



City of San Carlos

Notice of Funding Availability (NOFA)

Childcare Grant Program

Issued: Monday, August 26, 2024

Responses Due: Friday, October 18, 2024, by 5:00 p.m.

Program Overview. The City of San Carlos invites local childcare centers, family childcare homes, and non-profit centers providing childcare services to submit a request for funding as part of the Childcare Grant Program. The Childcare Development Impact Fee Fund (“Impact Fee Funds”) contains monies that shall be used to support the creation of childcare spaces within the City. The Fund monies shall be used in accordance with the City’s Childcare Development Impact Fee Ordinance (Ord. 1585) and 2024 San Carlos Strategic Plan Goals and Objectives to encourage and support the creation and expansion of quality childcare spaces available to residents and employees in San Carlos.

Types of Eligible Applicants.

- For-profit or commercial providers
- Nonprofit providers
- Faith-based organizations
- Family childcare homes

**Public school district is ineligible*

Permissible Uses. Per State Law, the grant funds can only be used to fund capital improvement costs (not maintenance or operations). It is important to note that these funds cannot be used to subsidize operations or direct assistance with childcare costs. Types of eligible projects may include but are not limited to:

- Land acquisition
- Center acquisition
- New construction of center
- Tenant improvements to prepare existing structure for childcare uses
- Tenant improvements to modify existing childcare center to accommodate a different age group (i.e. toddlers to infants or infants to toddlers or between any age groups that the childcare provider deems fit)
- Expansion of currently operating center
- Improvement to establish new small or large family childcare homes
- Center within corporate campus
- Center within new or existing commercial development
- Childcare within new housing developments
- Other pursuits associated with increasing childcare spaces

Eligible expenses do not include general operating costs, but may include:

- Development or construction related costs
- Capital equipment including but not limited to furniture, play equipment, learning materials, safety equipment, kitchen equipment, technology, outdoor play equipment, and restroom fixtures.
- Fixed furnishings including but not limited to built-in storage units, sinks, faucets, changing stations, partition walls, flooring, lighting fixtures, HVAC systems, and safety features.

Funding Priorities. All applicants must be located within the City of San Carlos. Applications will

be accepted until the deadline on Friday **October 18, 2024 at 5p.m.** The NOFA will be subsequently released on a quarterly basis. The grant program will be active until grant funds are expended. Each applicant must submit a grant request that best supports the adopted purpose, goals, policies and provisions of the City's Childcare Development Impact Fee Ordinance (Ord. 1585) and 2024 San Carlos Strategic Plan Goals and Objectives to encourage and support the creation and expansion of quality childcare spaces available to residents and employees in San Carlos.

Qualification Criteria. To be considered for a grant, the childcare provider must meet the following criteria:

- Must be a commercial childcare center, family childcare home, faith-based childcare center, or non-profit childcare center located within the City of San Carlos; Public school district is ineligible
- Must be a childcare center that serves children aged 5 and under
- Existing childcare providers must provide copy of State of California license; new childcare providers must provide planned schedule for licensing upon start up and provide State license once obtained
- Must provide a copy of current business registration with the City of San Carlos (unless exempt from business registration requirements).
- Must demonstrate how funds will be used for capital improvement costs (not maintenance or operations)
- Must provide proper documentation for reimbursement which will be determined at the grant pre-approval stage
- Must agree to the terms in the "Agreement for Receipt of Grant Funds"

Project Commitment. To demonstrate long-term commitment to the childcare center, applicants must provide additional documentation including but not limited to:

- Existing childcare providers must submit financial statements (income statement, balance sheet, or cash flow statements) to demonstrate financial viability and long-term commitment to the childcare center; new providers may submit a business plan
- Copy of property deed or lease, as applicable
- If nonprofit, must provide proof of nonprofit status
- Must submit annual reporting and/or tracking for five years from receipt of final grant payment to demonstrate how grant funds were used to increase childcare spaces
- Copy of appropriate license or planned schedule for licensing upon facility start up

Application Priorities. An application may be prioritized if a childcare provider meets one or more of the criteria below in addition to the qualification criteria above:

- Serves the infant children group (birth-2 years old)
- Creates a higher number of childcare spaces as a result of the grant funds
- Accepts vouchers
- Serves children with special needs

Funding Availability. The approved budget for grant expenditures from this fund for Fiscal Year (FY) 2024-25 is \$250,000. Each applicant may apply for a maximum of \$100,000 in grant funding for the capital improvement project. The funding request should be appropriate for the proposed project size. Qualified applicants will receive full funding for the first \$50,000 of the capital improvement project cost. For any cost amount over \$50,000, the grant will cover 50% of the excess. For example, if a project costs \$75,000, the applicant would receive \$62,500 (\$50,000 + \$12,500) in funding. If a project costs \$100,000, the applicant would receive \$75,000 in funding (\$50,000 + \$25,000). Final grant amount will be determined at grant pre-approval stage.

Funds are expected to be distributed amongst a few eligible candidates that best demonstrate the ability to meet the City's childcare needs. A childcare provider may reapply for the grant after being a recipient in the previous year, contingent upon availability and qualifications. They may reapply 12 months after receiving the last grant payment. To reapply, there must be a new capital improvement project and new anticipated childcare spaces. Applicants may apply for grant funding retroactively for any capital improvements made after November 27, 2022 (effective date of the Impact Fee) contingent on required documentation. The City retains sole discretion to evaluate and make grants available and is under no obligation until an agreement is executed.

Application Requirements. Applicants must submit a complete Childcare Grant Funding Request Application in the form attached.

Funding Distribution. The selected applicants will be required to enter into an Agreement for Receipt of Grant Funds with the City. Reimbursement and timing of payments will vary per applicant based on the specifics of the capital improvement project. Payment schedule will be finalized at the grant pre-approval stage.

Application Review Process. Applications will be reviewed by City of San Carlos staff to determine if they are complete and responsive to the request. City Staff will evaluate qualified applications against the permissible uses and priorities identified above or any other relevant criteria developed and consistently applied. Grants will be offered to applicants proposing projects and/or programs that best meet the goals and requirements of this NOFA.

Application Deadline. Written requests for funding shall be mailed or hand delivered to the attention of Sajuti Haque, Sr. Management Analyst, at City Hall, 600 Elm Street, San Carlos, CA 94070 or emailed to shaque@cityofsancarlos.org. **Responses to this NOFA are due on Friday, October 18 by 5:00 p.m.**