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SECTION I: Harris County SHINE CCFF GENERAL INFORMATION

1.1 Purpose

Harris County Commissioners Court established economic opportunity objectives, including enhancing access to early childhood care and education, improving child care quality, and providing educational support to mitigate the impacts of the pandemic. The overarching aim is to create a safe learning environment for children in Harris County. On December 5, 2023, the Commissioners Court approved a partnership with the Low Income Investment Fund (LIIF) to administer the Harris County Supportive, Healthy, Inspiring, and Nurturing Environments Child Care Facilities Fund (SHINE).

SHINE supports the renovation and repair of home and center-based child care facilities in Harris County. SHINE's focus is on equitably increasing access to high-quality early childhood physical spaces and environments for young children and families. LIIF, along with Volunteers of America Texas (VOATX), aims to enhance, preserve, or create child care spaces and retain or create jobs in Harris County's childhood education industry through facility funding grants.

SHINE is focused on providers who plan to conduct a child care facilities project that will enhance, preserve, and create child care spaces. Grants may be available for:

- Renovation & Repair for Child Care Centers: Grants for minor and major renovations, repairs, modernization, or retrofitting of existing child care centers. This may also include repairs and renovations to mitigate the impact of future disasters and climate change. Additionally, funding can be used to address needs related to health and safety, licensing, and expansion to accommodate additional child care slots for other existing facilities for use as child care facilities. These grants can also support structural changes or extensive alterations of existing facilities or the building of new child care spaces.
- Renovation & Repair for Child Care Homes: Grants for minor and major renovations, repairs, modernization, or retrofitting of existing child care homes. This may also include repairs and renovations to mitigate the impact of future disasters and climate change. Additionally, funding can be used to address needs related to health and safety, licensing, expansion to accommodate additional child care slots and for other existing facilities for use as child care facilities. These grants can also support structural changes or extensive alterations of existing facilities or the building of new child care spaces.

1.1.2 Eligible Providers

All interested applicants must meet the following eligibility criteria for grants:

- Site location is within Harris County;
- Program must accept and have active Child Care Services (CCS) scholarship enrollment from eligible families;
- Hold an active license for at least 12-months with Texas' Child Care Licensing Division in good standing. Licensing history will be evaluated for high-risk deficiencies within the past 12 months from date of pre-application submission. Programs with 3 or more high-risk deficiencies related to supervision violations will be deemed ineligible.

- Eligible programs include:
 - Registered Child Care Homes
 - Licensed Child Care Homes
 - Licensed Child Care Centers
- Must provide proof of site control;
 - Child Care Homes and Centers leasing their site must have a lease agreement signed by the property owner that covers the required term of the grant as described in the “Occupancy Requirements” subsection below.
 - Additionally, for leased sites, the property owner will need to sign-off on scope of work during grant application process.
 - Child Care Homes or Centers that own their site must show deed of ownership.

Applicants must demonstrate through application materials that operations will remain open and serve children through the length of the lease, or, if the property is owned, for the length of time that aligns with the award amount and occupancy requirements below.

Occupancy Requirements

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

- Awards \$40,000 and less – Minimum three (3) year lease
- Awards \$40,001 to \$200,000 – Minimum five (5) year lease
- Awards \$200,001 to \$400,000 – Minimum ten (10) year lease

1.2 Funding Priorities

SHINE will prioritize, at its discretion, eligible projects based on the following factors:

- Projects with urgent timelines as determined on a case-by-case basis, including:
 - Projects with critical deadlines (e.g., deadlines to receive leveraged funding such as a loan or grant outside of SHINE).
 - Projects already under contract or are underway.
- Applicant has been operating a child care center or home for at least 18 months.
- A minimum of 20% of program enrollment are children receiving Child Care Services (CCS) or scholarships from the Harris County Early REACH program.
- Applicant can demonstrate project readiness by providing the following documents, if applicable:
 - Applicant has proof of site control documentation which may be either of the following:
 - Property Deed
 - Signed Lease Agreement
 - Signed Letter of Intent (LOI)
 - Applicant has a written business plan that reflects their proposed project.
 - Applicant has a project budget (also sometimes referred to as a development or construction budget) that shows sources of funding and uses of funding for the entire proposed project.
 - Applicant has a current operating budget.

