



County of Santa Cruz

0179

HUMAN RESOURCES AGENCY

1000 EMELINE ST., SANTA CRUZ, CA 95060
(631) 454-4130 OR 454-4045 FAX: (831) 454-4642

CECILIA ESPINOLA, ADMINISTRATOR

February 15, 2001

Agenda: February 27, 2001

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 Ordinance 4124, County Code Section 15.04. The Funding Guidelines were developed by the Human Services Commission/Children's Commission, approved by your Board in 1992, and revised in 1993. These Guidelines specify that that revenues may be used only for projects which directly increase or maintain (i.e., prevent a decrease in) the supply of licensed child care in Santa Cruz County. Awards are made in the form of low-interest loans. In lieu of making loan payments to the County, each awardee agrees to continue providing child care services for a designated period, over which time the loan is depreciated. When the agreed level of services has been provided for the designated period, both the principal and interest are forgiven. The Guidelines further specify the criteria that 'must be met by applicants, and criteria for evaluation of applications for the loans.

During the nine years this program has been in effect, over \$950,000 has been awarded to family day care homes and day care centers to increase or prevent the loss of licensed child care slots. In this time of high employment, the need for child care spaces for families living or working in our county is especially critical. The Human Resources Agency estimates that there is \$112,000 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 September, 2000, 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 November 13 and 27 and December 1, 2000, the committee reviewed the applications for loans, and conducted site visits to twelve of the facilities under consideration. Because of the limited loan resources available, it was not possible to fund all

BOARD OF SUPERVISORS

Agenda: February 27, 2001

Recommendations for Child Care Fees Loans

of the applications. The loan committee evaluated the proposals based on the mandates of the Ordinance, as well as the criteria and priorities recommended by the Children's Commission and Local Child Care Planning Council, and recommended funding the six proposals which most clearly meet the evaluation criteria of increasing or maintaining licensed capacity. The projects recommended for funding this year all either directly increase much needed capacity, or will maintain capacity by keeping these facilities from having to close or reduce the number of children served. The subcommittee's recommendations were considered by the Human Services Commission at its January 17, 2001 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 the loan applications recommended for approval are included your information as Attachment 1.

<u>Applicants</u>	<u>Request</u>	<u>Recommended Loans</u>
Babes in the Woods	\$ 1,798	\$ 1,798
Esther Castillo Day Care Home	\$ 7,000	0
Children's Center of San Lorenzo Valley	\$20,000	\$ 10,000
Teresa Gallegos Day Care Home	\$ 34,000	\$ 0
Eleodora Gallo Day Care Home	\$ 2,400	\$ 0
Good Beginnings Toddler Center	\$35,000	\$ 35,000
Growing Years	\$ 13,696	\$ 10,000
Loma Prieta Joint Union School District	\$ 5,000	\$ 5,000
Judy McMillen, the Children's Cottage	\$ 8,350	\$ 0
Montessori School of the Redwoods	\$ 8,000	\$ 0
Pajaro Valley Housing Corp. (Vista Verde)	\$ 50,000	\$ 50,000
Elsa Perez Family Day Care Home	\$ 25,000	\$ 0
Elidia Salgado Day Care Home	\$ 42,000	\$ 0
Santa Cruz Montessori School	\$150,000	\$ 0
Amina Shams Day Care Home	\$ 6,280	\$ 0
Bobbie Smith Day Care Home	\$ 9,880	\$ 0
Hilda Zamora Family Day Care	\$26,000	\$ 0
TOTAL:	\$444,401	\$111,798

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 that are on restricted time lines.

BOARD OF SUPERVISORS
Agenda: February 27, 2001
Recommendations for Child Care Fees Loans

3

IT IS THEREFORE RECOMMENDED that your Board:

1. Approve \$111,798 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 that are on restricted time lines.

Very truly yours,

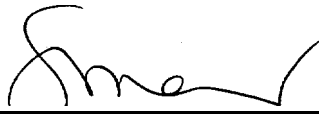


CECILIA ESPINOLA
Administrator

CE/BL/N:BoardLetters\FY00-01\CareerWorks\ChildCareOnly\CCDeveloperFeeLoans_2-01

Attachment

RECOMMENDED



Susan A. Mauriello
County Administrative Officer

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

**RECOMMENDATIONS OF CHILD CARE FEES
AD HOC LOAN REVIEW SUBCOMMITTEE
December 2000**

Application Review Process

On November 13 and 27 and December 1, 2000, 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 and Phyllis Wasserstrom, and Children's Commission members Patty Quillin and Maria Castro attended the site visits. Cecilia Espinola, Human Resources Agency Administrator also participated in the Loan Subcommittee review.

