Early Learning Facilities (ELF) Program

Project Development Basics in Preparation for Applying for ELF Funding Opportunities

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Washington State
Department of
Commerce

v1.5

We strengthen communities

HOUSING AND HOMELESSNESS

INFRASTRUCTURE AND BROADBAND

SMALL BUSINESS ASSISTANCE

ENERGY

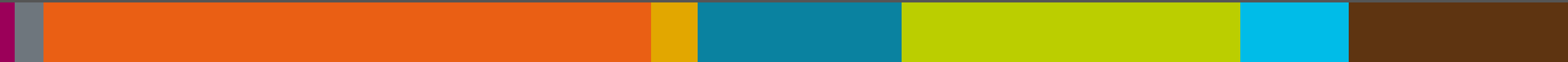PLANNING AND TECH ASSISTANCE

COMMUNITY SERVICES

CRIME VICTIMS AND PUBLIC SAFETY

ECONOMIC DEVELOPMENT

Typical ELF Grant Schedule

Early Learning Facilities Competitive Funding Availability & Timelines

Eligible Organization Expansion Grants

- Opens: Summer of Odd Years
- Eligible Applicants: Current or future child care facility owners interested in expanding their subsidized (ECEAP and/or WCCC) service capacity, except for public school districts.

Health & Safety Minor Renovation

- Opens: When Funding is Available from the Washington State Legislature
- Eligible Applicants: Current Licensed or Certified Child Care Providers

Public School District Expansion Grant

- Opens: Spring of Even Years
- Eligible Applicants: Public School Districts

What is Project Development and Why is it Important?

Why Project Development?

- Long term planning and development Creates More Successful Projects
- Covered in this presentation:
  - Early Learning Facilities funding schedule
  - General grant requirements
  - Funding categories
  - Types of project activities for each category
  - Creating a budget
- For the best chance at being funded, apply for the appropriate category for the current stage of the project

Eligible Organization
ECEAP/WCCC
Expansion Grants

Selecting the most appropriate category for the phase of your project

Eligible Organizations Grant Requirements

- Must Add Early Learning Capacity by Increasing WCCC or ECEAP Slots

- Grantee Provides 25% Matching Funds

- Must Participate in Early Achievers

- Must Commit to 10 Years of Operations with Increased WCCC or ECEAP Slots

What phase is your project in?

Idea Phase	Planning Phase	Construction Phase

In the *Idea Phase*, it's best to start with a Pre-Design grant.

- You have an idea and are ready to work with professionals to complete feasibility studies.

In the *Planning Phase*, you've already completed the Pre-Design activities and are ready to move to a Pre-Development grant.

- You are ready to develop your architectural plans, get contractors' bids to build the project, and may be ready to start getting building permits and making utility connections.

- **In the *Construction Phase*, you are ready to start building your project with a Major Construction, Renovation, or Acquisition grant.**

- You've completed both Pre-Design and Pre-Development activities and you're ready to start construction on your project.

Developing Your Eligible Organization Expansion Grant Project

Pre-Design

Pre-Development

Minor Renovation

Major Renovations and Acquisition

Eligible Organizations Funding Categories

Pre-Design	Pre-Development	Minor Renovations	Major Construction, Major Renovation, and Facility Purchase
$10,000 to $21,605	**$20,000 to $216,052**	**$20,000 to $216,052**	**$200,000 to $2,500,000**
Example: To conduct the feasibility study for creating a new child care center. (Start point for large projects)	**Example:** Early learning facility site preparation and architecture & engineering work. (Next step for large projects)	**Example:** Upgrading an existing building to expand child care capacity. (Family home smaller expansion projects)	**Example:** Purchasing and renovating a facility to open a new child care center. (Family home large projects)

Idea Phase   Planning Phase   Construction Phase

Definitions of Terms and How They Apply

- **Feasibility Study**

  - A feasibility study is an assessment that determines the likelihood of a proposed project being successful

  - A feasibility study is usually conducted by a professional architectural firm or civil engineering firm

  - A DCYF feasibility visit is an informal walkthrough of a building to determine if it is suitable for a child care facility

  - There is no charge for a DCYF feasibility visit

Definitions of Terms and How They Apply

- ## Zoning

  - Business zoning laws define where in a locality business activities can and cannot be carried on legally

  - Check with the city to see if the address for the facility is in alignment with local zoning ordinances

- ## Permits

  - Building permits and land use reviews can be obtained at local city halls

  - Check with the city to see what permits are required for the specific project

Considerations for Family Homes

Family Homes Remaining as Family Homes

- Coordinate with DCYF licensor regarding the maximum for which the home may be licensed (project licensing pre-approval)

  - Proposed increased capacity may not exceed licensable limits

- Pre-Design and Pre-Development may not be necessary; however, bids for construction and/or renovation will be required

- If home floor plans are modified to increase capacity, copies of the plans should be provided
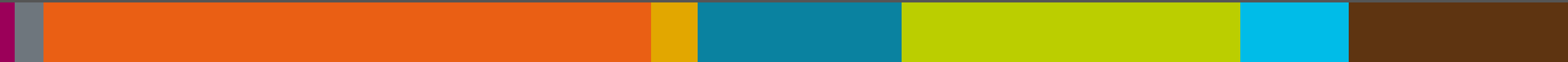
- DCYF offers free plan reviews upon request.

