

ALL CHILDREN ACHIEVE  
COMMITTEE

HARRY S. MAVROGENES  
INTERIM EXECUTIVE  
DIRECTOR

SEE BELOW

DECEMBER 18, 2003

SUBJECT: STATUS REPORT REGARDING CIVIC CENTER/  
DOWNTOWN CHILDCARE

### RECOMMENDATION

It is recommended that the All Children Achieve Committee accept the status report.

### BACKGROUND

The City's Office on Early Care and Education Services and the San Jose Redevelopment Agency continue to partner in the provision of new downtown childcare spaces. Staff has surveyed all downtown childcare providers to understand their needs, capacity, and potential expansion plans.

Based on the information from the child care providers, staff has assembled the attached matrix entitled, "Downtown Child Care Strategy: Prospective Partners, Projected Costs, Funding Recommendations, and Projected Child Care Slots Created." This matrix reviews each prospective partner and the possible costs associated with creating new slots.

Given the current economy, many of the providers are not currently looking to expand, and have available slots. The new San Jose Civic Center will assist in increasing demand for childcare spaces in the surrounding area. A study of City Hall employees suggested that the highest percentage of employees preferred to have child care options nearby, but not directly in the City Hall. One stated reason was the safety of the children in a government building given the chance, however small, of potential terrorist activity. Staff preferred to have multiple options for child care nearby.

In September 2003 the Agency Board approved the Agency's Rebalancing Plan for the Fiscal Year 2003-2004 Adopted Capital and Operating Budgets and the Fiscal Year 2004-2008 CIP. The Child Care Development Fund contains \$1,552,000 that is currently available from the proceeds of a \$60 million bond issued in late August 2003. An additional \$3,448,000 will be funded through a \$120 million bond issue approved by the Agency Board on November 25, 2003. These funds however, will not be available to the program until July 1, 2004 pending indication of the stabilization of the Agency's tax increment revenues.

Based on these budget figures, staff are preparing a Project Services Memorandum to provide capital improvement funding in the amount of \$1,452,000 to expand child care service capacity and enhance the quality of child care programs by requiring providers to adopt and implement the City's Smart Start Quality Education Program. These funds will be allocated to San Jose Day Nursery (\$836,000) and Estrella Family Services (\$616,000). The remaining \$100,000 of currently available funds is reserved in part for construction management needs related to these two projects.

The San Jose Day Nursery will upgrade and improve the infant care area and increase facility size from a current level of 72 spaces to a new total of 124. Estrella Family Services will replace existing modular structures and increase its facility size from a current level of 68 spaces to a new total of 112. The two projects combine to create 96 new childcare spaces. These two facilities are the most proximate to the City Hall and are expected to act as a resource for employee childcare needs.

The table on the following page illustrates the immediate program commitment.

HARRY S. MAVROGENES  
Interim Executive Director

Attachment

**CYCLE I – FISCAL YEAR 2003 - 2004****PROGRAMS PROPOSED TO BE FUNDED THROUGH THE SAN JOSÉ REDEVELOPMENT AGENCY**

	CD	Number of Spaces			Projected Opening	RDA Downtown	Total
		New	Existing	Total			
SJ Day Nursery	3	52	72	124	6/04	\$836,000	\$836,000
Estrella Family Services	3	44	68	112	10/03	\$616,000	\$616,000
Contract Management	-	-	-	-	-	\$100,000	\$100,000
		<b>96</b>	<b>140</b>	<b>236</b>	-	\$1,452,000	\$1,552,000