



Program Guidelines

www.BuildUpOregon.org

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SECTION 1: GENERAL INFORMATION

1.1 Purpose

On November 3, 2020, voters in Multnomah County approved the Preschool for All ballot measure. Preschool for All (PFA) connects three- and four-year-olds in Multnomah County to free, culturally responsive, inclusive preschool experiences. The program will grow over time, increasing the number of providers and preschool seats until there is a publicly funded preschool seat for all interested families in 2030.

The importance of expanding early care and education (ECE) spaces was a key part of Preschool for All planning. Increasing the number of child care facilities is essential for PFA to meet its goal of universal preschool access. To help meet this goal, BuildUp Oregon (BUO) has received funding from the PFA Facilities Fund to support the renovation and construction of early learning infrastructure through facilities funding and expert guidance, sometimes called technical assistance, for preschool programs. Preschool programs in Multnomah County that receive funding from BuildUp Oregon will be required to contract with PFA as providers.

The PFA Facilities Fund was planned in collaboration with the Oregon Housing and Community Services (OHCS) Co-location Fund, which aims to create or preserve¹ 600 ECE spaces by supporting co-location of facilities with affordable housing developments through the provision of grants, technical assistance, and loans. Increased ECE spaces located in affordable housing will help low-income families better-access early education, provide economic development opportunities, and strengthen communities.

The resources from both funds will be provided through BuildUp Oregon, a coalition of four Community Development Financial Institutions - Craft3, Low Income Investment Fund (LIIF), Micro Enterprise Services of Oregon (MESO), and Network for Oregon Affordable Housing (NOAH). BuildUp Oregon will, in addition to expanding access to PFA in Multnomah County, leverage existing best practices and develop and test new models to address the complex challenge of supporting both ECE and affordable housing.

BuildUp Oregon is focused on providers, developers, and school districts² who plan to conduct a child care facilities project that will create, preserve or enhance spaces in the Preschool for All program, and/or that will increase or preserve spaces co-located with affordable housing. In addition to providing technical assistance, BuildUp Oregon will offer both grants and loans. Grants may be available for:

- Pre-Development: for planning, design and other pre-development costs.
- New Center Development: for establishing new child care center sites, including within schools

¹ Preserved spaces are those that, without support through BuildUp Oregon, would otherwise be lost.

² School Districts may have specific procurement and design policies and procedures regarding establishing new or expanding child care spaces within their facilities. BuildUp Oregon will consider these policies and procedures when evaluating projects in School District settings.



- Renovation & Repair – Child Care Center: for renovating and/or expanding existing child care centers.
- Renovation & Repair – Family Child Care: for renovating and/or expanding existing family child cares and establishing new family child care sites through the renovation of a residential property.

Loans to cover costs not eligible under grants, or costs that exceed grant amounts, will be made available through BuildUp Oregon partners, subject to underwriting and loan approval. Specific loan terms will be determined between the lender and applicant. All loan applicants will be referred for financing directly from their BuildUp Oregon facilities advisor.

1.2 Eligible Providers

All applicants must meet the following eligibility criteria for grants:

Fund-specific requirements

Multnomah County Preschool for All Facilities Fund	OHCS Co-location Fund
Project is in Multnomah County, Oregon.	Project is in Oregon.
Applicant has 3 years' experience in an early care and education leadership role.	Project is co-located with (within or on the grounds of) affordable housing.
Serious, valid licensing violations over the previous three years will be considered as part of the intake and application process and could result in a project being ineligible.	Applicant ³ has at least one year experience operating a child care program.
Applicant is qualified as a Preschool for All provider. This requires completing the PFA provider application and scoring at least 70% or above. Note: Current PFA programs must be in good standing. Programs not meeting PFA guidelines, including those on an active Provider Support & Monitoring Plan, are ineligible for the PFA Facilities Fund.	Applicant's current program accepts at least one type of subsidy ⁴ and the project will result in a program that accepts at least one type of subsidy.
	The co-located affordable housing development is or will be financed through OHCS.
	Serious, valid licensing violations over the previous three years will be considered as part of the intake and application process and could result in a project being ineligible.

