

CDBG-CV Child Care Creation Program Application

General Information

Applicant: City of Kingsport

County: Sullivan

Application Type:

In- Home Child Care

Child Care Facility

Other: _____

Grant Request: \$ 328,100.00

Leverage Amount: \$ 0.00

Total Project Cost: \$ 328,100.00

Source of Leveraged Funds: N/A

How will the LMI National Objective be met?

LMI Clientele

LMI Jobs Minimum number of jobs that must be created: 3

LMI Area*

Estimated Number of Beneficiaries: 24

Estimated Number of LMI Beneficiaries: 13

* LMI Area is difficult to justify for a service such as daycare. Consult with your local development district and/or ECD before selecting LMI Area.

Brief Description of Project (a couple of sentences):

Grant funds will be used to purchase and make required changes to a house in Kingsport, TN for use as a childcare facility serving 24 children and adding a minimum of 3 LMI jobs as childcare staff from Spring 2024-Jan 2026. The center will be have childcare slots for a mix of families in the community, CAM's working parents and NeSCC student-parents who have barriers to returning to the workforce and/or continuing their education. This unique pilot, with community public-private partnerships, responds to the childcare crisis with a holistic approach providing essential services that help parents return to work, supporting employers workforce, and building a workforce pipeline for early childhood educators.

Project Narrative

Describe your proposed project in detail:

Over the last several years, despite high demand for childcare slots, childcare providers have been struggling to not only retain their staff, but merely stay in business. Providers recognize the need to keep tuition costs low enough to remain accessible for families but, as a result, are unable to offer livable wages and little to no benefits for their staff. This difficult environment has caused qualified professionals to leave the childcare workforce, and in Tennessee, with childcare as the lowest paying industry, they have lost nearly 10% of their workforce. Additionally, in this post pandemic economic landscape, Tennessee still struggles to regain traction and is burdened with some of the lowest labor market participation numbers in the country with the average rate for Northeast TN at 49.55%.

This proposed childcare project, with community partnerships between the City of Kingsport, Upper East Tennessee Human Development Agency (UETHDA), Northeast State Community College (NeSCC), First Tennessee Development District (FTDD) and CAM Industrial Solutions seeks solutions to the post-pandemic childcare crisis in the Northeast Tennessee (NETN) region. Funding will be used to purchase a house in Kingsport, TN and to make necessary improvements required for licensing and safety and to become fully operational. Among improvements, fencing for an outdoor play area will be added. The project's multi-faceted approach responds to the lack of childcare slots in the region, labor force participation barriers, barriers to educational attainment for student-parents, and a weakened early childhood educators workforce pipeline. Supporting the project for these benefits to the community, the City of Kingsport serves as applicant and fiscal agent.

As the childcare service provider, UETHDA, who has provided quality early childhood education to young children in the NETN region for over 50 years, will provide program development and support as well as oversee daily operations of the childcare facility. UETHDA will also offer employment and mentorship to NeSCC apprentices/students to further develop an occupational pipeline for early childhood development educators. NeSCC apprentices will serve as additional staff and will gain hands-on experience in the classroom, earning as they learn. As a partner, NeSCC students will have access to quality childcare for their own children, removing barriers for educational attainment.

CAM Industrial Solutions, a large contractor working inside of Eastman Chemical Co., and employing approximately 600 employees, initiated the project to increase diversity, recruitment and retention incentives. This project would offer their employees, access to safe, quality and stable childcare, helping working parents remain in the workforce, and removing barriers for parents wanting to return to the workforce. Providing budget will allow, CAM Industrial will provide funding for additional support where, and if needed, for start up of the center. First Tennessee Development District's Childcare Special Projects Coordinator, who has been working with CAM Industrial Solutions Workforce Development Advisor throughout the project in consultation, will continue to be available to support the project as it evolves.

Additionally, this pilot project would create a regional model for other employers demonstrating how to offer support for working parents, provide access to quality early education for children, and build partnerships that invest in the early childhood educator workforce. If successful, this pilot project will open new job opportunities for parents with young children facing barriers to returning to the workforce and/or working to attain an education. It will also help employers attract and retain employees and create new childcare slots in the region while helping build a workforce pipeline for early childhood educators. This proposed project is a truly collaborative approach to addressing a complex, regional childcare challenge.

Describe any unique or unusual elements of the proposed project:

The public/private partnerships within the community, as well as the multi-faceted approach to addressing the childcare challenges in the region, make it a unique project. This project addresses the lack of access to quality childcare, the barriers to labor force participation and education attainment, and the loss of early childhood educators from the childcare workforce.

