



**Introduction for Resource Partners**



1. Who We Are
2. Our Funders
3. Who Qualifies
4. Affordable Housing Financing
5. ECE Grant and Loan Funding
6. Design Guidance
7. Accessing Funds
8. Priorities
9. How You Can Stay Involved

**BuildUp Oregon is a coalition of Community Development Financial Institutions dedicated to improving, preserving and expanding early care and education opportunities for families statewide through facilities funding and expert guidance.**

# Who We Are

## Craft3

Craft3 is a nonprofit community development organization that uses capital, relationships, and voice to build a thriving, just and empowered Pacific Northwest. They invest in people, businesses, and communities, and work towards a future of shared prosperity across our region.

## MESO

Micro Enterprise Services of Oregon (MESO) is focused on poverty alleviation through entrepreneurship in under resourced communities and distressed areas. They practice their values which has led to trust building, empowerment and results.

## LIIF

The Low Income Investment Fund (LIIF) mobilizes capital and partnerships to create more equitable access to opportunity for Black, Latino, and other people and communities of color whose opportunities have been limited by exclusionary policies and practices.

## NOAH

The Network for Oregon Affordable Housing (NOAH) strengthens communities through flexible financing, strategic partnerships, and creative solutions that expand and preserve affordable housing in Oregon.

# Our roles in BuildUp Oregon

## Craft3

- Manages the BuildUp Oregon Partners, external partners and funder relationships
- ECE lending for projects over \$50K

## MESO

- Provides all BuildUp Oregon technical assistance and grantmaking
- ECE lending for projects under \$50K

## LIIF

- Advisory and capacity building for program design, grantmaking, technical assistance and policy

## NOAH

- Provide loans for affordable housing projects

## Our Funders

## Preschool for All

Preschool for All (PFA) connects 3- and 4-year-olds in Multnomah County to free, culturally responsive, inclusive preschool experiences. The program will grow over time, increasing the number of children and families that it serves each year.

## Oregon Housing and Community Services

OHCS provides resources to reduce poverty and increase access to stable housing. Their focus on housing and community services allows them to serve individuals across the housing continuum.



# The Funds

## **Oregon Housing and Community Services Co-location Fund:**

- \$8.2 Million over 5 years (+\$8.975 in leveraged loans)
- \$3.26MM grants; \$4.725MM loans; \$6.075M leveraged housing loans; \$2.9M leveraged ECE loans;
  - Funding will support approx. 6 projects
- Funding for childcare providers and/or developers co-locating facilities across Oregon

## **Multnomah County - Preschool for All (PFA) Facilities Fund: Creation and preservation of Preschool for All ECE slots in Multnomah County**

- ~\$16 Million per year for next 5 years
- All setting types (home-based, center, school district)

# **Who Qualifies?**



# Multnomah County Preschool for All (PFA) Facilities Fund

## Criteria for Funding

- Project is located within Multnomah County;
- Applicant is qualified as a Preschool for All provider;
- 3 years of leadership experience within early care and education;
- Program meets all Multnomah County funding eligibility requirements;
- Current child care licensing is either currently in good standing, or will be returned to good standing as a result of funding.
- Serious, valid licensing violations over the previous 3 years will be taken into consideration as part of the intake and funding application process. Past violations could result in a project being deemed ineligible.

# Oregon Housing & Community Services Child Care (OHCS) Co-location Fund

## Criteria for Funding

- Project is located within the state of Oregon;
- A year or more of experience operating a child care program;
- Current program accepts at least one type of subsidy (ERDC, PFA, Baby Promise, etc.);
- Project will result in a program that accepts at least one type of subsidy (ERDC, PFA, Baby Promise, etc.);
- The co-located housing development is or will be financed by OHCS;
- Current child care licensing is either currently in good standing, or will be returned to good standing as a result of the funding.
- Serious, valid licensing violations over the previous 3 years will be taken into consideration as part of the intake and funding application process. Past violations could result in a project being deemed ineligible.

# Developers

Developers building or adding a co-located early care and education facility to an affordable housing development may also be eligible for funding if the child care provider they've partner with meets the eligibility criteria.



# **Affordable Housing Financing**

# Predevelopment and Land Acquisition

Provides funds to purchase land or to pay for pre-development costs associated with the development of affordable rental housing to be co-located with early childcare facilities throughout Oregon.

