

OPENING A CHILD CARE CENTER: QUESTIONS TO ASK AND SOME OF THE ANSWERS



This document was prepared by Public Counsel's Early Care & Education Unit in July 2012 and is meant to provide general information. This document is not all-inclusive and is not intended to provide any individual or entity with specific legal advice. Receiving this document does not create any lawyer-client relationship. For questions or comments, please call the ECE Law Unit Intake line at 213/ 385 2977 ext. 300.

© 2012 by Public Counsel. Please contact Public Counsel if you plan to make multiple copies and/or plan to charge for distribution of this product.

TABLE OF CONTENTS

1. Dream Phrase – Putting Your Dream on Paper	p. 3
- <i>Introduction, is running a child care center right for me?</i>	
2. Beginning the Process	p. 7
- <i>Assembling my team, who is there to help?</i>	
3. The Nitty Gritty	p. 8
- <i>Business Planning, how can my child care center succeed?</i>	
4. “Show Me the Money”	p. 10
- <i>Finance is important, how can I fund my child care center?</i>	
5. A Place Like Home – Zoning/Licensing	p. 11
- <i>I own or rent it, why can’t I do what I want with my property?</i>	
6. Just as is Required for Driving a Car, You Need a License	p. 15
- <i>What licenses do I need for a child care center?</i>	
7. Almost There	p. 18
- <i>This is a long process, how much time does all this take?</i>	
8. Avoid the 5 Most Common Pitfalls!	p. 18
- <i>What can I learn from others’ mistakes when opening my child care center?</i>	
9. Off to Market You Go	p. 19
- <i>I need kids to enroll, how can I advertise my child care center?</i>	
10. The Beginning (It’s Not Really the End)	p. 20
- <i>This is a lot of information or me, where can I start?</i>	
11. Appendix	p. 21

1. Dream Phase -- Putting Your Dream on Paper

Dreaming about opening a Child Care Center (“CCC”) in California? This planning guide is designed to address the most crucial and complex stages on the road to successfully opening your CCC. In it, we will highlight the potential stumbling blocks that arise at various stages of the process and give you tips on how to navigate them.

If you are already an owner/operator of a Small or Large Family Child Care Home, we want to make sure you know and understand the different and much more stringent licensing, building, use and zoning requirements that apply to opening, and owning a CCC.

If you are a current CCC owner looking to expand your center, we want to ease your way through the regulatory process that governs expansion.

If you are a brave and caring soul just starting the journey towards owning and operating a CCC, we want to make your trip as smooth as possible. Whether you want to purchase an already-existing CCC or start a new one, we want to make sure you know where the pitfalls are and help you avoid them.

Quality child care is a critical component of a child’s learning development and there is a severe lack of child care facilities throughout the State of California. One in five children of the age of 4 has no access to neighborhood child care. The need is even higher for infants and toddlers. By opening a new CCC you are creating an opportunity for many

children to reach their full potential. We want you to succeed!

However...

...before you embark on the long and winding road to opening a CCC you must STOP, THINK and ASK:

WHY DO I WANT TO OPEN A CHILD CARE CENTER?

If your answer to this question is any of the following:

This is an easy way to make money.

I’m looking for a new investment opportunity and I like children so I thought I would open a Child Care Center.

I have the perfect space for a Child Care Center but no experience or money or child care experts.

It’s always been my dream to open a Child Care Center. Period.

STOP HERE. YOU HAVE MORE PREPARATION TO DO. There is nothing wrong with wanting to make money, start a business or follow a dream, but the process to open a CCC is too arduous, and both financially and emotionally draining, to embark on if you do not have all the business and financing pieces in place. Reading through this entire guide will be a good first step.

If, instead, your answer to the question is any of the following:

I have researched different markets and have found an area that has a high demand for child care AND I have some initial capital to invest.

I have helped operate other child care programs. I am ready to open my own program AND I have some initial capital to invest.

I am a business savvy entrepreneur that has recruited a team of experts that includes someone with child development expertise AND someone who has initial capital to invest.