Address how this project affects Economic Development in the community. For example, describe how completion of the proposed project will lead to job creation.

With the completion of this project, the childcare facility will create a minimum of 3 full-time LMI jobs for the childcare center staff, a flexible number of paid apprenticeships for Northeast State Community College (NeSCC) students and open up 24 new childcare slots for a mix of children from the community, children of CAM employees, and children of NeSCC student-parents. These additional high-quality childcare slots will aid in the recruitment of diverse talent to the region, retaining quality employees, and enabling NeSCC students to complete their education and join the workforce, creating a workforce pipeline for early childhood educators in the region while opening up new childcare slots for families in the community. Also, a successful model will have been developed, leading the way for additional public/private collaborations resulting in an increase to economic development in the region.

COVID-19 Pandemic Tieback

Describe how the proposed project will help to prevent the continuing spread, prepare for the impacts, or respond to the impacts or effects of COVID or similar future pandemic:

In the post-pandemic economic landscape, Tennessee is still struggling to regain traction and has some of the lowest labor market participation numbers in the country. The average rate for Northeast TN is 49.55% with a state labor participation rate being 59.4 % and the national rate sitting at 62%. It is evident that the Northeast TN region could benefit from the outcomes of this proposed project. Regional employers are seeking to find ways to recruit new talent and retain their current workforce. This project responds to the issues of recruitment and retention by creating more access to childcare for working parents, removing barriers that will allow them to reenter the workforce. Upper East TN Human Development Agency, the childcare service provider for the proposed childcare facility, has 50 years of experience in quality childcare. UETHDA will ensure that precautions and preventions, quarantining, effective cleaning practices, and proper hand-washing will help children to learn best practices with respect to COVID-19 and other infectious diseases. The goal is to provide a safe and reliable environment for families, staff, and the community which, in turn, will allow parents to continue to work through these challenging times and any similar future pandemics.

Duplication of Benefits

Has the applicant or have any of the participating child care partners received state or federal pandemic-related stimulus funds used for child care activities?

Yes No

If yes, list the source(s) of the funding and the total amount(s):

SBA (PPP, EIDL, etc.) Child Care and Development Fund

Other: CRRSA and ARP

Total Amount of All Assistance: \$ 2,096,061.00

Describe how the funding was used and over what time period:

Grant funds will be used to purchase and make required changes to a house in Kingsport, TN for use as a childcare facility serving 24 children and adding a minimum of 3 LMI jobs as childcare staff from Spring 2024-Jan 2026. The center will be have childcare slots for a mix of families in the community, CAM's working parents and NeSCC student-parents who have barriers to returning to the workforce and/or continuing their education. This unique pilot, with community public-private partnerships, responds to the childcare crisis with a holistic approach providing essential services that help parents return to work, supporting employers workforce, and building a workforce pipeline for early childhood educators.

Partner Information

Have the participating child care partners already been selected? Yes No Some

Describe the selection process:

First Tennessee Development District's Childcare Special Projects Coordinator acted in consultation with CAM Industrial Solutions' Workforce Development Advisor in the early stages, and throughout the process, to understand the region's childcare landscape, help convene collaborative partners, and support the process where possible. With a two year history of focus on childcare issues around the region, developing and managing a substitute teacher pool for childcare in the region, developing support tools for childcare providers and working with employers in our region to remove barriers to labor force participation in relationship to childcare, FTDD's Childcare Special Projects Coordinator, has been integral to the process. The overall selection process evolved organically, from conversation and other collaborative projects. Other motivated regional partners were identified, furthering established, already working partnerships with existing expertise in specific areas to address childcare and workforce barriers.

Describe the participating child care partners. How long have they been providing child care services? Will they have the operational resources to expand or create new child care service options?

Upper East Tennessee Human Development Agency (UETHDA) is a community action agency that has provided early childhood education to young children and poverty fighting programming for over 50 years. UETHDA administers Head Start programming in Greene, Hancock, Hawkins, Johnson, Sullivan, Unicoi, and Washington Counties for a total of 61 classrooms and 1010 students, when fully enrolled, ranging in age from 3- to 5-years old. The agency's headquarters is in Kingsport, TN where the proposed childcare center will be located. UETHDA brings a wealth of experience in working with state and federal childcare regulations, and in building partnerships with private and public sectors across the 8 counties they serve . The agency has the capacity and knowledge to provide programming support and administration that is needed to expand and create new childcare service options in this region.

