



**Childcare Facility Fund &
Child College Savings Account Programs**
First 5 Sonoma County
Professional Service Agreement

April 26, 2022

CITY COUNCIL

Economic Development Division Director Raissa de la Rosa
PLANNING AND ECONOMIC DEVELOPMENT DEPARTMENT

PROGRAM FUNDING SOURCES

ARPA-Funded Programs	Est. Total Cost
After School Programs	\$168,000
Homeless Assistance Program	\$9,455,000
Guaranteed Basic Income	\$1,000,000
Expanded Recreation Programs	\$210,000
SJH Capital Projects	\$2,000,000
Childcare Funding	\$2,900,000
inRESPONSE Mental Health Response Team	\$3,979,000
Small Business Tenant Improvements	\$1,000,000
City ARPA Administration	\$250,000
Youth Immigration Attorney	\$100,000
Children's Savings Account (Baby Bonds)	\$1,575,000
Roseland Community Center	\$10,000,000
Subtotal Programs	\$32,637,000
Previously Approved Projects	
Safe Parking With Wrap Around Services	\$2,000,000
Total	\$34,637,000

A one-time 5% administrative fee is figured into the budget of each highlighted program.

Childcare Funding: FACILITY FUND PROGRAM

- **\$2.9m** ARPA Grants
RES-2022-029
- **\$1.4m** GF Loan Program
RES-2020-177
allocated from CARES Act General Fund monies

Children's Savings Acct (Baby Bonds): CHILD COLLEGE SAVINGS ACCOUNT

- **\$1.575m** ARPA Grants
RES-2022-029



SANTA ROSA CHILDCARE SUPPORT PROGRAM

OVERVIEW OF 3-PART PROGRAM

Facility Fund (current focus)

\$1.4m zero interest revolving loan fund + \$2.9m grant program

- Tenant Improvements in new development and facility preservation
- Architectural, mechanical, electrical, plumbing...
- Permit/inspection fees

Resiliency Fund

(completed)

1. \$1m direct grants to providers administered by First 5
2. \$100,000 to expand teacher training program administered by 4Cs

Employer Supported Childcare (ongoing)

Policies, programs and other incentives to encourage the development of on-site childcare.

Employers either develop and run the site themselves or provide site for contracted for services.

Core Partners



SANTA ROSA CHILDCARE FACILITY FUND

Eligible Participants

- Local Ed Agencies
- 501(c)3 orgs that operate a state or federal subsidized program (e.g. Head Start)
- Private childcare/preschool operators that accept vouchers/scholarships
- Licensed family childcare owners
- Licensed exempt programs connected to a childcare org

Eligible Expenses

- Construction costs
- Fixtures, finishes and equipment
 - For licensing &/or to improve program quality/outcomes
 - To increase special needs accessibility
 - Outdoor play equipment and functional landscaping
- Mechanical, electrical, plumbing
- Permit & inspection fees
- Architectural design, engineering and site development costs

GRANT Timeline*



**Revolving Loan Program timeline to be established at end of grant program.*



CHILDCARE FACILITY DEVELOPMENT

Facility Fund – Tenant Improvement Cost Examples

B. DEVELOPMENT EXPENSES		B. Development Expenses A categorical list of ALL development expenses. Depending on the scope of the project, in this section you could replace "Acquisition" with "Tenant Improvements" and "Rehabilitation" with "Construction".	
Expense	Amount		
1. ACQUISITION		B. 1. Acquisition	
Land	\$ 120,000	The cost to purchase the land.	
Building	\$ 85,000	The cost to purchase the building.	
Broker's Fee	3% \$ 3,600	The fee charged by the real estate agent.	
Subtotal Acquisition	\$ 208,600		
2. REHABILITATION		B. 2. Rehabilitation	
Parking	\$ 12,000	The total cost to prepare the parking area.	
Landscaping	\$ 15,000	The total cost for all landscaping work.	
Playground	\$ 10,000	The total cost for all playground work and equipment.	
Building Renovation	\$ 225,000	The total cost for all building rehabilitation work.	
Offsite improvements	\$ 25,000	The total cost to improve items such as underground utilities, curb cuts, fire hydrants, traffic signs, emergency access and other local government requirements.	
Contingency	20% \$ 57,400	A reserve set aside for unforeseen repairs during the renovation process.	
Subtotal Rehabilitation	\$ 344,400		

Furniture & Fixtures, Improvements	
Fencing.....	3,795
Indoor furniture/equipment (mats, cribs, smoke detectors, fire extinguishers, computer, CD player, etc.).....	19,780
Outdoor equipment/furniture (playground equipment, etc.).....	10,810
Kitchen equipment/supplies.....	3,680
Housekeeping equipment/supplies.....	575
Office Furniture.....	2,300
Renovation/building costs.....	*
Other.....	0



CHILD COLLEGE SAVINGS ACCOUNT

Program Structure

- First 5 sets up a **\$200** college savings plan through the State's ScholarShare529 program.
- **\$300** in additional incentives are available based on participation in other qualifying programs.
- A **2nd account** may be established by a parent or guardian.
- The market value of the fund is sent directly to the college or career program to offset expenses.

Eligible Participants

- Children age birth to their 5th birthday
- Santa Rosa residents
- Household Adjusted Gross Income of \$75,000 or less

Incentives

- Parents who use qualifying programs/services may earn additional funds.
- Parents/caregivers who open the parent-owned ScholarShare529 account may be matched dollar for dollar.

About 529 Plans & CSAs

- Kids are 3x more likely to attend college and **4x more likely to graduate** if they have any amount of savings for their education. Starting young allows the funds to grow.
- A 529 plan is a **tax-advantaged investment plan** to save for higher education expenses.
- Scholarshare is the State's 529 plan.



First 5 Sonoma County

About First 5 Sonoma County

- Funded by the 1998 statewide ballot initiative, Proposition 10, which added \$0.50 per pack of cigarettes and other tobacco products.
- Resulting revenues are allocated statewide to First 5 California and to county First 5 Commissions based on birth rate.
- It is an independent public agency that has administered over \$90m in grants over the last 22 years – including the City’s Childcare Resiliency Fund Grant Program.
- Prop. 10 funds will be used to offset/support First 5’s administrative costs.



Recommendation

It is recommended by the Planning and Economic Development Department that the Council, by resolution, approve a Professional Services Agreement with First 5 Sonoma County for the administration of City of Santa Rosa funded child and childcare programs in a not-to-exceed amount of \$5,875,000.

