



county of Santa Cruz

225

HUMAN RESOURCES AGENCY

CECILIA ESPINOLA, ADMINISTRATOR

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Agenda: January 12, 1999

December 28, 1998

BOARD OF SUPERVISORS

County of Santa Cruz

701 Ocean Street

Santa Cruz, California

RECOMMENDATIONS FOR CHILD CARE FEES LOANS

As you will recall, the Human Resources Agency administers the Child Care Fees Loan Program for the County, as mandated by the Child Care Fees and Exactions Ordinance. The building construction or renovation loans which are made through this program must be necessary to increase or prevent the loss of licensed child care slots. All of the borrowers must agree to provide service to families living or working in the unincorporated areas. The primary means of repayment for the loans is provision of child care services for a specified time period. The Human Resources Agency estimates that there is \$80,000 available for loans this year. The purpose of this letter is to request your approval of the loans recommended by the Human Services Commission, to request authority to sign standardized loan documents with the borrowers, and to expedite payment.

In October, 1998, an ad hoc loan review committee was formed, composed of members of the Human Services Commission, the Children's Commission, and the Human Resources Agency Administrator. On December 7, 1998, the committee reviewed the applications for loans, and conducted site visits to the facilities under consideration. The subcommittee's recommendations were considered by the Human Services Commission at its December 16, 1998 meeting, adopted unanimously, and are presented to your Board for approval at this time. The department is in accordance with these recommendations. Brief summaries of all of the loan applications are attached to this letter for your information.

BOARD OF SUPERVISORS

Agenda: January 12, 1999

Recommendations for Child Care Fees Loans

<u>Annlicants</u>	<u>Location</u>	<u>Request</u>	<u>Recommend</u>
Headstart	Watsonville	\$19,061	\$19,061
Edna's Family Day Care	Watsonville	\$4,375	\$0
Emilia Salgado	Watsonville	\$36,000	\$28,000
Rocha Family Day Care	Watsonville	\$48,500	\$0
Mona's Small World	Watsonville	\$15,000	\$15,000
Marina Shamsuzzoha	Live Oak	\$5,500	\$0
Growing Years	Santa Cruz	\$10,000	\$10,000
Hand in Hand Child Care	Live Oak	\$ 5,560	\$5,560
Rod and Gina Eicholz	Santa Cruz	\$12,550	\$0
Smith Day Care Home	Santa Cruz	\$4,323	\$2,188
TOTAL:		\$160,914	\$79,854

Due to the urgency of some of the loan projects, which are needed to immediately correct conditions in existing facilities, it is recommended that loan disbursement be expedited to the extent possible. The Human Resources Agency is requesting authorization to sign the standardized loan documents with the borrowers on behalf of the County. The standardized documents have been approved by County Counsel and Risk Management, and are on file with the Clerk of the Board. In addition, HRA will work closely with the Auditor's Office to expedite payment of the loans which are on restricted timelines.

IT IS THEREFORE RECOMMENDED that your Board:

1. Approve \$79,854 in Child Care Fees Loans;
2. Authorize the Human Resources Agency Administrator to sign standard loan documents with the borrowers on behalf of the County; and
3. Direct the Human Resources Agency to work with the Auditor's Office to expedite payment of the loans which are on restricted timelines.

Very truly yours,



CECILIA ESPINOLA
Administrator

BOARD OF SUPERVISORS

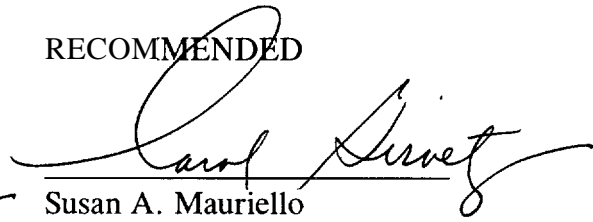
Agenda: January 12, 1999

Recommendations for Child Care Fees Loans

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Attachment

RECOMMENDED

for 

Susan A. Mauriello
County Administrative Officer

cc: County Administrative Office
Auditor Controller
Planning Department
County Collections
Human Services Commission
Children's Commission

Attachment 1

**RECOMMENDATIONS OF CHILD CARE FEES
AD HOC LOAN REVIEW SUBCOMMITTEE
December 1998**

Application Review Process

On December 7, 1998, the Ad Hoc Loan Review Subcommittee reviewed applications and conducted site visits to the child care centers and family day care homes of the applicants. Human Services Commission members Toni Campbell, Marilyn Moore, and Ann Russell; and Tricia Pastor (a member of the Children's Commission) attended the site visits. Cecilia Espinola, Human Resources Agency Administrator, also participated in the Loan Subcommittee review. The committee formulated the following recommendations to the Human Services Commission, based on the mandates of the Child Care Fees and Exactions Ordinance.