- Applicant specializes or will specialize in serving special populations (i.e. dual language programs, children with exceptional needs, homeless/foster/ migrant, etc.).
- Applicant serves infants and toddlers (age 3 and under)
- Applicant facility is in a subsidy-serving desert.
- Applicant facility is located in an area that has a Social Vulnerability Index score of .75 or above.
- Applicant project proposal places emphasis on health, safety, accessibility, or environmental sustainability and/or disaster recovery needs.
- Applicant facility is Texas Rising Star Level 3 or 4.
- Applicant facility is located in a quality desert.
- Applicant projects that are co-located within or on the grounds of affordable housing.

1.3 Application Process

Phase 1 – Pre-application

Interested applicants must submit a pre-application form by October 31, 2024. Pre-Application form can be found on the SHINE webpage (www.shineccff.org). The SHINE team will review, assess, and score each Pre-Application based on the priority criteria listed above (Section 1.2). Pre-Application reviews and assessments will also consider estimated project cost versus available funding.

SHINE will select pre-applications scored “Highest Priority” to move on to the application support phase based on funding availability. Pre-applications that do not proceed to the application support phase will remain on file and open to further review should additional funding become available.

SHINE will work with the pre-applicant to determine project feasibility and move towards project readiness. A detailed description of the application process and definition of “project ready” is included in Section 1.3.1 below.

Phase 2 – Application

Once the project is deemed feasible and ready, providers will be asked to complete a full application through SHINE online platform. Please note:

- Assistance is available for submitting pre-applications and applications.
- Completion of a pre-application is not equivalent to completing an application.
- Completed pre-applications remain in the pipeline for the program's duration, so pre-applicants may only complete one pre-application.
- Pre-application respondents should expect to receive a written response to their submission within 14 calendar days from the date of submission.
- Pre-applications not invited to move forward to the application phase may be invited to the application phase later if funding remains available and the project is still planned.
- Applications cannot be considered for funding until complete.
- Additional information may be requested.

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

Not all applicants will be offered funding. Rejected applicants may contact SHINE to discuss the reason(s) for the denial. Requests for explanation of denial must be submitted within 14 calendar days

from receipt of denial notice. Providers may reapply for funding in the future as available. All applicants, regardless of approval status, are eligible to receive technical assistance.

1.3.1 Pre-Application and Application Process in Detail

Phase 1 – Pre-Application

- Pre-applicant completes pre-application describing the proposed project.

SHINE will review all pre-application forms and score on priority (as listed in section 1.2 - Funding Priorities). High priority projects will be selected to move forward.

Phase 2 – Project Readiness Technical Assistance

- SHINE works with child care providers to determine Project Feasibility and Project Readiness.
 - To be deemed “project ready”, the following conditions must be met:
 - **Site control:** Applicants must have site control of their child care site. Proof of site control may include a signed lease or deed.
 - Please see the “Criteria for Funding” in Section II, under each grant type, to learn more about which lease terms are acceptable for each grant.
 - If currently in an acceptable lease term, applicants must initially obtain written agreement from the property owner (via email, letter) authorizing permission to complete the project. Additionally, if selected for funding, property owner must also sign off on the scope of work to be completed prior to funds disbursement.
 - **Written business plan:** Applicants must have a written business plan that reflects their proposed project.
 - 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.
 - Applicants may request a project business plan template.
 - **Project budget:** Applicants must have a project budget (also known as a development budget or a construction budget) for the renovation of the site that shows all sources of funding (including the requested grant amount) and all the uses of funding.
 - Applicants may request a project budget template.
 - Applicants should consider the following funding guidelines when developing project budgets:
 - Renovation Grants for Small Child Care Centers (licensed for up to 50 children): Up to \$200,000

- Renovation Grants for Large Child Care Centers (licensed for more than 50 children): Up to \$400,000
- Renovation & Repair Grants for Child Care Homes: Up to \$40,000
- If the applicant’s project has other sources of capital going into a project (also referred to as a Capital Stack), SHINE will require the following additional documentation:
 - Documentation of alternative/additional funds
 - Specific scope of work for alternative/additional funds
 - Specific scope of work for SHINE funds
- **Program budget:** Applicants must have a program budget for the operation of the child care program at the site showing all revenue and expenses.
- **Site approval:** The SHINE team must review the proposed site and determine that the project appears feasible.
- **Completion timeline:** Projects must be completed no later than September of 2026.
- SHINE will coordinate a site visit at the project location.
- If the project is not ready and more funding becomes available for projects not deemed high priority, SHINE may provide technical assistance as the prospective applicant moves towards receiving an invitation to apply.