³ Developers may also apply for funding if the child care provider identified for the project meets eligibility criteria.

⁴ Subsidies include Employment Related Day Care (ERDC), Preschool Promise, Baby Promise, Oregon Prenatal to Kindergarten, and Early Head Start. More information can be found here:

<https://www.oregon.gov/delc/programs/Pages/default.aspx#ProgramsAndServices>



*Developers may also apply for funding if the child care provider identified for the project meets eligibility criteria.

Occupancy requirements

If awarded, child care providers must have at least the following length of time remaining on their lease at the time of award⁵:

- Awards \$50,000 and less – 3 years
- Awards \$50,001 to \$250,000 – 5 years
- Awards \$250,001 to \$500,000 – 10 years
- Awards \$500,001 and above – 15 years

PFA participation requirements

For the PFA Facilities Fund, all awardees must agree to participate in PFA for at least a length of time determined by their award amount, as follows:

- Awards \$50,000 and less – 3 years
- Awards \$50,001 to \$250,000 – 5 years
- Awards \$250,001 to \$500,000 – 10 years
- Awards \$500,001 and above – 15 years

1.3 Funding Priorities

BuildUp Oregon is focusing on, at its discretion, eligible projects that meet at least one of the following criteria:

- PFA providers with urgent health and safety issues affecting licensure
- PFA providers seeking to renovate current sites
- PFA providers with plans to expand to offer new PFA spaces
- Projects that are co-located within or on the grounds of affordable housing
- Projects with urgent timelines as determined by BUO staff on a case-by-case basis, including:
 - Projects with critical and documented lease or acquisition deadlines
 - Projects at risk of missing facilities readiness deadline for PFA
 - Projects with deadlines to received leveraged funding (e.g., a loan or grant outside of BUO)

Depending on funding availability, BuildUp Oregon may also elect to consider projects that meet at least one of following criteria:

⁵ This can include any options to renew included in the lease as long as they are written in the lessee's favor.



- Project is located in an area with a high shortfall of spaces as identified in the study “Child Care in Multnomah County, 2023”⁶
- Project is located in a Multnomah County census tract with an Area Median Income (AMI) under \$106,241⁷
- Project is located outside of Multnomah County in a 2024 Qualified Census Tract⁸
- Project will result in program that serves infants and toddlers
- Project will result in a program that specializes in serving children with disabilities
- Project will result in program that specializes in culturally and/or linguistically responsive programming
- Project will result in program that offers nontraditional hours designed to meet the needs of families outside of normal business hours (e.g., evenings and/or weekends)

BuildUp Oregon may choose to hold ready projects that do not meet any of the criteria above until funding decisions have been made for higher priority projects.

1.4 Application Process

Prospective applicants must submit an interest form on www.BuildUpOregon.org. BuildUp Oregon advisors will review the interest form and respond within two weeks. BUO will work with the provider to determine eligibility, project readiness, and a financial package of grants and, if necessary, loans to complete or advance the project. Further information on Grants can be found in Section 2 of this document, and Loans in Section 1. A detailed description of the application process and definition of “project ready” is in Section 1.4.1 below. The timeline between interest form and application is dependent on the prospective applicant’s completion of the outlined steps.

Once the project is ready, providers will be asked to complete a full application through BuildUp Oregon’s online platform. Please note:

- Additional information may be requested.
- Applications cannot be considered for funding until they are complete.
- Assistance is available for submitting interest forms and applications.

Due to a high level of interest in BuildUp Oregon, not all prospective applicants will receive funding. Completion of an interest form is not equivalent to completing an application. Completed interest forms remain in the pipeline for the program's duration, so prospective applicants should only complete one interest form per project.

Completed applications will be reviewed in the order in which they are received. Applicants should expect a written response to their application within 30 days of the submission date.