THEN YOU HAVE MADE A GREAT START TOWARD PUTTING YOUR DREAM ON PAPER! Realize, however, that the road from making the decision to actually opening a center is full of obstacles and can take as long as two years to complete. It will take time, patience, financial resources and preparation to maneuver through them all. A CCC is more than a haven for small children – it is a business. Here are some of the initial business issues that you must address:

Legal. You must decide what kind of entity you are going to establish to run your CCC: a non-profit corporation, a for-profit corporation, a partnership, or a sole proprietorship. The answer to this question will affect the types of outside financing you can access, and the types of taxes you will have to pay.

Regulatory. Do you know the licensing requirements that you and your staff have to meet in order to own, operate and run a CCC?

Do you know about the zoning and city ordinances in the geographic area you want to place your CCC?

Personnel. Have you identified who will be the Director and other employees of your CCC?

If you are planning to be the Director, do you meet all of the state licensing requirements?

Staffing is a key cost, which is affected not only by the number of children you are going to serve but the ages of children you will care for. Have you made yourself aware of the state-mandated per-child staffing requirements and the licensing required for the staff members? Does this number match your expected expenses in your business plan?

You must decide the age group you will serve. This decision is very important, as it will affect the demand for your center, the number of staff you have to hire, and the size of your center.

Have you figured out how much you are going to pay your staff and how you are going to find them?

Have you thought through the types of people and identified specific individuals who will help you navigate through your pre-opening phase?

Have you determined whether you will need a lawyer to work with you? A lawyer may help guide you through the regulatory maze or negotiate your lease or property purchase agreement.

Other crucial team members will be discussed a little later.

Financial. Have you done the necessary research to create a rough budget that shows how much money you will need to go through the preliminary stages of finding and licensing your CCC, marketing your new CCC, and running it through the end of the first year?

Have you figured out how much “working capital” (cash available to fill in the gap

between revenue and expenses) you currently have on hand for the first year's operations of your CCC?

Have you considered applying for a loan?

Have you looked at your financial picture to see if a lender would consider extending a loan for your business (including portions of the start-up, lease or purchase costs of your CCC)?

Have you identified lenders (such as banks – including not-for-profit banks) that might loan you necessary funds to finance the construction and start up costs of your CCC?

Have you figured out how you will pay for the construction or improvements of your CCC?

Have you identified an experienced person in the financial arena who can help you analyze financials in your business plan for your CCC? Without a business plan, and specifically an analysis of your financials, it will be difficult for you to get any outside financing.

Have you come up with a realistic assessment of the need for your services in the geographic area you want to locate your CCC?

To do so you have to figure out the number of families who need child care in the geographic area where you want to operate your center. From this number you have to try to figure out who could pay the rates you need to charge to cover your costs and continue your business. Contact the local Resource and Referral Agency (R&R) to find out how many calls they get from individuals seeking child

care and the existing supply of child care in the area.

Have you decided what income level you are going to target as clients for your center and how much you are going to charge them? This decision will be key in creating an operating budget. This decision will also affect your plans to apply for any state funding that might be available for child care.

Educational Philosophy. Have you decided what the educational philosophy (e.g., Waldorf, Montessori, Reggio Emilia) of your center will be? In many neighborhoods the answer to this question influences whether or not parents will want to send their children to your center.

Neighbors. Who in the neighborhood will support you opening your CCC there? For purposes of obtaining permits to operate in the neighborhood, fund raising, sharing of facilities, donations of goods and services and community goodwill, you must create allies in your neighborhood. The allies you create will be sources of client referrals for you and thus one of the most important things you can do is to start early to form neighborhood allegiances.

The final thing to keep in mind during this preliminary stage, and in fact throughout the entire process, is that the rules and regulations are there for a purpose. At times, you may find yourself becoming frustrated with the process, and angry at the people charged with carrying it out. Don't be. Just like those long annoying lines at airport security and the people who inspect your belongings to ensure that the planes will be safe for all of us, the CCC regulatory process is there for

the protection of all our children. CCC's are caring for children. Although you would never do anything to jeopardize a child, the rules are there because someone, at sometime, has.

