

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 Jmmigration 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

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

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

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)

- \$1m direct grants to providers administered by First 5
- \$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



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



CHILDCARE FACILITY DEVELOPMENT

Facility Fund – Tenant Improvement Cost Examples

В.	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.
				The total cost to improve items such as underground utilities, curb
				cuts, fire hydrants, traffic signs, emergency access and other local
	Offsite improvements	\$	25,000	government requirements.
I. I				A reserve set aside for unforeseen repairs during the renovation
I. I	Contingency	20% \$	57,400	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.



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.



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.