

## ADMINISTRATIVE REPORT

Report Date: February 7, 2012  
Contact: Mary Clare Zak  
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Meeting Date: February 14, 2012

TO: Vancouver City Council  
FROM: Managing Director of Social Development  
SUBJECT: 2012 Childcare Reserve Grants

### *RECOMMENDATION*

- A. THAT Council authorize payment of up to \$177,500 for 4 Childcare Reserve Start-up Grants, as outlined in Table I and supporting 212 childcare spaces, for the period January 1 - December 31, 2012. Source of funds is the Childcare Reserve.
- B. THAT Council authorize payment of up to \$478,995 for 14 Childcare Reserve Infant/Toddler Operating Subsidies, as outlined in Table II and supporting 276 spaces for the period from January 1 - December 31, 2012. Source of funds is the Childcare Reserve.

### *REPORT SUMMARY*

This report seeks Council's authorization to release the following grants:

- \$177,500 in start up funding to support childcare non-profits with project management, staffing and gradual enrolment costs associated with opening new centres, and
- \$478,995 to support the ongoing operation of 276 infant/toddler spaces.

### *COUNCIL AUTHORITY/PREVIOUS DECISIONS*

Approval of grant recommendations requires eight affirmative votes.

In 1990, Council approved the Civic Childcare Strategy identifying the need to provide start up and operating supports to sustain new childcare facilities opening in high density neighbourhoods as a result of rezoning negotiations or City-initiated projects.

In May 1991, Council approved the creation of the Childcare Endowment Reserve (now referred to as the Childcare Reserve).

On December 15, 1994, Council approved the Reserve's term and conditions, including eligibility criteria.

On April 7, 2009, Council directed staff to undertake a review of the Childcare Reserve.

## *CITY MANAGER'S/GENERAL MANAGER'S COMMENTS*

The General Manager of Community Services RECOMMENDS approval of the foregoing recommendations.

## *REPORT*

### *Background/Context*

#### *Review of the Childcare Reserve*

In April 2009, Council instructed staff to review the long term sustainability of the Childcare Reserve. This review has been completed, and recommendations will be included in a report to Council on childcare that will be presented in May, 2012. Future contributions from the reserve will be contingent upon the results of the Review and its policy recommendations. Meanwhile several administrative changes have been made to streamline payment process, improve transparency and reporting requirements.

#### *Two Types of Grants Approved in This Report*

**Operating Start Up Grants** - Start Up funding is provided up to \$2,000 per space and is pro-rated over 24 months (and first released about a year in advance of the childcare program's actual opening date). These grants support the soft costs associated with opening a new facility, including project management during the construction phase, costs associated with hiring and training staff, developing policies and procedures, and gradual enrolment.

**Infant/Toddler Subsidy** - The Infant/Toddler Subsidy offsets the higher cost of staff-to-child ratios required for very young children. Funding is provided for up to \$1,650 per space on an annual basis. Payments will be released upon approval of this report and then reconciled based on the organization's fiscal year end, reporting out on 12 months of operation. The Vancouver Society of Children's Centres (VSOCC) operates a total of 554 spaces, including the largest number of infant/toddler spaces in Vancouver. 180 of VSOCC's infant/toddler spaces will be funded through this grant.

### *Strategic Analysis*

#### *Childcare Metrics & Gap in available Infant/Toddler Spaces*

On December 13, 2011, Vancouver City Council approved a motion reinstating the Joint Childcare Council (JCC) for a second three year term. The JCC also renewed its 500 childcare space growth benchmark for the next three years.

Childcare Reserve Grants aid in the creation of new spaces and are a tool to help support the City's efforts in achieving the 500 space benchmark by 2014. Further, the grants support the sustainability of Infant/Toddler spaces, which are limited in number, have the highest demand and require the most resources to operate due to higher child-to-teacher ratios for very young children.

While childcare is a provincial responsibility the City of Vancouver has made a significant contribution to the availability and viability of child care services in Vancouver. In the JCC's 2009-2011 term, the City exceeded the 300 space benchmark

by an additional 153 spaces through coordinated planning efforts and strong partnerships with the private and non-profit sectors, the Park Board and Vancouver Board of Education. By continuing the coordinated planning and delivery approach, eliminating barriers to development, and identifying opportunities to integrate childcare in future developments, the JCC aims to achieve an additional 500 spaces for the 2012-2014 term.

The \$177,500 recommended for start up funds will support two new child care centres currently under development (Citygate II and 2300 Kingsway) with project management, staffing and gradual enrolment costs. These new centres will provide 74 new spaces in approximately one year. These anticipated new spaces will be reported in the 500 space JCC target when the sites are built and the occupancy permit is approved.

