Early Learning Facilities (ELF)

Program Overview



We strengthen communities



HOUSING HOMELESSNESS



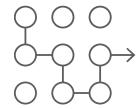
INFRASTRUCTURE



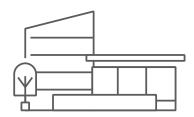
BUSINESS ASSISTANCE



ENERGY



PLANNING



COMMUNITY FACILITIES



CRIME VICTIMS & PUBLIC SAFETY



COMMUNITY SERVICES

Topics we'll discuss

- Program background
- 17-19 capital appropriation
- 19-21 capital appropriation
- WELL fund
- Demand for facilities
- Challenges & opportunities

History

Ruth Kagi, former Representative and Chair of the Early Learning and Human Services Committee

HB 1777 financing early learning facilities

- Creates Early Learning Facilities Grant and Loan Program administered by Commerce
- Directs DCYF to review licensing standards and preapproval process



ELFAdvisory Committee

Role:

- Guides the design and implementation of the program
- Reviews and selects awarded projects

Commerce collaborates with:

- Department of Children, Youth, and Families (DCYF)
- Office of the Superintendent of Public Instruction (OSPI)
- Community Development Financial Institution (CDFI)
- Washington State Housing Finance Commission (WHFC)
- Puget Sound Taxpayer Accountability Account (PSTAA)
- Yakima Valley Community Foundation
- Former Early Learning Provider

Funding Pathways

- Department of Commerce
 - Direct Appropriations
 - Competitive Grants
 - Eligible Organizations
 - Pre-design grants
 - Minor Renovation or Repair grants
 - Major Construction, Renovation, or Facility Purchase grants
 - School Districts
 - Major Construction, Renovation, or Facility Purchase grants
- Community Development Financial Institutions (CDFIs)
 - WELL Fund revolving loan program
 - Loans and grants for eligible organizations

17-19 Appropriation

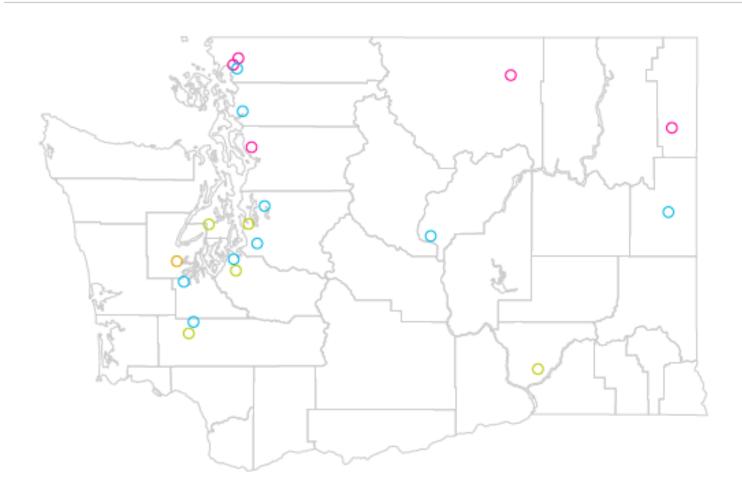
Early Learning Facility Grants (40000006)

17-19 Capital Appropriation - \$15.5M

Early Learning Facility Grants (40000006)

- (1) Direct Appropriation Grants \$4.504M
 - Includes 5 projects
- (2) Competitive Grants \$10.996M
 - Commerce Administration \$294,880
 - Eligible Organization Grants \$5,701,120
 - CDFI Partnership Loans and Grants-\$5M
 - CDFI Administration/Start-up \$190,000
 - Loans and Grants \$4.81M

17-19 ELF Project Map



- Major Construction and Renovation
- Minor Renovation
- O Predesign
- O Direct Appropriation

17-19 Direct Appropriation Grants-\$4.504M Project Status

Status	No. of Projects	Created Capacity	Total Amount Awarded
Awarded	0	0	\$ 0
In Negotiation	1	0	\$ 999,100
Under Contract	0	0	\$ 0
Complete	4	198	\$ 3,369,780
TOTALS	5	198	\$ 4,368,880 *

^{*} Commerce administrative fee (3% up to \$50K) \$135,120;(\$4,368,880 + \$135,120 = \$4,504,000

