairs and bathroom), a range hood, and light fixtures that are of lower priority under the *Community Grants Program*. The lower quote (\$83,200+HST) does not include new cabinetry, fewer interior doors etc which might explain the lower estimate.

The review concludes that allowing for a rebate of approximately 50% HST and confirmed funding in the amount of \$91,034.38 the bulk of the project could be completed with a capital grant in the amount of \$10,000. However, the Municipality's combined proportional share would increase to \$45,000 or 44% and contributes to government funding totalling \$99,600 or 99%. Further, notwithstanding the significant immigrant population currently residing in the Fairview area, the operations of the Centre are primarily child welfare/family support services. A grant may represent precedence in terms of funding to pre-school facilities: past awards under the *Community Grants Program* diversity category have focused on organizations whose services specialize in children with physical or developmental disabilities (for example, Wee Care Developmental Centre).

The review acknowledges that a balance remaining in the *Community Grants Program* 2017 budget allocation and a single referral may exert influence in a funding decision. If approved, the proposed terms and conditions of funding as "one-time" limits funding to this capital project under the *Community Grants Program* to \$10,000.

### **FINANCIAL IMPLICATIONS**

Community Grants Program 2017 Budget M311-8004	\$ 500,000
Less Awards (52)	(\$448,658)
<b>Balance</b>	<b>\$ 51,342<sup>1</sup></b>
Less Proposed Award	<u>(\$ 10,000)</u>
<b>Balance</b>	<b>\$ 41,342</b>

1. The report to the Grants Committee meeting of May 15, 2017, was amended at the June 13, 2017, meeting of Regional Council to reduce the combined value of awards from \$453,858 to \$448,658 based on a revised award to the Halifax Women's Housing Cooperative Limited. The corresponding balance remaining in Account M311-8004 increased to \$51,342.

### **RISK CONSIDERATION**

Medium. An award to a facility whose primary mandate is child care/family support services under the Diversity category may diminish the funding priorities of the program. The project's link to "initiatives that present the Municipality as a hospitable community to immigrants, refugees and migrants" (Guidebook, p.10) was articulated in the initial proposal but the nature of the project is not exclusive to this sector.

**COMMUNITY ENGAGEMENT**

Not applicable.

**ENVIRONMENTAL IMPLICATIONS**

Not applicable.

**ALTERNATIVES**

Regional Council could overturn the staff recommendation, amend the value or associated terms and conditions of funding.

**ATTACHMENTS**

None.

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A copy of this report can be obtained online at [halifax.ca](http://halifax.ca) or by contacting the Office of the Municipal Clerk at 902.490.4210.

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