While the \$478,995 in grant funding won't support new spaces, it contributes toward the operational sustainability of 276 infant/toddler existing spaces created under the previous JCC term and previous Councils.

### *Financial Summary*

As of December 31, 2011, the unallocated balance of the Childcare Reserve is \$7.9 million. This report recommends the authorization of up to \$177,500 for Start-Up Grants and up to \$478,995 for Infant/Toddler Subsidy Grants, for a total of \$656,495. Upon approval of Recommendations A and B, an unallocated balance of \$7.21 million will remain in the reserve after the 2012 disbursement.

The individual payments included in Recommendations A and B are outlined in the two tables below:

**Table I - Recommendation A, Summary of Start Up Grants**

| Program  | # of Spaces | First Approved          | Total Commitment (over 24 months) | Approved 2010 | Approved 2011 | Proposed 2012    | Remaining       |
|--|-------------|-------------------------|-----------------------------------|---------------|---------------|------------------|-----------------|
| VSOCC - Sea Star   | 69          | 2009<br>RTS 7750        | 138,000                           | 34,500        | 69,000        | 34,500           | 0               |
| VSOCC - Citygate II                                      | 37          | Jul 2010,<br>RTS 8745   | 74,000                            | 0             | 0             | 37,000           | 37,000          |
| Developmental Disabilities Association (DDA) - Creekside | 69          | Dec 2010,<br>Park Board | 138,000                           | 0             | 69,000        | 69,000           | 0               |
| Collingwood Neighbourhood House - 2300 Kingsway          | 37          | Jan 2011,<br>RTS 8932   | 74,000                            | 0             | 0             | 37,000           | 37,000          |
| <b>Total</b>   | <b>212</b>  |                         | <b>\$424,000</b>                  |               |               | <b>\$177,500</b> | <b>\$74,000</b> |

Table II - Recommendation B, Summary of Infant/Toddler Subsidy Grants

| Program                         | # of Infant/Toddler spaces | Annual Commitment | Approved for 2011 | Proposed for 2012 | Notes regarding actual payments in 2011   |
|---------------------------------|----------------------------|-------------------|-------------------|-------------------|---|
| VSOCC - Library Square          | 12                         | \$19,800          | \$19,800          | \$19,800          |   |
| VSOCC - Dorothy Lam             | 24                         | 39,600            | 39,600            | 39,600            |   |
| VSOCC - Quayside                | 24                         | 39,600            | 39,600            | 39,600            |   |
| VSOCC - Shaw Tower              | 12                         | 19,800            | 19,800            | 19,800            |   |
| VSOCC - Bayshore                | 24                         | 39,600            | 39,600            | 39,600            |   |
| VSOCC - Sapphire                | 12                         | 19,800            | 19,800            | 19,800            |   |
| VSOCC - Intn'l Village          | 24                         | 39,600            | 39,600            | 39,600            |   |
| VSOCC - Sea Star                | 24                         | 39,600            | 39,600*           | 39,600            | *Actual 2011 grant payment pro-rated to \$23,100 to reflect an opening date of June 1, 2011. Centre is now fully operational and \$39,600 will be disbursed in 2012.      |
| VSOCC - Atelier                 | 12                         | 19,800            | 19,800            | 19,800            |   |
| VSOCC - Citygate II             | 12                         | 19,800            | 19,800**          | 19,800            | **Centre not operational in 2011 and no grant was disbursed. 2012 amount will be pro-rated if centre opens in 2012.   |
| <b>VSOCC Subtotal</b>           | <b>180</b>                 | <b>297,000</b>    | <b>297,000</b>    | <b>297,000</b>    |   |
| Collingwood Neighbourhood House | 24                         | 39,600            | 39,600            | 39,600            |   |
| YWCA - Leslie Diamond           | 24                         | 39,600            | 39,600            | 39,600            |   |
| MPCCA - Three Corners           | 24                         | 63,195            | 63,195            | 63,195            |   |
| DDA - Creekside                 | 24                         | 39,600            | 39,600***         | 39,600            | ***Actual 2011 grant payment was pro-rated to \$26,400 to reflect an opening date of May 1, 2011. Centre is now fully operational and \$39,600 will be disbursed in 2012. |
| <b>Subtotal</b>                 |                            | <b>181,995</b>    | <b>181,995</b>    | <b>181,995</b>    |   |
| <b>Total</b>                    | <b>276</b>                 | <b>\$478,995</b>  | <b>\$478,995</b>  | <b>\$478,995</b>  |   |

**CONCLUSION**

This report seeks Council authorization to allocate the following grants in 2012:

- Up to \$177,500 for 4 Childcare Reserve Start-up Grants, supporting 212 childcare spaces, and
- Up to \$478,995 for 14 Childcare Reserve Infant/Toddler Operating Subsidies, supporting 276 spaces.

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