"I Have a Dream"

Opening a CCC is not a sequential process. You can't do A, then B, then C. You have to do A & B & C more or less all at the same time, and all on your own dime. What does this little rhyme mean to you? It means that everything costs something, either your time or your money.

During the same months when you are attending licensing orientations, you should also be looking for a site, writing a preliminary business plan, finding someone who knows what they are doing to consult with you on this plan (for little or no money), and putting together your team.

Very few people will take your aspirations to open a CCC seriously until they see a preliminary business plan. Until there's a piece of paper with facts and figures that represent your dream, that's all your CCC will be, a lovely dream residing in your head and nowhere else.

Unless you have some expertise in finance, law, architecture and real estate, it's going to be hard to execute a well thought out business plan. This may sound like an impossible situation, but it's not. If you are willing to do the research required to learn what questions you should be asking (hint: **see questions above!**), and find experts to help you, you can sketch out the answers to these questions. Even with an early draft of a business plan that answers some of these questions and shows that you know you need the answers to the others, it will be

easier to get the relevant people to take you seriously enough to help you create your preliminary business plan and find the people you will need to complete your team.

Quick Tips

Big Questions to Consider

- Legal:** non-profit corporation, a for-profit corporation, a partnership, or a sole proprietorship?
- Regulatory:** Do you know the licensing, zoning, and planning requirements?
- Personnel:** Do you have a director and staff and do you know the requirements? Do you need a lawyer?
- Financial:** Have you created a rough budget? Do you have enough working capital? Do you need a loan?
- Educational Philosophy:** Have you decided what the educational philosophy (e.g., Waldorf, Montessori, Reggio Emilia) of your center will be?
- Neighbors:** Do you have support in the neighborhood for your child care center?

2. Beginning the Process

New CCC operators and those looking to expand, must attend two state run licensing orientations. The licensing orientations will inform you about the process of opening a center and completing the licensing application. It's a good idea for you to go to a licensing orientation while you're in the process of collecting all of your preliminary information and evaluating whether or not you want to pursue starting your own CCC.

When you are ready to attend your first orientation, you can register by visiting the Community Care Licensing Division website: <http://cclld.ca.gov/> and click on the "Register for an Orientation" tab on the left hand side.

"No Man (or Woman) is an Island"

No one person should try to navigate the licensing rules and regulations that cover the owning and operating of a CCC alone. Before assembling your support team, you should honestly assess your own skills and time availability to determine the type of expertise you will require. Experts in child care law, architecture, construction, business, accounting, early childhood development, and finance are all key members of a CCC owner's team.

A Lawyer can help you review your licensing application to make sure you are following the regulations, negotiate your purchase or lease of the site, get the necessary city permits and help with any other legal issues (such as securing a business license) that crop up along the road to opening your CCC. *It is extremely important that you work with a lawyer who has expertise in the field of child care.*

You may or may not be learning on the job, but you don't want a team member to do so.

An Accountant can help you construct key points in your business plan, liaison with any financing entities, help you analyze your own financial picture, and give you a realistic sense of how much money you will need to run your CCC and what it will take to make that money.

A Consultant with licensing experience (such as a retired licensing analyst) is also an extremely valuable team member. Retired licensing analysts were at some point employees of the Community Care Licensing Division and were responsible for reviewing CCC applications for licensure. A retired licensing analyst can now take that experience to help you prepare to open your own new CCC.

If you can find a consultant to work with you before you acquire your site, he/she can advise you on whether the place you have fallen in love with actually will be able to qualify legally to become a CCC. Retired licensing analysts can provide helpful advice on issues like space, location of play yards, and state health and safety requirements.

When you are at the architectural design stage, your consultant can review your plans and advise you whether or not the proposed facility will meet the minimum legal requirements for safety, space, and other state requirements.

Find **An Architect** that has experience in CCC development. Find one that has designed or remodeled CCCs before. One good way to do this is by getting referrals from other CCC operators.