17-19 Eligible Organizations- \$5,701,120 Awarded Projects

Funding Category	Applications Received	Viable Projects	Awarded Projects	Created Capacity	Total Awarded	Total Non-State Match
Pre-design	17	14	7	N/A	\$ 70,000	N/A
Minor Renovation or Repairs	50	17	1	34	\$ 11,608	\$ 85,692
Major Construction, Renovation & Facility Purchase	61	34	9	625	\$ 5,604,512	\$ 15,703,337
TOTAL	128	65	17	659	\$ 5,686,120	\$ 15,789,029

17-19 Eligible Organizations- \$5,701,120 Awarded Project Status

Status	No. of Projects	Total Amount Awarded
Awarded	0	\$ 0
In Negotiation	4	\$ 1,551,121
Under Contract	3	\$ 1,799,999
Complete	8	\$ 2,315,000
Declined/Rescinded	2 *	\$ 20,000
TOTALS	17	\$ 5,686,120

* Two declined pre-design grants:

- 1. The original location fell through and another suitable location wasn't identified.
- 2. Project plans changed. Instead they partnered with an affordable housing project and were awarded a 19-21 major construction grant.

19-21 Appropriation

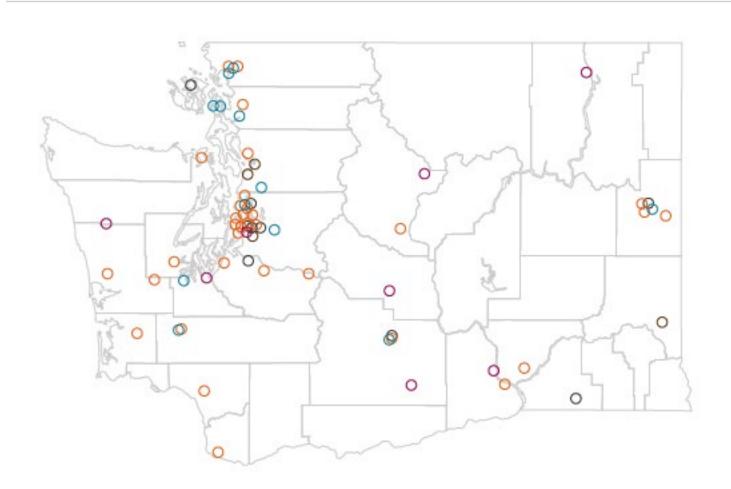
Early Learning Facility Grants (40000044)

19-21 Capital Appropriation - \$35.796M

Early Learning Facility Grants (40000044)

- (1) DCYF Technical Assistance-\$300,000
- (2) Direct Appropriation Grants \$9.062M
 - Includes 12 projects
- (3) School District Grants \$4.186M
 - Includes 9 projects
- (4) Competitive Grants \$22.248M
 - Commerce Administration \$889,920
 - Eligible Organization Grants \$21,358,080

19-21 ELF Project Map



- Major Construction and Renovation
- O Minor Renovation
- O Predesign
- O Direct Appropriation
- School Districts

19-21 Direct Appropriation Grants - \$9.062M Project Status

Status	No. of Projects	Created Capacity	Total Amount Awarded
Awarded	0	0	\$ 0
In Negotiation	8	765	\$ 5,384,700
Under Contract	3	103	\$ 3,395,000
Complete	1	0	\$ 50,440
TOTALS	12	868	\$ 8,830,140 *

^{*} Commerce administrative fee (3% up to \$50K) \$231,860;(\$8,830,140 + \$231,860 = \$9,062,000

19-21 School District Grants - \$4.186M Project Status

Status	No. of Projects	Created Capacity	Total Amount Awarded
Awarded	0	0	\$ 0
In Negotiation	3	58	\$ 1,354,120
Under Contract	3	261	\$ 1,232,870
Complete	2	88	\$ 697,430
Declined/Rescinded	1	80	\$ 776,000
TOTALS	9	487	\$ 4,060,420 *

^{*} Commerce administrative fee (3% up to \$50K) \$125,580;(\$4,060,420 + \$125,580= \$4,186,000)

19-21 Eligible Organizations- \$21,358,080 Awarded Projects

Funding Category	Applications Received	Fundable Projects	Awarded Projects	Created Capacity	Total Awarded	Total Non-State Match
Pre-design	9	6	5	N/A	\$ 50,000	\$ 96,500
Minor Renovation or Repairs	57	8	8	112	\$ 499,681	\$ 194,428
Major Construction, Renovation & Facility Purchase	59	39	34	1,756	\$ 20,808,397	\$ 36,572,357
TOTAL	125	53	47	1,868	\$ 21,358,078	\$ 36,863,285