Once a site visit is complete, and the project is determined to be feasible and ready, SHINE staff will send the application link to the applicant.

Phase 3 - Application

- Applications will be completed via an online application portal. Applicants will be required to upload attachments.
- SHINE will review completed applications and deliver a written response within 30 calendar days. Expedited review may be available for projects on urgent timelines.

1.3.2 Grant Application Required Attachments

Please note: Most required documentation will be collected during the Project Readiness Technical Assistance phase. Technical assistance is available to applicants invited to complete the application, and 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 sub-grant; and (3) long-term sustainability beyond the term of the grant;
 - a. 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. 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;
- E. If applicable, written approval from property owner for renovation or repair 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. If applicable, applicant should also submit a feasibility analysis and/or notes provided by architect or other professionals 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. If applicable, architectural drawings or conceptual design (for major renovation or construction) – site plan, floor plans, building elevations, work write-up with detailed specifications, and/or building design summary and preliminary estimate of development and construction costs;
- L. Construction timeline and, if applicable, plan for child care operations during construction
- M. Procurement Documentation
 - a. For projects that include construction, three (3) fair and reasonable bids will be required covering the same scope of work – all bids must include contact information (name, address and phone number), proof of liability insurance, license or professional certification number, if applicable, cost estimates, project timelines, and proposed scopes of work. For bids over \$250,000 or more, the contractor must be bonded and the bond must be included in the bid.
 - b. Note: SHINE will provide technical assistance to assist applicants in identifying project needs, defining scope and budget, bid evaluation, and contractor selection. Awarded grantees will negotiate contract terms with the selected contractor and execute a contract once terms are agreed upon. For non-construction items less than \$3,000, one (1) estimate will be required. For non-construction items \$3,000 or greater, three (3)

estimates will be required. The estimates need to include the product type, cost of product, and where item will be purchased from.

- c. Additional estimates may be requested at SHINE's discretion.
- N. Proof that the child care business is registered with SAM.gov, and;
- O. Any other documents requested by SHINE deemed necessary to verify eligibility, priority compliance, project feasibility, and business sustainability.

1.4 If Grant Funding Is Awarded

1.4.1 Grant Agreement

The Grantee¹ 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 general provisions as SHINE may require (including all applicable federal and local laws and regulations).

If the Grantee defaults on any of the terms of the grant agreement, the Grantee may be subject to non-compliance procedures as specified in the grant agreement, grant funds being due and payable to SHINE in full immediately.

1.4.2 Grant Monitoring

Grant Monitoring Overview

Ongoing project support and monitoring will be conducted by SHINE team program officers. Program officers will monitor the grant project and maintain communication with grantees via the two-way communication platform built into Submittable², conduct site visits to verify project completion, and ensure submission of essential documentation such as progress reports, invoices, receipts, and photos. In the event of any concerns flagged in progress reports or by the grantee, a site visit by a program officer, program manager, or project monitor or additional verification of project progress and adherence to grant terms may be required as determined by level of concern.

Interactions and ongoing communications with grantees will be tracked using Submittable by program officers, ensuring transparency and accountability. Additionally, large projects (as defined below) will also be monitored by a LIIF contracted construction monitor, with milestone-based payments contingent upon project quality progress.

¹ Grantees are considered beneficiaries of SHINE funds.

² Submittable is the online application platform utilized by SHINE

Upon project completion, grantees will be provided with a Use of Funds form for submission of backup documentation for project closeout. SHINE's compliance process for grantees starts with the program guidelines and, if approved for funding, the Grant Agreement. Additionally, grantees who are determined to be out of compliance will receive TA to get them back in compliance.

If a grantee is not able to meet compliance requirements as determined by their grant agreement, they will be considered in default and will be required to follow the default procedures, including repayment of funds if necessary.

