

**ALL CHILDREN ACHIEVE
COMMITTEE**

**SARA HENSLEY
SHARON LANDERS**

SEE BELOW

MARCH 24, 2004

**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, 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. Currently, there are child care services for over 4,000 children available within five miles of the Civic Center, and the attached matrix indicates expansion possibilities for 400 more.

According to a survey of City employees completed in 1999, the majority of respondents believe that one half to two and a half miles is a reasonable distance from the Civic Center to seek child care, with two and a half to five miles coming in second by respondents. Only 18% of respondents indicated that child care needed to be within one to two blocks of the Civic Center.

On October 21, 2003, the Agency Board approved the Rebalancing Plan for the FY 2003-2004 Adopted Capital and Operating Budgets and the FY 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 was budgeted for Fiscal Year 2004-2005 from proceeds of a \$120 million bond issue completed in December 2003. As with any funds budgeted for Fiscal Year 2004-2005, the \$3,448,000 for child care will require the Agency Board's approval as part of the Agency's Fiscal Year 2005-2009 CIP.

The currently available proceeds (\$1,552,000) can be utilized to provide capital improvement funding 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. Staff is currently working with two previously identified providers: San Jose Day Nursery and Estrella Family Services.

On February 10, 2004, staff prepared a Project Services Memorandum between the San Jose Redevelopment Agency and the Department of Parks, Recreation, and Neighborhood Services to transfer \$856,000 to provide capital improvement funding to San Jose Day Nursery, pending City Council/Agency Board approval.

On March 30, 2004, the City Council and Agency Board will consider authorizing the City Manager and Interim Executive Director to negotiate and execute an agreement with San Jose Day Nursery to provide funding to expand their child care spaces. The San Jose Day Nursery would upgrade and improve the infant care area and increase facility size from a current level of 72 spaces to a new total of 112, located within a few blocks of the new Civic Center.

Estrella Family Services is seeking \$616,000 in Redevelopment Agency capital improvement funding to help finance its current expansion project, which is nearing completion. When completed, Estrella will increase their child care facility from a current level of 68 spaces to a new total of 112 spaces, located about a mile from the new Civic Center. Staff is working with Estrella Family Services to examine the feasibility of the project obtaining funding. Staff will continue to advise the Committee as more information is available. The below table illustrates the immediate program proposal.

Cycle I – Fiscal Year 2003 - 2004

PROGRAMS PROPOSED TO BE FUNDED THROUGH THE SAN JOSÉ REDEVELOPMENT AGENCY (SJRA)

	Number of Spaces			SJRA Potential Funding
	New	Existing	Total	Downtown
SJ Day Nursery	40	72	112	\$856,000
Estrella Family Services	44	68	112	\$616,000
	84	140	224	\$1,472,000

The two projects would combine to create 84 new childcare spaces. These two facilities are in the vicinity of the new Civic Center and are expected to act as a resource for employee childcare needs.

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