⁶ “Child Care in Multnomah County” <https://storymaps.arcgis.com/stories/309e81043c6341309659382b487efb83>

⁷ This interactive map provides AMI data for census tracts in Multnomah County:

<https://openfields.maps.arcgis.com/apps/webappviewer/index.html?id=d7e79510cbff4df683033d0f35e98398&%20Demand%20in%20Multnomah=>

⁸ This interactive map provides information on 2024 Qualified Census Tracts: https://www.huduser.gov/portal/sadda/sadda_qct.html



Not all applicants will be offered funding. Rejected applicants may contact BuildUp Oregon to discuss the reason(s) for the denial. Requests must be submitted within 2 weeks of denial. Providers may reapply for funding in the future as available. All applicants, regardless of approval status, are eligible to receive technical assistance.

1.4.1 Application Process in Detail

Phase 1 - Interest and Technical Assistance

- Prospective applicant completes interest form describing the proposed project.
- BuildUp Oregon reviews interest form to determine whether to invite a provider to submit a full application for their project.
 - To be deemed “project ready,” the following conditions must be met:

Pre-Development Grants:

- **Bids:** The project has at least two quotes from licensed architects or registered design professionals or has at least two qualifying bids for the services for which they are requesting funding. For services less than \$10,000, only one quote is required.

New Center Development, Renovation & Repair - Child Care Center, and Renovation & Repair - Family Child Care Grants:

- **Site control:** Prospective applicants must have a site identified and have site control. Site control may be a deed, signed lease, or signed Letter of Intent (LOI). BUO cautions prospective applicants that funding is not guaranteed. As a result, if the lease depends on BUO funding, prospective applicants may consider delaying lease execution until applicant has received funding. The BUO team will support the prospective applicant to understand how site control requirements apply to their proposed project.
 - Technical assistance may be available to assess project feasibility at the site.
 - Please see the "Occupancy Requirements" in Section 1.2 to learn more about lease length requirements.
 - If leasing a site, applicants must have permission from the property owner to complete the project.
 - For the PFA Facilities Fund: A lease addendum will be required for New Center Development awards \$250,000 and higher, allowing BUO/PFA to assign a new tenant in case of default.
- **Written business plan:** Prospective applicants must have a written business plan that reflects their proposed project.
 - If the prospective applicant currently operates a child care program, the business plan and supporting documents must demonstrate that the existing business is in good standing, is operating at or near full capacity, and is earning enough revenue to cover all expenses.
 - If a business plan is not available, BuildUp Oregon advisors will provide a template upon request.



- **Project budget:** Prospective applicants must have a project budget for the construction or renovation of the site that shows all sources of funding (including the requested grant amount) and all the uses of funding.
 - Prospective applicants may request a project budget template.
 - Prospective applicants should consider the following funding guidelines when developing their project budgets:
 - Pre-Development grants: Up to \$100,000 for Child Care Centers and up to \$10,000 for family child care sites
 - New Center Development:
 - PFA Facilities Fund: \$25,000 per slot created, preserved, or enhanced, up to \$1,000,000
 - OHCS Co-Location Fund: \$20,000 per slot created or preserved, up to \$750,000
 - Renovation & Repair – Child Care Centers:
 - PFA Facilities Fund: \$5,000 per slot created, preserved, or enhanced, up to \$250,000
 - OHCS Co-Location Fund: \$5,000 per slot created or preserved, up to \$250,000
 - Renovation & Repair – Family Child Care:
 - PFA Facilities Fund: \$5,000 per slot preserved, or enhanced up to \$50,000. \$5,000 per slot created up to \$75,000.
 - OHCS Co-Location Fund: \$5,000 per slot created or preserved, up to \$75,000
- **Program budget:** Prospective applicants must have a program budget for the operation of the child care program at the site. For prospective applicants seeking funding to open a new facility, the program budget must be a two-year, month-by-month cash flow budget that shows the initial ramp-up phase as the program builds to full enrollment⁹. If the provider is invited to apply, proof of funding to cover operating shortfalls during the ramp-up period may be requested.
- **Site approval:** BuildUp Oregon (in coordination with PFA and Oregon Department of Early Learning and Care [DEL]), must review the proposed site and determine there are no obvious barriers to the operation of child care as planned at the site nor barriers to serving the number of children desired at the site.
- **Completion timeline:** Projects must be completed within one year of receiving a grant or a loan.