19-21 Eligible Organizations- \$21,358,080 Awarded Project Status

Status	No. of Projects	Total Amount Awarded
Awarded	0	\$ 0
In Negotiation	26	\$ 15,423,909
Under Contract	16	\$ 4,670,260
Complete	4	\$ 463,909
Declined/Rescinded	1 *	\$ 800,000
TOTALS	47	\$ 21,358,078

* Declined major construction grant:

 Part of a larger affordable housing project that didn't receive the needed financing for the housing portion.

Washington Early Learning Loan (WELL) Fund

CDFI— Revolving Loan Fund and Grants

Washington Early Learning Loan (WELL) Fund

A partnership between:







How does it work?

- Partner program to ELF Grant from the Department of Commerce
- 2017 Enterprise received \$5 million funding from Department of Commerce (State Appropriation)
- Raised matching funds from:
 - The Ballmer Group
 - The Gates Foundation
 - The Seattle Foundation
- CDFI Partnerships:
 - Craft3
 - WCRA

Washington Early Learning Loan(WELL) Fund to provide:

Catalytic funding to nurture the growth of early learning facilities across WA state and increase access and availability to quality early learning facilities for children and families.

We provide funding in the form of:

□Real Estate Loans to develop or increase capacity in early learning centers

- Up to \$5,000,000
- Up to 30 year Terms
- New construction/expansion
- Financing for developers incorporating early learning facilities into a mixed use development

□Small business loans to Early Learning Providers:

- Up to \$500,000
- Up to 30 year terms
- Start up expenses
- Facilities improvements (owned or leased space)
- Furnishing and equipment

Continued

- ☐ Technical Assistance recoverable grants for facility predevelopment
 - Up to \$20,000
 - Facilities planning, predevelopment services

Who can we lend to?

- Licensed childcare providers:
 - Childcare Centers or in-home Family Childcare
- Housing developers partnering with early learning providers
- Emerging Providers-anyone who is embarking on opening a new center

Eligibility:

- Must serve low-income communities by offering some sort of subsidy: DSHS (WCCC), ECEAP, City of Seattle, or other local subsidies
- Must be enrolled or plan to enroll in Early Achievers (EA) Quality Rating Program

Technical Assistance

- Early Learning TA: Licensing procedures, curriculum development, quality supports for children and families, and connection to broader early learning supports (DCYF, EA, other Funding sources, resources, other partnerships)
- Project TA: Development, Construction, TI, Timeline, Permitting, Design etc.
- Finance TA: Developing and improving budgets, pro-formas in anticipation to financing
- Real Estate Development
- Covid19 response work: supported providers in COVID19 TA regarding licensing changes, subsidies, providing emergency care and connection to state and local business supports and resources

Intake Process

Accepting applicants on an ongoing basis

Connect with Juanita Salinas (Enterprise)



Complete an Intake Form



Referral to most appropriate lender

Enterprise offers
Technical Assistance,
and connection to
other supports,
funding options, and
resources as needed

2020 WELL FundOutcomes

Total Funded (Public & Private)	Total Programs	IMPACT: Created Classrooms	IMPACT: Created Childcare Slots
\$5,787,119	34	118	1,772

1. Loans:

Total Loans & Committed Dollars: 8

- Acquisition loan
- Tenant improvement loans
- Construction loans
- Predevelopment loan
- Permanent loans

\$4,194,310 total in Loans

- \$2,382,338—Dep. of Commerce (Public)
- \$1,811,972—Private Funding

2020 WELL FundOutcomes

Total Funded (Public & Private)	Total Programs	IMPACT: Created Classrooms	IMPACT: Created Childcare Slots
\$5,787,119	34	118	1,772

2. Grants:

Total Grants Distributed: 26

- 14 predevelopment grants
- 12 COVID-19 Emergency Renovation Grants

\$1,592,809 total in Grants

- \$1,152,000—Dep. of Commerce (Public)
- \$440,809—Private Funding

Racial Equity Impact

Since launching, the WELL Fund has prioritized using a Racial Equity approach in all our outreach, technical assistance, pipeline and deals. This has led to the following outcomes:

