



Memorandum

TO: WHATCOM COUNTY COUNCIL

**FROM: ANN BECK, COMMUNITY HEALTH & HUMAN SERVICES
MANAGER**

DATE: OCTOBER 21, 2024

RE: DISCUSSION AND TIMELINE FOR ARPA CHILD CARE CAPITAL CONTRACTS

We want to take an opportunity to update you on the County's progress to expand childcare using American Rescue Plan Act (ARPA) funds. The \$13 million investment by the County to support capital childcare projects as well as childcare stabilization, has increased capacity of childcare slots for infants through school aged children, and the impact is felt throughout Whatcom County.

Using ARPA funding from Whatcom County and the City of Bellingham, Opportunity Council's Center for Retention and Expansion of Childcare (C-RECC) awarded grants to over 42 local childcare providers, ranging from \$10,000 to \$100,000 per provider. With these grants, providers have been able to raise wages, meet urgent maintenance needs, purchase supplies, and create enriched early learning environments with high-quality curriculum and services. Further funding from Whatcom County has supported emergency childcare vouchers for families, business leadership and technical assistance, and professional development scholarships for childcare workers.

ARPA funds are also being used to support capital projects and programs which have set us on a path to **create over 550 new childcare slots, and preserve an additional 616 slots that might not otherwise be available today.** This investment will have a lasting impact in the community for years to come.

CAPITAL CONTRACTS

Whatcom County Health and Community Services, in collaboration with the Executive's Office, facilitated two Requests for Proposals (RFP) for child care facilities: RFP #22-52 which closed on March 7, 2023 and RFP 23-87 which closed on January 23, 2024. Due to the timeline on ARPA expenditures, some of these contracts will ultimately be funded out of the Community Priorities Fund.

Pre- RFPs

Opportunity Council requested \$1,000,000 to fund a child care center in their Laurel and Forrest Affordable Senior Housing project. This project was funded under Contract #202111035 and was

completed during mid-2024. **This created 65 new child care slots.** At least 50% of these slots are reserved for low income families at or below 80% median income. The covenant term to maintain this affordability is twenty years.

RFP 22-52

The County received ten applications in response to RFP 22-52. The following projects are proceeding using ARPA or Community Priorities Funds and have created 178 new slots and preserved 616 slots for a period of ten years, secured through either a covenant or contract terms.

Meridian School District requested \$2,000,000 to build a child care center on school district property as part of a larger capital project which includes a new District Office and community child care hub. When complete, this project will add **60 new slots for infants and children**, birth to age six. At least 25% of these slots will be reserved for families that are at or below 80% Area Median Income. The covenant term will be ten years beyond completion the facility. The County's award was contingent on the District securing the remainder of its funding. We are pleased to report we anticipate bringing this contract to Council in November 2024.

Boys and Girls Club received funding to preserve the Kids World Facilities, contract #202310012, in the amount of \$757,036 was approved by Council on October 10, 2023. This project allows for the **preservation of 532 child care slots** for age birth to 5. With their acquisition of the Kids World facilities, the Boys and Girls Club became the largest child care provider in Whatcom County.

Whatcom Family YMCA requested funding to support the purchase of their facility in Barkley Village. Contract #202310015 in the amount of \$1,500,000 was approved by Council on October 10, 2023. This project **preserved 84 child care slots** and **added 20 new slots** for infants and children birth to 5. At least 20% of these slots will be reserved for families that are at or below 80% Area Median Income. The covenant term is ten years beyond completion the purchase.

Opportunity Council requested \$944,084 to build a child care center on the ground floor of Bellis Phase I Family Housing. Site control of the property had to be in place before this contract could be brought forward. This happened in August of this year. When complete, this project will create **74 new child care slots** for children age 3 to 5. At least 25% of these slots will be reserved for families that are at or below 80% Area Median Income. The covenant term is ten years beyond completion the facility. This contract is targeted to arrive to Council in November 2024.

Western Washington University requested ~\$450,000 to purchase and place a two-classroom portable to be used for child care on the campus. During contract negotiations the University saw a significant increase in cost for site preparation and infrastructure. Additional funding for the project was requested. In consultation with our attorney we were able to increase the award in exchange for a higher number of slots reserved for low income families. Contract #202408019 in the amount of \$559,900 was approved by

Council August 6, 2024. When complete, this project will **create 24 new child care slots** for children age 1 to 3. At least 25% of these slots will be reserved for families that are at or below 80% Area Median Income. The contracted term of service is ten years.