⁹ See guidance on “Full Enrollment” from the Opportunities Exchange:
https://static1.squarespace.com/static/5f4d7a7ef6c82325c5ec80c0/t/6022c4f255bfb533e539fe4b/1612891378726/OppEx_2021_Ir onTriangle.pdf



- If the project is not ready, BuildUp Oregon will provide technical assistance to help the prospective applicant move towards receiving an application invitation.
- If the prospective applicant is currently participating in PFA, BUO will discuss the project with PFA to determine if the applicant is in good standing.
- If the project is ready, BUO will coordinate a site visit at the project location. BUO may also require a site visit to any existing sites operated by the prospective applicant.
- Once the site visit is complete, if the project is determined to be viable and ready, BUO staff will invite the prospective applicant to complete a full application.

Phase 2 - Application

- Invited applicants will be asked to complete an online application. This includes uploading required attachments.
- BuildUp Oregon will review completed applications and deliver a written response within 30 days. Expedited review may be available for projects on urgent timelines.

1.4.2 Grant Application Required Attachments

The grant application will require the following attachments. BuildUp Oregon facility advisors will support prospective applicants in compiling their materials. In most cases, templates are available for each of the required attachments.

- A. Written business plan documenting: (1) project feasibility and financial projections; (2) financial and organizational viability for child care operations for the term of the grant; and (3) long-term sustainability beyond the term of the grant;
 - a. If the applicant currently operates a child care program, the business plan and supporting documents must show that the existing business is in good standing, is operating at or near full capacity and is earning enough revenue to cover all expenses.
- B. Project budget that includes all project expenses and the sources of funding planned to cover each expense, including the funds requested through this program;
- C. If applicable, copy of license(s) to operate child development facility;
- D. Copy of lease, deed of trust, LOI or other applicable documents showing site control or intent to lease or purchase (including lease addendum, if applicable, as described in Section 1.4.1);
- E. If applicable, written approval from property owner for renovation or construction work to be done;
- F. If applicable, proof of 501(c)(3) nonprofit tax status from applicant;
- G. If applicable, operating budget outlining current revenue and expenses;
- H. If applicable, most recent audited financials or current certified financial statements (for homes, Schedule C of most recent tax return);
- I. Before photos of the project areas for which applicant is seeking funding;
- J. Site visit notes and site evaluation (when applicable) – Applicant is required to submit notes they recorded during their site visit with the BUO team. If applicable, applicant should also submit feasibility analysis that includes physical characteristics of the property relevant to the project such as zoning, land use, building code, licensing requirements, title inspection (if taking ownership of a new site), soils, geological and environmental reports;
- K. Architectural drawings or conceptual design (for major renovation or construction) – site plan, floor plans, building elevations, work write-up with detailed specifications, building design summary and preliminary estimate of development and construction costs;



- L. For the OHCS Co-Location Fund, proof the co-located affordable housing development is or will be financed by OHCS (e.g. contract, award, or commitment letter);
- M. Construction timeline and, if applicable, plan for child care operations during construction; and
- N. Evidence of all costs for which grant funding is being requested, including:
 - a. For Pre-Development: at least two quotes from licensed architects or registered design professionals or at least two qualifying bids for the services for which they are requesting funding. For services less than \$10,000, only one quote is required.
 - b. For New Center Development, Renovation & Repair – Child Care Center, and Renovation & Repair – Family Child Care: Three bids for all construction/renovation costs – bids must include contact information (name, address and phone number) and license or professional certification number (contractors must be licensed **in the state of Oregon**, insured and, if they have employees, must carry workers compensation). All bids must match in scope to allow for review of cost reasonableness.