Current Family Homes
with a Desire to Open a Center

- Determine which phase the project is in:

  - Idea

  - Planning

  - Construction

- Select the appropriate category for the current project phase and refer t those specific content slides

  - Pre-Design

  - Pre-Development

  - Minor Renovations

  - Major Construction/Renovation/Acquisition

- Coordinate with DCYF for Feasibility Study

Pre-Design
Idea Phase of Larger Projects

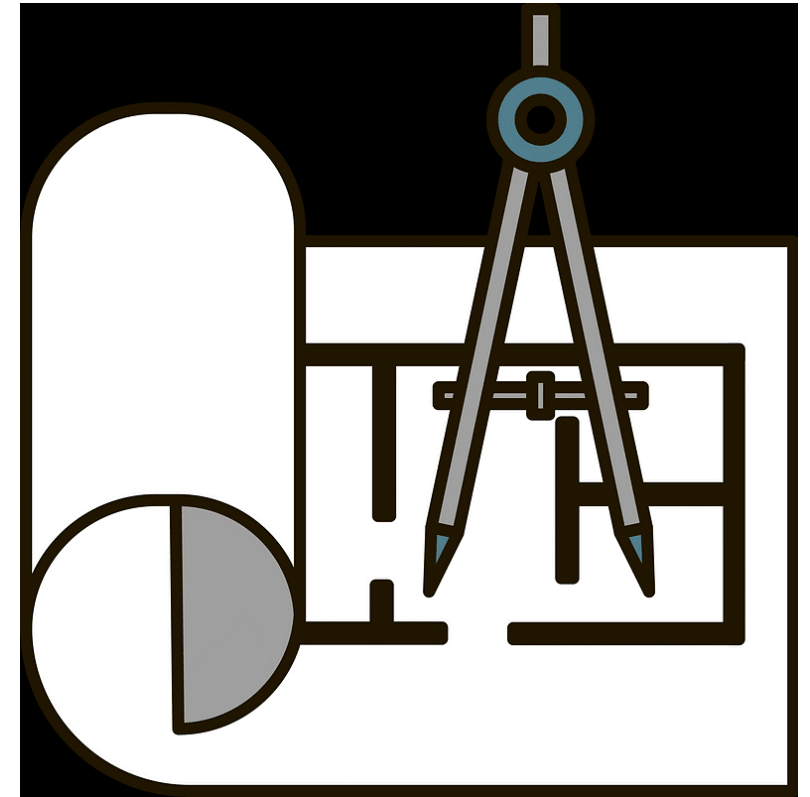# Pre-Design Considerations

- Project feasibility is assessed
  - Coordinate with DCYF for assistance
- The scope of work is defined for the project
- The budget is estimated using bids from licensed contractors
- Site Analysis
- Zoning
 - Residential vs commercial and what is allowable for each category

Pre-Design Considerations, Continued

- Childcare needs study for the area
- DCYF Pre-Licensing Consultation
- Determination of purchase, renovation, or construction
  - Researching comparable real estate costs for the area
  - Analysis of available existing structures for renovation
- Architectural Design
  - Consultations and drawings
- Construction Cost Estimates
  - From licensed contractors

Pre-Design Considerations, Continued

- **Potential Outcomes of a Pre-Design Project**
  - Zoning and/or Site Analysis report
  - Coordination with DCYF for licensing feasibility
  - Geotechnical reports
  - Building regulations & Zoning Summary Reports
  - Identification of expert services needed (architecture and engineering) and costs
  - Rough estimates of final project costs
  - Schedules and timeline of project completion
  - Environmental report and community impact
    - Determine with the city if change-of-use modifications are required
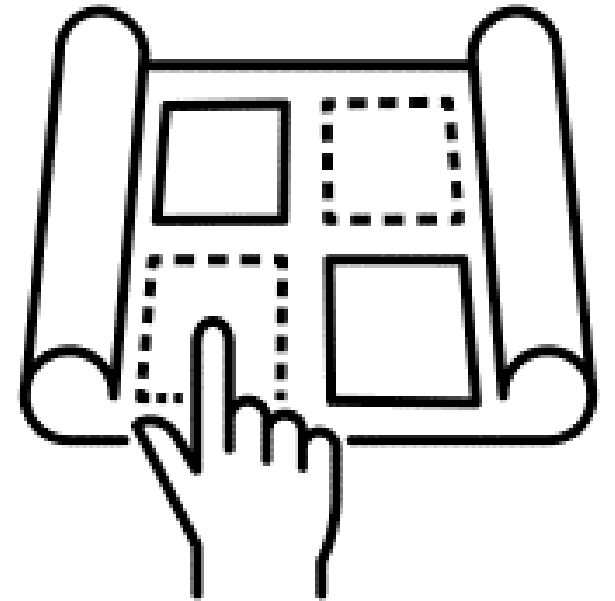
Pre-Development