## Loan Criteria

- Housing projects must include an early childcare component,
- Projects can be located in both Multnomah County and Statewide
- Borrowers can be for- and non-profit entities, as well as municipal or public corporations, or individuals that are duly authorized to conduct business in the state of Oregon.
- Improved or unimproved land to be developed with affordable housing and a co-located early childcare facility.
- Affordability of the proposed housing units must meet the following restrictions:
  - ✓ 51% or more of the units are to be rented to households earning 80% or less of median income as defined by HUD; or
  - ✓ 40% or more of the units are to be rented to households earning 60% or less of median income as defined by HUD; or
  - ✓ 20% or more of the units are to be rented to households earning 50% or less of median income as defined by HUD.

TERM	REQUIREMENTS	DETAILS
<b>Loan Amount</b>	Up to \$1,000,000	<ul style="list-style-type: none"> <li>• A waiver may be granted for higher loan amounts</li> </ul>
<b>LTV</b>	Non-profit – 90% For-profit – 75%	<ul style="list-style-type: none"> <li>• Uses “as-is” value</li> <li>• LTV calculation will include accrued interest, if applicable</li> </ul>
<b>Term</b>	Not to exceed 36 months	<ul style="list-style-type: none"> <li>• One 12-month extension available</li> </ul>
<b>Interest Rate</b>	4%, or 3% if a Culturally Specific Organization	<ul style="list-style-type: none"> <li>• Payable monthly</li> <li>• Interest can accrue to maturity/payoff with an additional 25bps on the rate</li> </ul>
<b>Collateral</b>	1 <sup>st</sup> lien	<ul style="list-style-type: none"> <li>• Fully recourse to borrower</li> <li>• May require a guaranty</li> </ul>
<b>Fees</b>	1% or loan amount, minimum of \$5,000	<ul style="list-style-type: none"> <li>• Good faith deposit of \$1,000</li> <li>• Borrower is responsible for transaction costs, including appraisal</li> </ul>

# Continued....

- Please see the [NOAH website](#) for a more detailed term sheet.
- If you are considering acquiring a building to be used as affordable housing and co-located with a childcare facility, please reach out to NOAH.
  - Terms will be similar to the predev/acquisition product,
  - Loan amount can be higher.
  - Rate is based on our cost of funds; an indicative rate can be provided.

# Accessing NOAH Financing

## Next Steps

- Please submit an intake form on the [BuildUp Oregon website](#).
- You can also reach out directly to NOAH with questions.
- It is typically a 90-120 day underwriting and closing process once there is a signed LOI.
- We will need sponsor financials, project summary, and project proforma to get us started on the LOI.



# **ECE Grant + Loan Funding**

PRODUCT	AWARD	ELIGIBLE USES
Pre-development Grant	Up to 100,000 for Centers and \$10,000 for Family Child Care	<ul style="list-style-type: none"> <li>Planning and pre-development costs including feasibility studies, business plan development, permits, architectural services and related costs</li> <li>Consultant(s) to assist with the physical development and/or licensing of the facility, e.g. Project Manager</li> </ul>
New Center Development Grant	Base of \$20,000 per slot created, preserved, or enhanced, up to \$750,000	<ul style="list-style-type: none"> <li>Pre-development costs</li> <li>Site Acquisition</li> <li>Facility and site construction or renovation costs</li> <li>Consultants to assist with the physical develop and/or licensing the facility</li> <li>Physical renovations and fixed equipment to increase quality</li> </ul>
Renovation & Repair – Center Grant	Base of \$5,000 per slot created, preserved, or enhanced, up to \$250,000	<ul style="list-style-type: none"> <li>Physical renovations to increase quality or the facility’s licensed capacity</li> <li>Fixed equipment required to enhance quality of expand licensed capacity</li> <li>Playground equipment, shade canopies, installation of resilient surfaces, storage sheds, gardening areas and landscaping</li> <li>Security equipment such as cameras, buzzers, gates and fences</li> </ul>
Renovation & Repair – Family Child Care Grant	Base of \$5,000 per slot created, preserved, or enhanced, up to \$75,000	<ul style="list-style-type: none"> <li>Kitchen renovations or commercial equipment upgrades for centers</li> <li>Improvements that increase the accessibility of the program to children, parents, guardians, or staff with special physical of mental health needs</li> <li>Government agency citation compliance</li> </ul>
	*\$50k cap preserve/enhance	