Note: If the application is approved, an insurance certificate with the applicant identified as additional insured including workers compensation and professional liability insurance must be requested by the applicant from the contractor and submitted to BUO.

Additional information may be requested from prospective applicants that require loans, including evidence of costs not covered under grants (e.g. program materials, furniture, non-fixed equipment, and/or operating costs).

1.5 If Grant Funding Is Awarded

The grantee must sign a grant agreement and fulfill all terms of that agreement, including but not limited to:

- Maintaining full compliance with all applicable federal and local laws and regulations, including all applicable licensing regulations;
- Aligning grant expenditures with the approved budget from the grant application and grant agreement;
- Submitting a use of funds report within (six months) of award date detailing how the funds were used;
- Submitting annual status reports for the full term of the agreement; and
- Such other and further general provisions as BuildUp Oregon may require (including, but not limited to all applicable federal and local laws and regulations).

If the grantee defaults on any of the terms of the grant agreement, grant funds may be due and payable to BuildUp Oregon in full immediately.



SECTION 2: GRANTS

2.1 Pre-Development Grant

The Pre-Development Grant supports the planning and development of child care facilities and sites. Grants of up to \$100,000 are available for child care centers and school districts. Grants of up to \$10,000 are available for family child care sites. Grants may only be used for areas of the facility used for child care. **Eligible to apply: Child Care Centers, School Districts and Family Child Care.**

2.1.1 Eligible Uses

- Planning and pre-development costs including feasibility studies, business plan development, permits, architectural services and related costs;
- Consultant(s) to assist with the physical development and/or licensing of the facility (e.g. project manager);
- Reimbursement of eligible pre-development costs as outlined below (see Section 2.5 “Reimbursement” for more details and requirements); or
- Any additional uses identified by BuildUp Oregon.

2.1.2 Ineligible Uses

- Program materials, furniture, and non-fixed equipment;
- Day-to-day operating costs such as salaries, utilities and food purchases;
- Working capital to cover shortfalls or delays in payments from families, government agencies or other funding sources;
- Supplies (e.g. art materials) and other consumable materials such as paint, cleaning supplies, paper, etc.;
- Professional development;
- Purchase of unrelated equipment (e.g. televisions, DVD players/recorders);
- Vehicle or transportation expenses;
- Repayment of loans or reimbursement of previously incurred expenses that do not meet the reimbursement criteria outlined in these Guidelines;
- Any expense that does not support increasing, preserving, or enhancing child care spaces; or
- Indirect or administrative costs.

2.1.3 Criteria for Funding

- For the PFA Facilities Fund, the applicant must intend to create, preserve, or enhance the number of child care spaces as described in the application. For the OHCS Co-Location Fund, the applicant must intend to create or preserve the number of child care spaces as described in the application;
- The applicant must demonstrate financial and organizational viability through the project phase, and for child care operations for the term of the grant as demonstrated by project budget, business plan, operating budget, most recent audited financials or current certified financial statements, if available;
- The applicant must demonstrate that funds are necessary to undertake or complete the project as described in the application; and



- For Family Child Care providers, an applicant will need to provide evidence that funds will be used only for portions of the home utilized for child care.

2.2 New Center Development Grant

The New Center Development Grant supports the planning and development of child care facilities and sites. For the PFA Facilities Fund, grants of approximately \$25,000 per slot up to \$1,000,000 may be available depending on the number of child care spaces impacted, priority status of the project and availability of funding. Grants may only be used for areas of the facility used for child care. For the OHCS Co-location Fund, grants up to \$750,000 may be available depending on the number of child care spaces impacted, priority status of the project and availability of funding. **Eligible to apply: Child Care Centers and School Districts.**

2.2.1 Eligible Uses

- Planning and pre-development costs including feasibility studies, business plan development, permits, architectural services and related costs;
- Site acquisition;
- Facility and site construction or renovation costs (including outdoor play spaces);
- Consultant(s) to assist with the physical development and/or licensing of the facility (e.g. project manager);
- Physical renovations and fixed equipment to create, preserve, or in the case of the PFA Facilities Fund only, enhance child care spaces;
- Some non-fixed equipment necessary for health and safety (e.g. changing tables, portable sinks, etc.);
- Reimbursement of eligible costs as outlined below (see Section 2.5, “Reimbursement” for more details and requirements); or
- Any additional uses identified by BuildUp Oregon.