- Practicing intentional outreach to providers of color, or those programs which include leadership of color, or WMBBI identifying owned business.
- Our pipeline and currently funded projects include a racial equity impact within communities —Providers who serve communities of color, and those who also are providing culturally competent care to children and families.
- All pipeline and funded projects (grants and loans) serve low-income communities, communities of color, multiethnic, multilingual, multi-religions communities, and children with special needs, children who may be experiencing homelessness, and children who are in foster care

Legislative Spread of FundedProjects

City	Legislative District
Yakima	14th
Seattle	37th
Seattle	27th
Tacoma	27th
Seattle	37th
Seattle	46th
Seattle	47th
Tukwila	33rd
Centralia	20th
Seattle	7th
Marysville	38 th
Brewster	12th
Darrington	39th
Pullman	9th
Hoquiam	24th
Seattle/Skyway	37th
Auburn	31st
Spokane	5 th
Winthrop	12th

Full Commerce Spend Down and Private Spend Down

Private Funding	Public Funding (Commerce)	Total Amount
\$2,242,772	\$3,544,34 <mark>7</mark>	\$5,787,119

- Set to receive final \$1 million appropriation from Dep. Commerce
- On time to spend down full \$5 million by Spring 2021

Demand for Facility Funding

Early Learning Facilities

Demand 1. WELL Fund Pipeline

Total Projects within Pipeline: 77

Organization names	Early Learning Provider	Developer	Owner of Site	Project address	City	School district	Legislative district	Grant or loan type (planning, minor renovation/repair, major renovation, construction, or purchase)	Total Grant or Ioan amoun t	Private match amount	Commerce match amount	Number of Classrooms	Number of early learners served	Number of ECEAP slots created (Part Day/Full School Day/Extended Day)	Number of WCCC capacity created (Half/Full)	
Mercy Housing Northwest, Barkley Family Housing, YMCA Whatcom	YMCA of Whatcom-Bill Zeils	Mercy Housing Northwest	Barkley Company- Michael Bayless	2421 Rimland Drive	Bellingham	Bellingham, ES - Roosevelt, MS & HS - Squalicum	42nd	construction/permane nt loan	\$1,500,000	\$200,000	\$800,000	7	104		23	a, b, e, g
Granger Schhol District	Granger School District			TBD	Granger	Granger School District	15th	construction/permane nt loan					80	80		a, b, c, e, g
Lake Washington Institute of Technology	Lake Washington Institute of Technology			11605 - 132nd Ave NE	Kirkland	Lake Washington School District	45th	permanent loan	\$800,000.00			4	74		11	e, h
OlyCAP-1	OlyCAP	Ally Community Development	OlyCAP	7th and Hendricks	Port Townsend	Port Townsend	24th	predevelopment loan	\$50,000.00	\$40,000.00	\$10,000.00	2				a, b, d, e, g, h
OlyCAP-2	OlyCAP	Ally Community Development	OlyCAP	7th and Hendricks	Port Townsend	Port Townsend	24th	Bridge Loan	\$700,000.00			2				a,b,d,e,g,h
Community Frameworks	Community Frameworks				Raymond		19th					3				a, b, e, g
	Lake Washington Institute				-											
Lake Washington Institute of Technology	of Technology				Redmond											a, b