Proposal Summaries

Applicant: Head Start/Santa Cruz Community Counseling Center, Pam Elders, Director

Total Project Cost: \$191,061

Amount Requested: \$19,106

Proposal Summary: This new child care center, located in the City of Watsonville, provides culturally competent, bilingual care for 23 pre-school children. The center, which opened two months ago, was designed to support CalWORKS clients, and welcomes families who meet Federal low-income guidelines and are involved in welfare to work activities. The loan request is to fund a portion of additional construction costs of \$68,241, caused by unforeseen requirements by the City of Watsonville for a new sewer connection and for sewer line trenching. The loan will contribute to a project that expands day care capacity in a geographic area with a significant unmet need for child care.

Recommendation: A loan in the requested amount of \$19,106 to cover a portion of the project costs is recommended.



Applicant: Edna's Family Day Care , Edna Baker, Operator

Total Project Cost: \$4,375

Amount Requested: \$4,375

Proposal Summary: This family day care home, located in Watsonville, is licensed to care for up to 8 children. The applicant is requesting the loan in order to repair an existing fence, to fence an additional portion of the yard and to construct a gate. The applicant does not propose to provide any matching funds for the project. There is an existing gate and fence around the play yard adjacent to the room used for day care. Access to the gate is currently blocked by a portable dog kennel which could be located elsewhere in the yard. The applicant has not been cited by licensing, and it does not appear to the committee that the proposed project is required in order to maintain the day care license and existing child care capacity.

Recommendation: No loan is recommended at this time.



Applicant: Emilia Salgado

Total Project Cost: \$36,000

Amount Requested: \$36,000

Proposal Summary: This family day care home, located in the City of Watsonville, recently received a new license to provide care for up to 14 children, including infants. The applicant currently contracts to provide care for migrant children, and at the time of the site visit she was only caring for one child, apart from her own child. The applicant is requesting the loan in order to add a 380 square foot room and half bath to her house, which will enclose an outdoor area which is currently the main area used for day care activities. The addition will allow the applicant to expand her business to care for children year round. She is currently open year-round and is registered with the Child Development Resource Center for referrals, but is not able to care for as many children in the winter due to space limitations.

Because of concerns about the potential for funding improvements to a day care facility that is not presently at capacity year round, the loan committee requested additional information about the need for migrant child care. According to the yearly community assessment of migrant child care needs conducted by Migrant Headstart, there are about 1,200 children in the Pajaro Valley who qualify for child care under funding sources for migrant child care, but about three quarters of those children do not receive those services because of lack of funding and some capacity issues. As a condition of the loan, the applicant will be required to increase her year-round enrollment, but according to professionals who work with family day care providers, it is possible to serve both migrant families and others who need day care during the non-peak crop season. A number of family day care providers in the Pajaro Valley already serve a combination of migrant and other families (seasonal workers in retail, the canneries and trucking industry, for example).

The majority of committee members supported a loan of \$28,000 for a portion of the costs of the project, because of the potential to serve the unmet child care needs of migrant children and to expand year round child care spaces in Watsonville. The minority felt that \$20,000 was a more appropriate loan amount given the cost of the improvements. During a staff phone contact, the applicant indicated that she could contribute a portion of the cost of the project. A loan in the amount of \$28,000 will make this project to expand child care capacity in Watsonville feasible.

Recommendation: A loan in the amount of \$28,000 for a portion of the project costs.



Applicant: Rocha Family Day Care, Lilia Rocha owner and operator

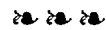
Total Project Cost: \$48,500

Amount Requested: \$48,500

Proposal Summary: This family day care home, located in the City of Watsonville, is licensed to provide care for up to eight children; however the applicant is currently only providing care for one child apart from her own two children. She also currently contracts to provide care to migrant children. The loan is proposed for the purpose of adding a 440 square foot room and

half bath to the house in order to expand the day care home capacity to 12 and provide year round care. The providers' application to increase her licensed capacity was recently denied by the Fire Marshall because the proposed day care area (a patio with a roof and enclosure) was constructed without permits and does not meet building safety codes. It did not appear to be possible to meet building permit requirements to reconstruct the covered area, or to construct a new room in the existing location. Although the applicant indicated that she was willing to construct the proposed new room in an alternate location, she also stated that she could not pursue the project if she did not receive the entire amount requested. Given the total amount available for child care facilities loans, the committee did not feel that it was feasible to recommend a loan to cover the entire costs of the project (the requested amount would be 6 1% of the total resources available).

Recommendation: No loan is recommended at this time.



Applicant: Mona's Small World, Mona Hacinto owner and operator

Total Project Cost: \$24,000

Amount Requested: \$15,000

Proposal Summary: Mona's Small World, located in the City of Watsonville, recently increased her capacity from 6 to 12 children, including up to 4 infants. The provider currently provides care primarily to infants and toddlers as well as school age children. The proposed project is to enclose a patio and deck area to provide separate areas for these diverse age groups. The provider has stated that she will not be able to continue to care for infants if she is unable to expand her space. This loan is thus needed to prevent the loss of day care spaces for the highest priority capacity needs (care for infants, toddlers and school age children in Watsonville).

Recommendation: A loan in the requested amount is recommended.