2.2.2 Ineligible Uses

- Program materials, furniture, and most non-fixed equipment;
- Day-to-day operating costs such as salaries, utilities and food purchases;
- Working capital to cover shortfalls or delays in payments from families, government agencies or other funding sources;
- Supplies (e.g., art materials) and other consumable materials such as paint, cleaning supplies, paper, etc.;
- Professional development;
- Purchase of unrelated equipment (e.g., computers, iPads, televisions, DVD/CD players/recorders);
- Office equipment and/or furniture;
- Vehicle or transportation expenses;
- Repayment of loans or reimbursement of previously incurred expenses that do not meet the reimbursement criteria outlined in these Guidelines;
- Certain costs related to retrofitting (e.g., underpinning and excavation);
- Any expense that does not support increasing, preserving, or enhancing child care spaces; or
- Indirect or administrative costs.



2.2.3 Criteria for Funding

- For the PFA Facilities Fund, the applicant must intend to create, preserve or enhance the number of child care spaces as described in the application. For the OHCS Co-Location Fund, the applicant must intend to create or preserve the number of child care spaces as described in the application;
- The applicant must demonstrate financial and organizational viability through the project phase, and for child care operations for the term of the grant as demonstrated by project budget, business plan, operating budget, most recent audited financials or current certified financial statements;
- The applicant must demonstrate that grant funds are necessary to undertake or complete the project as described in the application;
- The applicant must provide evidence that it has control of the designated child care site for the term of the grant and beyond, pursuant to the lease and PFA participation requirements as listed under Section 1.2; and
- The applicant must demonstrate long-term sustainability beyond the term of the grant as demonstrated by the business plan, budgets in the application.

2.3 Renovation and Repair Grant – Child Care Center

The Renovation and Repair Grant – Child Care Center supports the physical renovation of child care facilities and sites. Grants of approximately \$5,000 per slot up to \$250,000 may be available depending on the number of child care spaces impacted, priority status of the project, and availability of funding. Grants may only be used for areas of the facility that are used for child care. **Eligible to apply: Child Care Centers and School Districts.**

2.3.1 Eligible Uses

- Physical renovations or fixed equipment to create, preserve, or in the case of the PFA Facilities Fund only, enhance child care spaces;
- Playground equipment, shade canopies, installation of resilient surfaces, storage sheds, gardening areas and landscaping;
- Security equipment such as cameras, buzzers, gates and fences;
- Kitchen renovations and commercial equipment upgrades;
- Improvements that increase the accessibility of the program to children, parents, guardians, or staff with special physical or mental health needs;
- Government agency citation compliance;
- Security equipment such as cameras, buzzers, gates and fences;
- Construction of Fire Code-compliant second exit or code-compliant conversion of existing unused space into program space;
- Some non-fixed equipment necessary for health and safety (e.g. changing tables, portable sinks, etc.);
- Reimbursement of eligible costs as outlined below (see Section 2.5, “Reimbursement” for more details and requirements); or
- Any additional uses identified by BUO.



2.3.2 Ineligible Uses

- Day-to-day operating costs such as salaries, utilities and food purchases;
- Working capital to cover shortfalls or delays in payments from families, government agencies or other funding sources;
- Supplies (e.g. art materials) and other consumable materials such as paint, cleaning supplies, paper, etc.;
- Professional development;
- Purchase of unrelated equipment (e.g. computers, iPads, televisions, DVD/CD players/recorders);
- Office equipment and/or furniture;
- Vehicle or transportation expenses;
- Repayment of loans or reimbursement of previously incurred expenses that do not meet the reimbursement criteria outlined in these Guidelines;
- Certain costs related to retrofitting (e.g. underpinning and excavation);
- Any expense that does not support increasing, preserving or enhancing the number of child care spaces; or
- Indirect or administrative costs.