Sons of Haiti, LIHI, Kidus Montessori	Kidus Montessori	ині	Sons of Haiti	301 S 3rd St	Renton	Renton School District 403	37th		\$2 million estimate			3				a, b, c, d, g
Inspire Early Learning Center	Nasteha Ali Muse		Nasteha Muse	3417 144th Street	Tukwila	Tukwila	33rd	Construction Loan	\$100,000			3	60			a, b, c, e
Sound Child Care Solutions, Hoa Mai	Sound Child Care Solutions, Hoa Mai				Seattle	Seattle Public Schools	37th	major renovation	\$150,000.00			1				a, b, d, g
Childhaven	Childhaven			relocation	Seattle											b, d
Primm ABC Child Care Center	Primm ABC Child Care Center	Ally Community Development	Primm ABC Child Care Center	4455 S. Brandon St	Seattle	Seattle Public Schools	37th	3. Permanent Loan	\$440,000.00		\$440,000	6				a, b, d,h
Bellwether Housing, Mercy Housing, El Centro de la Raza	El Centro de la Raza	Bellwether Housing & Mercy Housing Northwest	Bellwether Housing & Mercy Housing Northwest	6600 Roosevelt Way NE	Seattle	Seattle Public Schools	43rd	construction/permane nt loan	\$1,010,000.00			4				b, g, h
SCIDpda, El Centro de la Raza, North Lot	El Centro de la Raza	Edge Developers	SCIDpda	1200 12th Avenue South	Seattle	Seattle	37th	Perm Loan	\$1,800,000.00			7				
New Hope Missionary Baptist Church, LIHI	New Hope Missionary Baptist Church	ині	New Hope Missionary Baptist Church	114-123 21st Ave	Seattle	Seattle Public Schools District 5	37th					4				a, b, e, g
LIHI, Refugee Women's Alliance	Refugee Women's Alliance	LIHI	LIHI	7529 Martin Luther King Way S	Seattle	Seattle Public Schools District 7	37th		\$1,500,000			5	100	40	20	a, b, e, g
Tiny Tots Development Center (new)	Tiny Tots Development Center			7529 & 7544 MLK Jr. Way S 98118	Seattle	Seattle Public Schools	37th	construction/permane nt loan; or FFE loan	\$400,000.00			6	84			a, b, c, d, f, g,
Tiny Tots Development Center (existing)	Tiny Tots Development Center			8318 Renton Ave S, Seattle, WA 98118	Seattle	Seattle Public Schools	37th	rehab loan								a, b, c, d, f, g,
Denise Louie Education Center (new)	Denise Louie Education Center			13th & Yesler	Seattle	Seattle Public Schools	37th	construction/permane nt loan				4				a, b, c, d, f, g,
University Temple Children's School	University Temple Children's School			searching for a new site	Seattle	Seattle Public Schools	46th	acquisition & construction				6				a, b
Amistad	Amistad			1625 19th Ave Seattle, WA 98122	Seattle	Seattle Public Schools										a,b,d,
Denise Louie Education Center, Beacon Hill	Denise Louie Educaton Center, Beacon Hill			3327 Beacong Avenue S.	Seattle	Seattle Public Schools		acquisition & construction								a,b,d,
Proclaim Liberty	Liberty Park Community Development Center	Kiemle Hagood	Proclaim Liberty	1525 E Hartson Ave	Spokane	81	3		\$500,000.00				60			a,b,c,e,d
Health Point	TBD		Health Point	Tukwila International Blvd between 144th and 146th	Tukwila	Highline	11th									a, b, c, h
Chelan-Douglas Community Action Council,	Chelan-Douglas Child		Chelan-Douglas			Eastmont School										