The cost for design and construction can vary widely depending on the type of project and the location. A good architect will look at the site you have found and tell you if he/she thinks that the site will suit your educational goals, budget, and fit into the city's zoning requirements.

It's pivotal in your relationship with your architect that he/she understand that he/she is part of a team and not the captain of the ship. Always remember, you are the captain of your own ship! The vision for the CCC must be yours from beginning to end. The architect is there to help you implement your vision, not to take it over and make it something else.

In all likelihood, you will not have a lot of money to pay members of this team. The good news is there are both governmental and private advocates who are available for free to form a part of any new CCC operator's team. In the appendix at the end of this document you will find links to several of these advocates.

Quick Tips

Members of Your Team

- Lawyer:** Can help review your application, negotiate purchase or lease for space, assist with permits and any other legal issue.
- Accountant:** Can assist with your business plan, help you secure financing and analyze your own financial picture to help see your center's income and expenses targets.
- Consultant:** Retired Licensing Analysts and other child care center consultants can assist you with space requirements and state health and safety standards.
- Architect:** Those with experience in child care centers can design or remodel a space with your goals, zoning requirements and budget in mind.

3. The Nitty Gritty

Now that you have put your team together, it's time to start to build your full business plan. A business plan is a written document that serves as the "blueprint" for the details of your business, the direction it will take in the future and the financial operation of your CCC. It will serve as your representative to the financial world, and should guide your future actions with respect to finances for your CCC.

The beginning of your business plan should give a brief overview of the child care industry and the specific CCC you plan to open. It should show why investing in your CCC makes sound financial sense. It should be reviewed and updated regularly in order to ensure that the planned day-to-day operations are being implemented. If circumstances have changed, then the business plan must be rewritten to reflect the new realities. Business plans are not etched in stone; they are evolving documents that will change as new facts reveal themselves during the development and first year of operation of your CCC.

There is no "*standard formula*" for writing a business plan. However, we have included some basic "***Building Blocks For Your Business Plan***" to help you get started thinking about your business plan.

We have attached links to organizations that can provide more advice about business plans and business coaching in the appendix to this guide.

Quick Tips

Building Blocks for Your Business Plan*

- Overview:** Describe your business, what makes it unique and why you will be successful.
- Location and Demand:** Describe the area where your child care center will be located and the demand for child care services is in that area, include the specific age groups you will serve.
- Your Services:** Provide details on your child care services. Address how your services will differ from competitors in your area & price range.
- Marketing Plan:** Detail how you will attract and enroll children into your child care center, include advertising materials and community connections.
- Financial Summary:** Include start-up costs, monthly expenses and when you predict your child care center will be profitable. Ask your accountant for help if you need to.
- Management:** Provide background information (education, experience, licenses, etc.) of key individuals like your director and teachers.
- Conclusion:** Wrap everything up, may want to include reasons to invest in your child care center.

*This is not a complete business plan, your business plan may include all, some or none of these blocks.

4. “Show Me the Money”

You need to be aware that there are very few financial institutions that will lend you money to purchase/lease your CCC's physical site. There are fewer still that will lend to you unless you first put forward a substantial percentage of the investment costs of acquiring your site as a down payment.

Obtaining operating funds to run your CCC before it starts turning a profit is even more difficult. We strongly recommend that you DO NOT put these costs on a credit card. The interest rates are high and if your financial projections prove to be overly enthusiastic you will be stuck with a debt that must be paid back out of your pocket.

In searching for funding there are four different types of organizations you can turn to:

Foundations – Generally foundations will only fund non-profit CCCs and will not fund “capital costs,” only operating expenses. To secure this funding, you will have to write a grant proposal, and you may be required to submit your business plan along with it. Nonprofit CCCs should research foundation grant requirements very carefully and apply only where the CCC clearly meets all grant requirements. Even then, it is a very competitive process.

Public Capital - Local public funding such as community development block grants, board of supervisors or city council discretionary funds, the local First 5 Commission. Each of these sources requires that you submit an application and proposal. Local public funding for child care facilities depends on the

development priorities set by the local jurisdiction.