Are the necessary agreements/MOUs in place for the participating child care partners? Yes No Some

National Objective

Explain how the proposed project meets the benefit to LMI persons National Objective:

This project meets the benefit to Low to Moderate Income (LMI) persons National Objective through the creation of low-to-moderate income jobs and through the amount of children being served, some potentially from LMI families. It is anticipated that a minimum of 3 new LMI jobs will be created through the acquisition of this new property to serve as a childcare facility with the Full Time Equivalent rate of pay being below the LMI threshold for the City of Kingsport, TN.

Minority Benefit

Describe the benefit to minority populations within the service area. Are there any areas of minority concentration that would benefit more or less than the surrounding areas?

Minority populations within the community of the City of Kingsport (10.5% minority population), the workforce of CAM Industrial Solutions (4% minority employees at CAM), and the student community of Northeast State Community College (11.97% minority students at NeSCC) will be provided the same opportunities as others to take advantage of this childcare facility and what it has to offer. This project will potentially remove barriers for minority parents wanting to return to work or continue their education.

Are there any elements of the proposed project designed to specifically benefit minority populations?

All populations, especially minority populations, are able to benefit from the new childcare facility. By acquiring the property on Memorial Blvd in Kingsport, TN, with a minority population of 10.5%, 24 new childcare slots in this quality childcare facility will open up serving the families in the community, working families and/or children of student-parents.

Describe any additional actions taken to increase the minority participation and engagement in the development of the proposed project, particularly involvement in the public meeting.

A Public Notice was placed in the Kingsport Times News and the Johnson City Press. A public meeting was held at Kingsport City Hall. Notices were mailed out to Sullivan County Health Department, Department of Human Services, the Kingsport Housing Authority, and Kingsport Public Library.

Performance Measures

Outputs

Output 1: <u>property aquisition (square footage)</u>	Projected Value: <u>1,552</u>
Output 2: <u>property repairs</u>	Projected Value: <u>10,000</u>
Output 3: <u>fencing (square footage)</u>	Projected Value: <u>1,200</u>

Outcomes

Outcome 1: <u>New Children Enrolled</u>
Current Value: <u>0</u> Projected Value: <u>24</u>
Outcome 2: <u>New Jobs Added</u>
Current Value: <u>0</u> Projected Value: <u>3</u>
Outcome 3: <u>Apprenticeships</u>
Current Value: <u>0</u> Projected Value: <u>3</u>

Timeline

Will all funds be able to be expended by May 31, 2023? Yes No

Thoroughly describe the proposed project for your timeline? This timeline needs to include Environmental Approval, Design, Bid Phase, Construction, and Closeout.

- March 2024 ECD Contract
- April 2024 Begin Environmental Review
- September 2024 Environmental Review Approval
- October 2024 Appraisal and Review Appraisal
- November 2024 Purchase House
- December 2024 Lead Paint Inspection
- January 2025 Bid Opening for Home Improvements/Fencing
- February 2025 Construction Completed
- March 2025 Pre-Licensure
- April 2025 License
- June 2025 Open Childcare
- July 2025 Closeout

Applicant Information

Mayor/Executive Name: Patrick Shull

Mayor/Executive Phone: (423)229-9400 Mayor/Executive Email: patshull@kingsporttn.gov/michaelprice@kingsporttn.gov

Applicant Address: 415 Broad St. Kingsport TN 37660
(Street) (City) (State) (Zip)

FEIN: 626000323 DUNS: 079027579 SAM ID: YE45C4JZC5U1

State Senator Name: Jon Lundberg

State Representative(s) Name(s): John Crawford, Bud Hulse

Partner Information Detail

Each partner receiving CDBG funding must have an active SAM.gov registration. If a SAM ID is not provided with the application, an active registration must be verified before reimbursement will be issued for expenses incurred.

Partner Business Name: City of Kingsport SAM ID: YE45C4JZC5U1

Partner Business Name: UETHDA SAM ID: XUYBVLBM4UV8

Partner Business Name: _____ SAM ID: _____

Partner Business Name: _____ SAM ID: _____

Partner Business Name: _____ SAM ID: _____

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- SBA (PPP, EIDL, etc.) Childcare and Development Fund
- Other: CRRSA and ARP

Total Amount of All Assistance: \$ 2,096,061.00

Describe how the funding was used and over what time period:

UETHDA received \$887,596 in CRRSA funds from March 2020 to March 2023. They received \$1,208,465 in ARP funds between April 2021 and March 2023. The funds were not used for this specific childcare project, but they were used for educational activities related to the Head Start program.