2.3.3 Criteria for Funding

- For the PFA Facilities Fund, the applicant must intend to create, preserve or enhance the number of child care spaces as described in the application. For the OHCS Co-Location Fund, the applicant must intend to create or preserve the number of child care spaces as described in the application;
- The applicant must demonstrate financial and organizational viability through the project phase, and for child care operations for the term of the grant as demonstrated by project budget, business plan, operating budget, most recent audited financials or current certified financial statements;
- The applicant must demonstrate that grant funds are necessary to undertake or complete the project as described in the application;
- The applicant must provide evidence that it has control of the designated child care site for the term of the grant and beyond, pursuant to the lease and PFA participation requirements as listed under Section 1.2;
- The applicant must demonstrate long-term sustainability beyond the term of the grant as demonstrated by the business plan, budgets and application; and
- The applicant must obtain all necessary permits for the proposed project.

2.4 Renovation and Repair Grant – Family Child Care

The Renovation and Repair Grant – Family Child Care supports the physical renovation of child care facilities and sites, including renovations to create new family child care sites. Grants may only be used for areas of the home used for child care. For the PFA Facilities Fund grants of approximately \$5,000 per slot preserved, or enhanced up to \$50,000 and \$5,000 per slot created up to \$75,000 may be available depending on the number of child care spaces impacted, priority status of the project, and availability of



funding. For OHCS Co-location fund grants of approximately \$5,000 per slot up to \$75,000¹⁰ may be available depending on the number of child care spaces impacted, priority status of the project, and availability of funding. **Eligible to apply: Family Child Care.**

2.4.1 Eligible Uses

- Physical construction renovations to the family child care facility to create, preserve, or in the case of the PFA Facilities Fund only, enhance child care spaces;
- Outdoor play area improvements, sprinklers, shade canopies, installation of resilient surfaces, storage sheds, gardening areas and landscaping;
- Some non-fixed equipment necessary for health and safety (e.g. changing tables, portable sinks, etc.);
- Security equipment such as cameras, buzzers, gates and fences;
- Improvements that increase the accessibility of the program to children, parents, guardians, or staff with special physical or mental health needs;
- Reimbursement of eligible costs as outlined below (see Section 2.5, “Reimbursement” for more details and requirements); or
- Any additional uses identified by BuildUp Oregon.

2.4.2 Ineligible Uses

- Site acquisition;
- Program materials, furniture, and most non-fixed equipment;
- Day-to-day operating costs such as salaries, utilities and food purchases;
- Working capital to cover shortfalls or delays in payments from families, government agencies or other funding sources;
- Supplies (e.g. art materials) and other consumable materials such as cleaning supplies, paper, etc.;
- Professional development;
- Purchase of unrelated equipment (e.g. computers, iPads, televisions, DVD/CD players/recorders);
- Office equipment and/or furniture;
- Vehicle or transportation expenses;
- Repayment of loans or reimbursement of previously incurred expenses that do not meet the reimbursement criteria outlined in these Guidelines;
- Certain costs related to retrofitting (e.g. underpinning and excavation);
- Repairs or renovations to parts of the home not used for child care;
- Any expense that does not support creating, preserving or in the case of the PFA Facilities Fund only, enhancing the number of child care spaces; or
- Indirect or administrative costs.

2.4.3 Criteria for Funding

- For the PFA Facilities Fund, the applicant must intend to create, preserve or enhance the number of child care spaces as described in the application. For the OHCS Co-Location Fund, the

¹⁰ If slots are being preserved or enhanced, but no new slots created, grants in this category cannot exceed \$50,000.



applicant must intend to create or preserve the number of child care spaces as described in the application;

- The applicant must demonstrate financial and organizational viability through the project phase, and for child care operations for the term of the grant as demonstrated by project budget, business plan, operating budget and most recent tax return (Schedule C);
- The applicant must demonstrate that grant funds are necessary to undertake or complete the project as described in the application;
- The applicant must obtain any required permits for the proposed project;
- The renovation project must be approved by the property owner in writing;
- The applicant must provide evidence that it has control of the designated child care site for the term of the grant and beyond, pursuant to the lease and PFA participation requirements as listed under Section 1.2; and
- The applicant must demonstrate long-term sustainability beyond the term of the grant as demonstrated by the business plan, budgets and the application.