Applicant: Growing Years, Irene Freiburg, Director

Total Project Cost: \$14,156

Amount Requested: \$10,000

Proposal Summary: This child care center serves 47, and is located in the unincorporated area of Santa Cruz near Dominican Hospital. Last year the center owners received a loan for the repair of massive termite damage. The loan made it possible to maintain 47 licensed slots in a child care program which otherwise would be forced to reduce its licensed capacity by half. The loan request is to replace the fence enclosing the play yard, replace unsafe floor tiles, and to complete work required by the Fire Marshall as a result of last year's project. Although the center was not cited for these items, the State licensing analyst recommended that they be addressed during her last site visit. The homeowners have already invested a substantial sum to renovate this center. The loan will complete repairs and renovations required to prevent the loss of 24 child care spaces.

Recommendation: A loan in the requested amount is recommended.



Applicant: Marina Shamsuzzoha, owner and operator

Total Project Cost: \$7,500

Amount Requested: \$5,500

Proposal Summary: This family day care home, located in Live Oak, is licensed for 12 children. The loan is requested to repair the roof of the home which has been patched temporarily. This situation has not been cited by Licensing, and it is unclear whether it affects the health and safety of the children. The family day care home also operates primarily as a Montessori pre-school during the morning. The proposed project thus does not expand or maintain full-time child care spaces. It also appears that the portions of the facility used for the pre-school were constructed without the required building permits. The proposed project would thus be adding construction improvements to existing illegal construction.

Recommendation: No loan is recommended at this time.



Applicant: Hand in Hand Child Care, Mary Eicher owner and operator

Total Project Cost: \$7,650

Amount Requested: \$5,650

Proposal Summary: This family day care home, located in Live Oak, is licensed for 12 children, including up to 4 infants. The operator currently has a total of eighteen children enrolled, including school age children. All of the home, except for one bedroom, is used as the child care facility and the loan is requested to replace the entire roof. The roof condition has not been identified as a problem by licensing, and it does not appear to immediately affect the health and safety of the children. If the roof is not repaired, however, it would eventually cause an interruption in the day care program. This loan is necessary to maintain critically needed day care capacity for infants, toddlers and school age children.

Recommendation: A loan in the requested amount is recommended.



Applicant: Rod and Gina Eicholz, owners and operators

Total Project Cost: \$25,000

Amount Requested: \$12,500

Proposal Summary: This proposal is to establish a new family day care home, located in the City of Santa Cruz, for 6 children, toddlers through school age. The site is near Gault Elementary School, and the Eicholz propose to offer after school care in addition to care for other ages. The applicants are in the process of obtaining a license and anticipate completing the process by February, 1999. The loan would fund the construction of a second story room and full bath addition of 300 square feet to be used as the primary day care area. Loan committee members did not believe that the proposed space could meet licensing requirements due to its location on the the second story, particularly if younger children were served. It is not clear at this time whether the project, as proposed, will expand child care capacity.

Recommendation: No loan is recommended at this time.



Applicant: Smith Day Care Home, Bobbie Smith , owner and operator

Total Project Cost: \$4,323

Amount Requested: \$4,323

Proposal Summary: This family day care home, located in the City of Santa Cruz, is licensed for 12 children, including up to 4 infants. The provider recently became accredited and currently only cares for 10 children because of facility constraints. The loan is requested to renovate an unsafe awning which provides shade and protection from rain for the day care, replace unsafe floor tiles and purchase a microwave convection oven to heat infant formulas and prepare meals and snacks. The microwave/convection oven is not required for licensing requirements, and thus the loan committee is not recommending funding of that portion of the request. The committee also felt that a matching contribution from the provider was appropriate. The loan amount reflects the portion of the project that the committee believes is required to maintain the existing 10 child care spaces and to provide 2 additional spaces.

Recommendation: A loan in the amount of \$2,188 is recommended.



Theresa Gallegos and Kamran Mouzzon each initially submitted loan applications, but later withdrew their applications from review by the loan committee because their projects were not yet ready for consideration.

Summary of Loan Applications

<u>Applicant</u>	<u>Total Project Cost</u>	<u>Requested</u>	<u>Recommended</u>
Headstart	\$191,061	\$19,106	\$ 19,106
Edna's Family Day Care	\$ 4,375	\$ 4,375	\$ 0
Emilia Salgado	\$ 36,000	\$36,000	\$ 28,000
Rocha Family Day Care	\$ 48,500	\$48,500	\$ 0
Mona's Small World	\$ 24,000	\$15,000	\$15,000
Marina Shamsuzzoha	\$ 7,500	\$ 5,500	\$0
Growing Years	\$ 14,156	\$10,000	\$10,000
Hand in Hand Child Care	\$ 7,650	\$ 5,560	\$5,560
Rod & Gina Eicholz	\$ 25,000	\$12,550	\$0
Smith Day Care Home	\$ 4,323	\$4,323	\$2,188
Total Amount of Loans:		\$160,914	\$79,854

Total Amount Available: \$80,000