In total, seventeen applications were received. The total loan amount requested was \$444,401. The applications represented important and valuable projects to improve child care facilities in our community. Because of the limited loan resources available, it was not possible to fund all of the applications. The loan committee evaluated the proposals based on the mandates of the Child Care Fees and Exactions Ordinance as well as the criteria and priorities recommended by the Children's Commission and Local Child Care Planning Council. The committee recommends funding six proposals which most clearly meet the evaluation criteria, for a total loan amount this year of \$111,798. The recommended proposals are summarized in the following section.

Applications Recommended for Funding/Proposal Summaries

Applicant: Babes in the Woods, Wendy Woods, consultant

Total Project Cost: \$1,798.13

Amount Requested: \$1,798.13

Proposal Summary: Babes in the Woods is a child care center located in Scotts Valley that is licensed to provide care for 26 children two years old through kindergarten. They are currently providing care for 34 children between two and five years old (they do not care for more than 26 children at any one time). They are not currently providing infant care due to a shortage of staff, but do intend to provide infant care again when fully staffed. The center has been cited by Licensing for rough edges along a wooden curb, and loose boards and exposed nails on a fence near where the children play. The fence currently has plywood protecting the damaged area. They were also cited for rocks mixed in with the existing resilient material located underneath the play equipment. The applicant is requesting a loan to remedy these deficiencies by replacing the landscape tie (wooden curb); repairing the fence; and adding wood chips under the playground equipment. They are also requesting funding to make repairs on items that have not yet been cited by Licensing but which they feel are problems that will affect their licensing status: non-functioning smoke detectors; warped kitchen floor;

and replacing a damage light fixture in the parking lot. They requested that the repairs be fully funded, as the center was recently bought by a new owner who does not have the resources to make the repairs. The recommended loan will enable the center to correct deficiencies that will maintain day care capacity.

Recommendation: \$1,798.13

Applicant: Children's Center of San Lorenzo Valley, Susan Willats, Project Manager

Total Project Cost: \$93,700

Amount Requested: \$20,000

Proposal Summary: The Children's Center of San Lorenzo Valley (CCSLV) has provided toddler and pre-school care in the San Lorenzo Valley for over 20 years. CCSLV is accredited by NAEYC and their goal is to serve families in need of child care with an enrollment reflecting the same ethnic and economic diversity found in the surrounding community. The center has a sliding fee scale and currently 44% of the families served are considered to have low incomes. The center also accommodates children with special needs, such as those who are abused or neglected or are determined to be at risk of abuse or neglect, including children in foster care. The proposed project is to expand the existing building to provide an additional napping room. This expansion will allow the center to serve six additional children. CCSLV has received a \$41,000 grant from the David and Lucille Packard Foundation for the project, and last year were approved for a \$25,000 Developer Fee Loan for this project. They have requested additional funds this year due to increased costs of the project. The committee recommends funding a portion of these increased costs.

Recommendation: \$10,000

Applicant: Good Beginnings Toddler Center, Marilyn Moore, Program Director

Total Project Cost: \$95,000

Amount Requested: \$35,000

Proposal Summary: Good Beginnings Toddler Center was located at a church on High Street for 21 years, and was forced to relocate to accommodate the church's growth plans. They recently moved to Garfield Church, where they provide care for eight infant and twelve toddler slots. They are fully enrolled-all their children moved with them to their new location. The new facility is 50 years old and had never been a licensed child care center. It required significant renovation, repair and improvements. The total cost of the relocation was \$95,000; of which \$50,000 will be paid by a Packard Foundation grant; \$10,000 of their own funds were expended; and they are requesting a \$35,000 developer fee loan. The purpose of the loan will be to reimburse them for expenses incurred (re-carpeting, paint, extensive plumbing and electrical work, carpentry, play yard fencing), relocate the storage shed, and to install play equipment, shade structure and a sand box. The recommended loan will help maintain critically needed day care capacity for infants and toddlers.