# ECE Loan Products

**For projects that require additional funding beyond what their grant can cover, loan financing is available, including:**

- Acquisition; Construction; Small Business
- Working capital – operating costs, non-fixed equipment, furnishings, program materials and supplies are not eligible costs for grants, but are eligible for loan financing
- Projects under \$250,000 meeting certain criteria will be offered expedited underwriting and decisioning
- Preferred rates and terms for 1<sup>st</sup> deed of trust, including rates at 6%
- All other loans – 7% with an emphasis on being as accommodating as possible in underwriting and evaluation

# Priorities



# Our Focus

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

- PFA providers whose projects will rectify urgent health and safety issues affecting licensure;
- PFA providers looking to renovate current site(s);
- PFA providers with plans to expand facilities to offer new PFA spaces;
- Projects that are co-located within or on the grounds of affordable housing; and/or
- Projects with urgent timelines.

# Other Priorities

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

- Are located in an area with a high shortfall in slots;
- Are located in a Qualified Census Tract;
- Serve infants and toddlers;
- Specialize in serving children with disabilities;
- Specialize in culturally and/or linguistically responsive programming; and/or
- Operate during non-traditional hours.

# Design Guidance



# Space Considerations Centers

What is the ideal space for a child care Center:

- Interior Space Range – 4,500-10,000 square ft
  - 45 to 100 children
- Best practices for Raw Space Development
  - 100 square ft per child best practice
  - 75 square ft doable but will limit non classroom space (e.g., Kitchens, offices, art space, family break out rooms)
  - Licensing requires 35sq Ft on finished classrooms (minus fixed equipment). Classrooms should be designed to accommodate the largest child group size
- Outdoor Space –
  - 75 Square Feet per child (Should be big enough for the largest classroom size to be outside at once)
  - Must be fenced but may be shared by housing during non childcare hours (Storage will be necessary)
  - Children may stagger use



# Space Considerations FCCs

What is the ideal space for a Family Child Care Unit:

- Best practices for Raw Space Development
  - Large ground floor unit – Space for 10-16 children x35sq ft per child of usable space
  - Open layout for easy child supervision
  - Extra bathroom for child use (required if more than 12 children)
- Best practices for Outdoor Space
  - Access to adjacent dedicated outdoor space such as a fenced courtyard or patio. (generally 75 square ft per child). Child use may be staggered.
  - 4 ft wall or fence (required)

# Other Design Considerations

- Important to select an operator as early as possible so they can work with the building architect and their own architects (if necessary) to ensure proper classroom placement/size and plumbing/electrical lines.
- Important design considerations include:
  - Open, easy to supervise classrooms
  - Adjacent toilets/sinks
  - Extra sinks to separate hand washing and food prep from toileting areas
  - Adjacent play areas
  - Space for offices, kitchens/food prep areas and break out space.

\*\*Child care triggers prevailing wage requirements in all setting types

# Project Details

## What we will ask you about your project:

- Size of commercial space dedicated
- What area will be provided for outdoor use
- Tenant population and unit size? What is your target affordability? What percentage will need childcare?
- What type of provider are you looking for?
- Have you identified a provider or need help looking for one?
- What do you estimate project cost to be?
- Will there be any concessions to help build out childcare space? (capital supports, financing, free or reduced rent for a period of years?)

# **Accessing Funds**

# Accessing Funds

- Submit an interest form – share preliminary details of your project
- Receive a follow up call so we can learn more about your project and determine eligibility, determine stage of development
- Resources and TA to support application
- Decide who should be the applicant, the developer or the provider
- Determine if loan financing is needed
- Invited to submit an application

\*\*\*Funding is limited – this is a pilot, goal is to fund a diversity of projects, learn, demonstrate demand and secure future funding

# **How You Can Stay Involved**

# Receive Updates

Join our email list by scanning the QR code to the right!

We'll be in touch with:

- News & Updates - the latest news & updates on the BuildUp Oregon.
- Educational Content - educational content offering curated resources, insights, and tips for providers and developers.
- Community Stories - community voices and success stories of our funding recipients.
- Policy and Advocacy Alerts - public policy alerts connected to early care and education in Multnomah County and Oregon.



# Additional Questions?

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Visit [www.BuildUpOregon.org](http://www.BuildUpOregon.org) to learn more.





**Thank You!**