2.5 Reimbursement

For PFA projects only, funding may be used to reimburse project expenses under the following conditions:

1. Funds were expended on eligible costs as outlined above;
2. Provider is a current Preschool for All contract holder in good standing;
3. No other public or private donor funds were utilized to cover these costs (a.k.a. no “double dipping”);
4. Funds were expended no earlier than July 1, 2023;
5. Funds utilized for construction resulted in a complete, quality project;
6. Required permits were obtained for any project for which the applicant is requesting reimbursement; and
7. Proper documentation is submitted that verifies costs paid (e.g. paid invoices), including photos of any construction, renovation, or repair work.

Award amounts for reimbursement requests will be calculated using the same per slot dollar amounts based on the project type (See Section 1.4.1 above, “Project Budget”). Reimbursement funds will only be available through June 30, 2024.



SECTION 3: LOANS

3.1. Loans

Loans to cover costs not eligible under grants, or costs that exceed grant amounts, will be made available through BuildUp Oregon partners, subject to underwriting and loan approval. Specific loan terms will be determined between the lender and applicant. All loan applicants will be referred for financing directly from their BuildUp Oregon facilities advisor. Technical assistance may be provided throughout the loan process.

3.1.1 Eligible Uses

For projects that require additional funding beyond what a grant can or is allowed to cover, financing is available. This includes:

- acquisition loans for commercial property;
- construction loans; or
- small business loans, which can include working capital to cover operating costs, non-fixed equipment, furnishings, program materials, and supplies (all of which are not eligible costs under grants but are eligible for financing).

3.1.2 Terms

- 6% interest rate for commercial property acquisition
- 7% interest rate for tenant improvement, equipment, and other qualifying business expenses not covered by grant financing
- When a prospective applicant receives their preliminary decision letter, it will identify a grant award and, if necessary, recommended loan amount. Applicants recommended for loans will then be referred to a BuildUp Oregon partner to complete a full loan application (which is not the same as the interest form or full BuildUp Oregon application), undergo underwriting, and receive a loan decision. Loan fees due at closing are up to 3% of the loan amount plus any third-party fees.
- There is no credit score minimum for clients. A hard credit pull is a component of the underwriting, but only after the client has submitted the loan application, which includes a credit check authorization. Any derogatory credit history is discussed directly with the client, and a plan is put in place to promote repayment of the loan funds and improve the client's personal standing.

3.1.3 Potential reasons for denial

Each loan will be evaluated by the lender using their underwriting standards and the particular circumstances of each application. Since each loan is different, lenders may have additional requirements or requests during the underwriting process. However, most lenders may have concerns and decline loans for reasons which may include, but are not limited to:

- Lack of reasonable assurance that the business can be operated at a rate of profit sufficient to repay the loan and other obligations from earnings;
- Delinquent past or present credit obligations with others;
- Collateral not deemed adequate;



- Child support in arrears with no payment plan in place;
- Tax liens; or
- Defaulted federal debt.

This list is not comprehensive, and other concerns may arise during the underwriting process or be specific to the particular application. If you think any of these conditions apply to your project, please inform BuildUp Oregon as soon as possible so solutions can be explored earlier in the loan process.

3.1.4 If a Borrower is Approved

Borrowers will be required to adhere to all the terms listed in Section 1.5 and additional terms may be required. Lenders will discuss specific terms directly with borrowers during the underwriting, documentation, and loan closing processes.

SECTION 4: REVISIONS

June 8, 2024 – Program guidelines revised to reflect updated grant caps and other technical clean up.



End of Document