Construction Monitoring for Large Construction Projects

For purposes of this grant, projects are defined as Large Construction Projects when they have a construction contract(s) totaling \$75,000 or more funded by this grant. Large Construction Projects will be subject to additional construction monitoring by SHINE's construction monitor consultant. The objectives of construction monitoring are as follows:

- Verify grant funds are utilized as approved in grantee application and construction contract
- Notify SHINE staff of quality or completion issues with projects
- Document project progress and completion during the construction phase before progress payments are disbursed to grantees.

The construction monitor will conduct at least two site visits during construction at each site that meets the \$75,000 construction threshold. They will also provide construction consulting services for the SHINE program officers on projects requiring additional support as needed.

Large construction projects will have their award paid in three tranches to the grantee: 50% of the award paid up front upon execution of the grant agreement and construction contract, 30% paid when the project reaches 50% completion, upon receipt, review and approval of the contractor's invoice and as verified by SHINE's construction monitor, and the remaining 20% paid when the project reaches 100% completion, upon receipt, review and approval of the contractor's 100% complete invoice and lien waiver as verified and approved by the grantee and by SHINE's construction monitor.

The construction monitor will verify the funds were spent in alignment with the project as outlined in the approved project budget and construction contract. They will prepare a written report upon completion of each site visit and submit to SHINE detailing the progress of construction activities, including milestones achieved, work completed, permits received and any issues encountered, such as significant schedule delays, change orders or unforeseen conditions. Progress photos will be included in all reports. All reports will be shared electronically and saved in the SHINE OneDrive folder (maintained by LIIF).

SECTION II: GRANT TYPES

2.1 Renovation and Repair Grant for Child Care Center

The Renovation and Repair Grant for Child Care Center supports the physical renovation of child care center facilities and sites. Grants of up to \$200,000 for small child care centers and up to \$400,000 for large child care centers may be available depending on the number of child care spaces impacted, priority status of the project, and availability of funding. Outlined below are the eligible and ineligible uses for the Renovation and Repair Grant for Child Care Centers. Adherence to these guidelines is required; failure to comply will subject the Grantee to non-compliance procedures as specified in the grant agreement.

Eligible to apply: Licensed child care centers accepting subsidy (including Harris County Early REACH) in Harris County, Texas

2.1.1 Eligible Uses

- Program materials, furniture, and most non-fixed equipment;
- Physical renovations or fixed equipment to create, preserve, or 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
- Construction of Fire Code-compliant exits 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.);
- Any additional uses identified and approved by SHINE.

2.1.2 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;
- 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.

2.1.3 Criteria for Funding

- The applicant must intend to create, preserve, or enhance 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 sub-grant as demonstrated by project budget, business plan, operating budget, most recent audited financials or current certified financial statements;
- The applicant must demonstrate that 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 sub-grant and beyond, pursuant to the lease and participation requirements as listed under section 1.1.2;
- The applicant must demonstrate long-term sustainability beyond the term of the sub-grant as demonstrated by the business plan, budgets and application; and
- The applicant must obtain all necessary permits for the proposed project.

2.2 Renovation and Repair Grant for Child Care Homes

The Renovation and Repair Grant for Child Care Homes supports the physical renovation of child care home facilities and sites. Grants of up to \$40,000 may be available depending on the number of child care spaces impacted, priority status of the project, and availability of funding. Outlined below are the eligible and ineligible uses for the Renovation and Repair Grant for Child Care Homes. Adherence to these guidelines is required; failure to comply will subject the Grantee to non-compliance procedures as specified in the grant agreement.

Eligible to apply: Licensed or registered child care homes accepting subsidy in Harris County.

2.2.1 Eligible Uses

- Program materials, furniture, and most non-fixed equipment;
- Physical construction renovations to the child care home facility to create, preserve 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;
- Any additional uses identified and approved by SHINE.

2.2.2 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 cleaning supplies, paper, etc.;
- Professional development;
- 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 enhancing the number of child care spaces; or
- Indirect or administrative costs.

2.2.3 Criteria for Funding

- The applicant must intend to create, preserve or enhance 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 sub-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 sub-grant and beyond, pursuant to the lease requirements as listed under section 1.1.2; and
- The applicant must demonstrate long-term sustainability beyond the term of the sub-grant as demonstrated by the business plan, budgets, and the application.

For questions, please contact the SHINE team at shine@voatx.org or visit our website at www.shineccff.org.