RFP 23-87

The County received five applications in response to RFP 23-87. The following capital projects are using ARPA or Community Priorities Fund and will create 105 new slots for a period of ten years, secured through either a covenant or contract terms

Mountain View Early Learning has been awarded \$1,093,637, in partnership with the Bellingham and Whatcom Housing Authorities, for a child care center on the ground floor of Samish Commons, a multi-family affordable housing complex in Bellingham. We intend to bring this contract to Council on November 6th. When complete, this project will **create 40 new child care slots for infants and children birth to five**. At least 20% of these slots will be reserved for families that are at or below 80% Area Median Income. The contracted term of service is ten years.

Ferndale School District requested \$700,000 to build an inclusive playground at their Mountain View Early Learning Center in response to receiving additional Early Childhood Education and Assistance Program (ECEAP) slots, which in turn required additional outdoor play space. We expect to bring the contract forward to Council in November. The playground allows the District to support an **additional 65 ECEAP slots**. The ECEAP program requires families be low income and that the children have an Individualized Education Program (IEP) for Special education. The contracted term of service is ten years.

Imagine Institute

In May 2024 Council approved contract# 2024-05019 with Imagine U, which has been working throughout Whatcom County, to build more in-home childcare providers through mentorship and training. With an estimated 17 new providers as the goal, they are well on their way to that with 12 Interns and mentors beginning the program already. Half of these participants are Spanish speaking and half are English speaking, the participants live throughout Whatcom County with, one from Sumas, 4 from Bellingham, 3 from Lynden, 1 from Ferndale, 1 from Custer and 1 from Deming. These participants are on their way to adding childcare capacity throughout their communities as smaller in-home childcare providers. As they work towards the target of 17 new providers, it is expected that this will **create an additional 180-200 slots**.

Stabilization Grants

- In addition, with ARPA funding from Whatcom County and the City of Bellingham, Opportunity Council's Center for Retention and Expansion of Childcare (C-RECC) has awarded grants to over 42 local childcare providers, ranging from \$10,000 to \$100,000 per provider. With these grants, providers have been able to raise wages, meet urgent maintenance needs, purchase supplies, and create enriched early learning environments with high-quality curriculum and services. These stabilization grants have been awarded to

childcare providers throughout Whatcom County, with twenty-four of those childcare providers located outside the City of Bellingham to support childcare access in rural communities.

Summary of ARPA Childcare Spending

Category	Project	Total Commitment	Status
Childcare Expansion	Laurel & Forest – Opportunity Council	\$200,000	Complete
Childcare Expansion	Laurel & Forest – Land Contribution	\$800,000	Complete
Childcare Expansion	Barkley Early Learning – YMCA	\$1,500,000	Complete
Childcare Expansion	Child Development Center - WWU	\$529,800	Contracted
Childcare Expansion	Home Based Provider Startup- Imagine	\$478,910	Contracted
Childcare Expansion	Meridian School District Early Learning	\$2,000,000	Awarded
Childcare Expansion	Bellis Childcare – Opportunity Council	\$1,000,000	Awarded
Childcare Expansion	Samish Commons – Housing Authority	\$1,093,637	Awarded
Childcare Expansion	Mountainview - Ferndale SD	\$700,000	Awarded
Childcare Stabilization	Kids World – Boys and Girls Clubs	\$757,036	Complete
Childcare Stabilization	Business Stabilization Grants	\$1,614,509	Complete
Childcare Stabilization	Healthy Children’s Fund Staffing	\$471,787	Complete
Childcare Stabilization	Provider and Family Supports	\$498,732	Contracted
Healthy Families	Single Entry Access to Services	\$118,540	Contracted
Childcare	Placeholder for cost overruns	\$1,030,686	

Source of Funds

Recently Councilmembers had some questions about whether ARPA is the best source of funding for upcoming childcare capital contracts, or whether some of those contracts should be allocated to the Healthy Children’s Fund. The [Healthy Children’s Fund Implementation Plan](#) does not accommodate large capital projects and allocates Year 1 & Year 2 money for other purposes (i.e. childcare subsidies, small capital projects, workforce development, etc).

Given the parameters of the Implementation Plan, as well as Council’s discussion on October 8th, we are confirming the policy choice to fund the above large capital projects from the ARPA/Community Priorities Fund. The Contracts are targeted to arrive to Council in November 2024.

Please call Eric Chambers at 360-303-9582 or Ann Beck at 360-778-6055 if there are any questions. Thank you.