Demand 2. COVID19 Renovation Grants

The primary goal of this grant is to support Early Learning Providers with renovation or remodeling projects that address necessary COVID-19 changes, including:

- Increase social distancing
- Increase health & safety measures
- Increase or preservation of slots, especially in communities of color
- Preservation of slots means preserving slots that have been lost to COVID-19 or slots that are <u>at risk</u> of being lost due to COVID-19

Received <u>347</u> Applications \$51 Million

Demand 3. WELL Fund Shovel Ready Projects

40 Shovel Ready Projects

Cities		Legislative Districts	# of Increase in Classrooms	# of Increase in Child Care Slots	Amount Needed	Timeline
 Seattle Skyway Spokane Tukwila Kent Marysville Tacoma Aberdeen Pullman Ellensburg Toppenish 	 Mt. Vernon Moses Lake Everett Yakima Brewster Othello Vancouver Burlington 	4 th 4 th 37 th 10 36 th 13 14 th 12 33 rd 22 47 th 24 46 th 49 38 th 40 39 th 28 27 th 7 th 19 th 43 9 th	th t	1,659	\$15,815,436	6 months-1 year

Thank you!

Juanita Salinas

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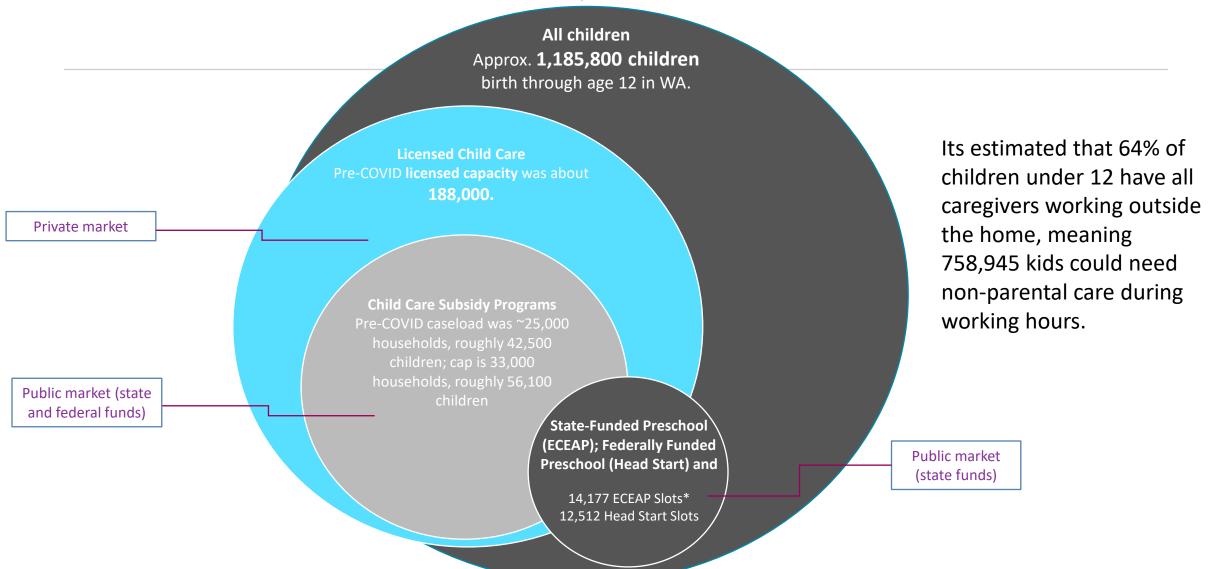


Child Care — Estimating Future Demand

Allison Krutsinger, Government Affairs Deputy Director, DCYF

DCYF Role in Child Care

Relative Scale of CareOptions in the Child Care Market



Extreme Child Care Access Deserts, 2019

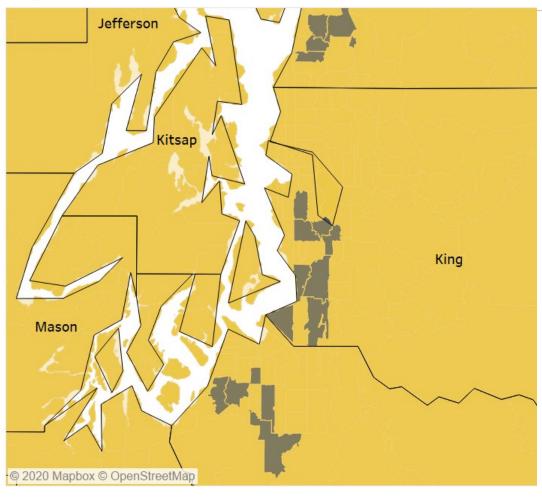


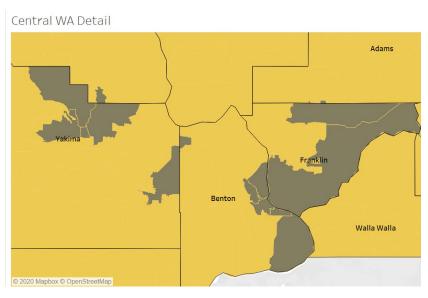
Extreme access desert = zip code identified as an access desert, surrounded by zip codes also identified as access deserts

- Extreme access deserts shown in grey
- Goes beyond commonly used Center for American Progress method, which identifies zip code access deserts
- In 2019 DCYF identified 35 extreme child care deserts

Extreme Child Care Access Deserts, 2019

Puget Sound Detail







Child Care Subsidy— Looking Ahead

Subsidy system improvements would support providers and serve more families:

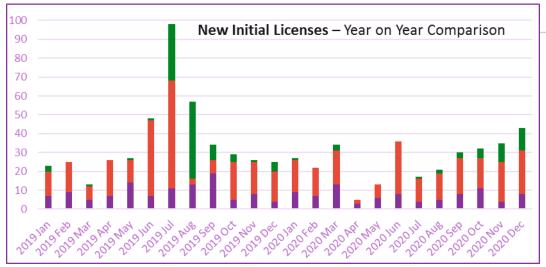
- DCYF believes caseload decreases are not because families don't need care, but because outdated policies are discouraging or making it impossible for families to participate.
- Fixes to the system like those shown here would result in more families getting care, pushing us up to the WCCC caseload cap.
- ~14,000 more children would be served, meaning more facility space is needed for them