Recommendation: \$35,000

Applicant: Growing Years, Irene Freiberg, Director

Total Project Cost: \$21,193

Amount Requested: \$13,693

Proposal Summary: This child care center serves 47, and is located in the unincorporated area of Santa Cruz near Dominican Hospital. The center owners have received two developer fee loans since 1998, one to repair massive termite damage, and one to replace a fence and renovate unsafe floor tiles, and complete work required by the Fire Marshall. The Growing Years' Use Permit came up for review before the Planning Department earlier this year due to neighbors' complaints regarding traffic circulation and parking associated with the day care center. The Planning Department's recommendations require that a new parking plan be developed that does not include off-site parking, movement of traffic into the neighborhood, or parking on the street in front of the school. Ten spaces must be provided to maintain the licensed capacity at 47, or else their capacity will have to be reduced to 22. The parking plan developed by the center moves all the parking spaces to the back of the school, and eliminates parking and congestion on Salisbury Dr. The plan entails moving the back fence in six feet to provide ten parking spaces. The loan would be used to move the fence, build a new retaining wall for the fence, and grade, pave and stripe the resulting parking area. The loan committee recommends funding a portion of the request, in order to maintain day care capacity in a geographic area with a significant unmet need for child care.

Recommendation: \$10,000

Applicant: Loma Prieta Joint Union School District

Total Project Cost: \$15,000

Amount Requested: \$5,000

Proposal Summary: The Loma Prieta Joint Union School District operates the Kid and Company Extended Recreation Day Care at the Loma Prieta School for 11 years. They currently provide after school care for up to 65 children. The program operates out of a portable building. The program is being forced to move the portable to another site due to class size reduction. Without the funds to move the portable, they will have to reduce the capacity of the program. The recommended loan will help maintain critically needed day care capacity for school age children (after school care).

Recommendation: \$5,000

Applicant: Pajaro Valley Housing Corporation, Vista Verde Child Care, David Foster, Project Manager

Total Project Cost: \$1,750,008

Amount Requested: \$50,000

Proposal Summary: Pajaro Valley Housing Corporation is in the process of developing a child care center in the Freedom area (unincorporated area) in conjunction with a

housing project. The Pajaro Valley Housing Corporation is the applicant and developer of the project, but the child care services will be provided by the Food and Nutrition Services Child Care Division and by Santa Cruz County Head Start. Head Start and Food and Nutrition Services will provide care for a total of 49 preschool age children. The facility will serve low-income families, while removing blight in the Freedom area. All spaces will be subsidized. Site preparation has been completed, with groundbreaking expected in May, 2001, and construction completed in December, 2001. The project will be built on land donated by the County Redevelopment Agency. The project is currently approximately 81% funded by sources such as the Packard Foundation (\$250,000), Bank of America Loan (\$200,000), Tiger Woods Foundation (\$28,500), Community Foundation (\$20,000), Head Start (\$127,390) and many other local and small foundation sources. A Child Care Developer Fee Loan was approved last year for \$75,000 for development costs, application and permit fees. An additional loan is being requested this year due to increases in the estimated costs and because of loss of another source of funding leaves a funding gap. This project expands day care capacity in a geographic area with a significant unmet need for child care.

Recommendation: \$50,000

Summary of Loan Applications-2000			
Applicant	Total Project Cost	Requested	Recommend
Babes in the Woods	\$1,798	\$ 1,798	\$1,798
Esther Castillo Day Care Home	\$10,300	\$ 7,000	\$0
Children's Center of San Lorenzo Valley	\$93,700	\$ 20,000	\$10,000
Teresa Gallegos Day Care Home	\$44,000	\$34,000	\$0
Eleodora Gallo Day Care Home	\$2,787	\$2,400	\$0
Good Beginnings Toddler Center	\$95,000	\$ 35,000	\$35,000
Growing Years	\$21,193	\$ 13,693	\$10,000
Loma Prieta Joint Union School District	\$15,000	\$5,000	\$5,000
Judy McMillen, the Children's Cottage	\$8,350	\$8,350	\$0
Montessori School of the Redwoods	\$17,500	\$ 8,000	\$0
Pajaro Valley Housing Corp.	\$1,750,008	\$50,000	\$50,000
Elsa Perez Family Day Care Home	\$30,000	\$25,000	\$0
Elidia Salgado Day Care Home	\$42,000	\$42,000	\$0
Santa Cruz Montessori	\$2,160,851	\$150,000	\$0
Amina Shams Day Care Home	\$8,280	\$6,280	\$0
Bobbie Smith Day Care Home	\$11,475	\$9,880	\$0
Hilda Zamora Family Day Care	\$86,000	\$26,000	\$0
TOTALS	\$4,398,242	\$444, 401	\$111,798

Total Amount Available: \$111,798