Planning Phase of Larger Projects

Pre-Development Considerations

- Pre-Design considerations should be addressed prior to applying for Pre-Development

- Potential Outcomes of a Pre-Development Project
  - Final site selection / land acquisition
  - Binding contracts with licensed contractors for the project
  - Site preparation
    - Utility connections, foundation, shell, etc.
  - Architectural and Engineering designs
  - Financial planning and final budget development
    - Identify all funding needed, in addition to future grant funds, to fully fund the project: bank loans, lines of credit, etc.

Pre-Development Considerations, Cont.

- Potential Outcomes of a Pre-Development Project, Continued
    - City, county, and state regulatory approvals, including:
        - Occupancy limits and requirements
        - Building codes
        - DCYF licensing requirements
    - Final project timeline
        - As determined through consultation with selected licensed contractors

Minor Renovations
Family Home / Center Renovations

Minor Renovations Considerations for the Eligible Organizations Round

- Includes elements from Pre-Design and Pre-Development, as applicable
- All projects must expand subsidized capacity (ECEAP/WCCC) of facility
- Previous awarded eligible minor renovations projects include, but are not limited to:
  - ADA compliance
  - Commercial kitchens
  - Carpet to laminate or vinyl for consistent flooring through additional square footage
  - HVAC updates to address additional square footage
  - Lead paint/asbestos remediation in areas for expanded care
  - Indoor and outdoor play areas to accommodate additional children
  - Kitchen and bath updates (no showers/tubs) for "right sizing" for additional children

Minor Renovations Considerations for the Eligible Organizations Round

- Projects cannot be related to deferred maintenance
- Bids must support request amount
  - Family home requests cannot exceed 50% of the tax assessed property value
- Applicant provided matching funds required and documented
  - The Minor Renovations funding category requires a minimum of 25% grantee provided matching funds
- Pre-Design and/or Pre-Development completed

Major Renovations & Acquisition

Construction / Acquisition

Major Renovations & Acquisition

- Includes elements from Pre-Design and Pre-Development, as necessary

- Must create new WCCC or ECEAP childcare slots

- Minimum of 25% grantee provided matching funds
  - All non-grant project funds must be secured prior to closing on the purchase

- Acquisition: Purchase of real property
  - No land purchases are allowed
  - Maximum of 75% of the purchase price can be provided at closing
    - Any remaining grant funds may be used for renovations of the acquired property to ensure the facility is licensable and operable at the end of the project.

Major Renovations & Acquisition

- Request amounts for this category must be supported by bids from licensed contractors, real estate comparable documents, purchase and sale agreements, etc.

- The project can be combined with affordable housing or community center projects

- Examples of previously award Major Renovation projects include, but are not limited to:
  - Build out of vacant commercial space
  - Site preparation and installation of portable classrooms on applicant owned land
  - Expansion of an existing facility to include structural modifications to the building

Developing the Project Budget

Budget Development

- Having a clearly defined budget supports the proposed project by
  - Demonstrates project costs have been investigated
  - Illustrating how the total of project funds (grant plus match) balance with the cost of the project
  - Determines project readiness
  - May help the project score higher in the competitive process

Budget Development

- Acquisition
  - This category is only used when purchasing real estate using grant funds
- Planning, Design, Engineering, & Architecture
  - Bids from licensed and bonded contractors
- Construction Costs
  - Bids from licensed and bonded contractors
- Capitalized Equipment
  - Equipment purchased for the project that has a 13+ year lifespan

Budget Development, Continued

- WA State Sales Tax
  - This can be a separate line item or included in other line items, as applicable
- Contingency is not allowable as a stand-alone category
  - Contingency should be included within each of the budget categories
- See Program Guidelines on the Early Learning Facilities website for eligible and ineligible costs

Thank you!

The Early Learning Facilities Team

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For information related to specific funding rounds, see the
Early Learning Facilities website:

Washington State
Department of
Commerce

www.commerce.wa.gov