	Order	Supporting Families	Operational Improvements					
	1.	Establish monthly rates for child care providers (cost neutral)						
;	2.	Fix copay cliff – cap family contributions to 7% of family income	Changes to subsidy geographic regions that can flexibly adapt to changing regional conditions					
	3.	Tie child care for children/families involved with Child Welfare to WCCC for seamless/systematic connections	Revamp/replacement of SSPS that is fully/primary digital and link to all other provider systems					
	4.	Increase program income eligibility to 85% SMI– gets us past minimum wage/working families	Raising subsidy rate to cover full cost of high-quality care – includes base rates, tiered reimbursements and other add-ons to afford quality and specialties					
	5.	Increase allowances for approved activities – higher-ed pursuits, job search, and number of hours	Replace barcode with improved eligibility system that is fully/primary digital and link to all other eligibility systems*					
			-					

 st This work must be done as part of the Health and Human Services Coalition – Integrated Eligibility Workgroup

COVID19 Crisis

Annual Child Care Capacity & Closures





	2019	2020
Total license closures	460	364
Total new licenses*	431	315
Total closed capacity	7,849	8329
Total new capacity	12680	7741

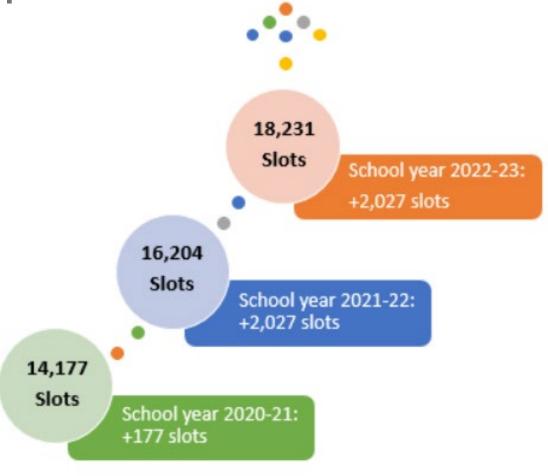
School-Age ProgramFamily Child Care HomeChild Care Center

Gap needs to be made up for recovery to begin

ECEAP Entitlement Populations Forecast

Who does this include?

- Children up to 110% FPL
 - 61% participation rate for 3 year olds
 - 82.5% participation rate for 4 year olds
- IEP children above 110%:
 - 45.3% participation rate for 3 year olds
 - 53.1 % participation rate for 4 year olds
- 10% Over Income Children with Research Based Risk Factors



Child Care Licensing Innovations Increase Capacity

Innovations DCYF is exploring:

- Family Home programs in multifamily buildings
- Detached Accessory Dwelling Units (DADU)
- Streamlined fire inspection

Elements from HB 2619 being implemented

- Dual licensing child care and foster care
- License transfer process

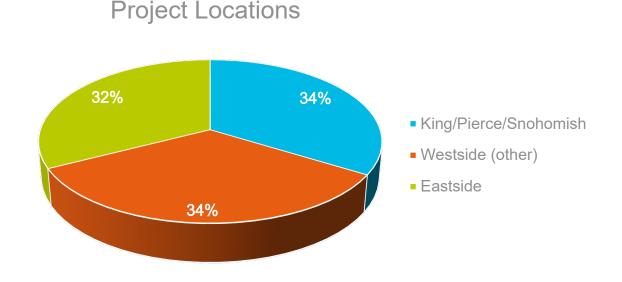
Thank you!

Contact:

Allison Krutsinger, Deputy Director of Government Affairs Allison.Krutsinger@dcyf.wa.gov

Early Learning Provider Survey

- Open Jan 27th Feb 1st
- Number of providers planning to apply for an ELF grant in the fall of 2021:
 - Total Funding: \$64.4M
 - Number of projects: 243
 - Pre-Design: 21
 - Minor: 105
 - Major/Purchase: 117



Challenges and Opportunities

Early Learning Facilities

Policy Recommendations

- Shorten the 20 year commitment period.
- Expand "Facility Purchase" to include land.

Need for more technical assistance.



COVID-19 and Early Learning

- Impacts to early learning projects.
 - Strain on operations
 - Challenges raising nonstate match
 - Increased costs
- Early Learning is critical to economic recovery.



Thank you!

Tony Hanson

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