Private Investment - Local banks and other financial institutions using conventional methods to lend money. In order to consider you for a loan, lenders will require:

- That you contribute at least a 20% down payment. For construction costs to expand or renovate an existing center or build a new one, lenders will generally require a certain down payment as well.
- Lenders will likely want to see:
 - A business plan.
 - Audited tax returns for 2-3 years.
 - Budgets, such as development and operations budgets.
 - Property information such as title, zoning, appraisal, legal description and title insurance policy.
 - Construction details including project description, timelines, your development team and scope of work.
 - Center information such as enrollment and wait list numbers.
 - Business information such as legal structure or pending litigation.

5. A Place Like Home – Zoning /Licensing

Now that you have written your business plan and while you are beginning to search for any needed additional financing, it's also time to look for a physical space for your CCC.

As discussed above, before starting your search for the physical space for your CCC, you should investigate the area where you are interested in locating your CCC to ascertain whether or not it has a need for a CCC with the philosophy and demographics you plan to offer. There are numerous public agencies that can help you to find this information. Check out the local Resource and Referrals (R&Rs), child care Local Planning Coordinator (LPC) and other community organizations in your area.

When considering acquiring a site, it is important to assess any existing facilities' condition, including the structural condition of existing building(s), your CCC's square footage needs (as laid out in your business plan), plumbing, utilities, bathroom facilities, heating and air conditioning, interior and exterior maintenance, code compliance issues (i.e. fire protection systems), licensing and local jurisdiction compliance.

Generally, there are three different approaches to consider when you are looking for a physical plant to lease or own as a CCC facility:

Rehabilitation - Renovating, fixing up or remodeling an existing child care center.

Build-Out Shell or Tenant Improvement
– Designing a CCC to fit into an existing

empty facility that was intended for another purpose. This could include connecting and in some cases installing utility systems, erecting walls, putting in floors, painting, plumbing fixtures, etc.

New Construction - Building a new facility from the ground up, substantially expanding the square footage of a current facility, or installing a modular structure (prefabricated building most commonly used at a public school site).

If you are planning on taking over an existing CCC, we have provided in the appendix a check list of questions to ask the previous owner and suggested research to perform before doing so.

If you are planning on building out a shell or starting a new center, you will need to acquaint yourself with city, county and state requirements for child care facilities. Generally, you will need 35 square feet of indoor activity area per child and 75 square feet of outdoor activity area per child. For specific state mandated space requirements for a CCC, see the appendix.

Potential Pitfalls in Selecting a Site

There is no one best method to find a site for your CCC. There are, however, many potential pitfalls to avoid when looking for that site. At this phase of developing your CCC, you need to make sure you have all the key members of your team on board. An ideal team for this phase would include; an architect, attorney, real estate person, and your director.

We recommend that before you invest in a site either for rental or purchase, you bring your team to evaluate it. Your architect should be able to tell you what can be done to the site to make it fit the

program you have envisioned for your CCC.

Your attorney can help you ascertain whether or not the neighborhood is zoned to house a CCC business. If so, the attorney can advise about what you would have to do to get a permit to house a CCC on this particular site. He/ she can assess whether you are entitled to put a CCC on this site “by right,” (without the need for any special approval or permit), or will need city permits (such as a conditional use permit). The procedures for obtaining these permits are described later in this planning guide.

Also, your attorney can represent you in lease or purchase negotiations and any city council hearings for any required permits. You should never negotiate the lease or purchase agreement by yourself – use your attorney. If you plan on leasing the property, your attorney should try to get an acknowledgment in the lease as to who pays the utilities. Your attorney should always include in the lease an option to buy the property at a later time and fixed price even though you may not have to exercise that option for three to five years. This way you don’t spend money to improve the property and then have it sold out from under you. Finally, he/she should attempt to get a clause in the lease that if you are denied a use permit, then the lease will automatically terminate.

If you need a special or conditional use permit from the city, your lawyer, your engineer, your architect and the city planner may tell you what type of work needs to be done to ensure your site has the best possible shot at getting a permit. You should know that some projects may require that you hire a traffic and/or

parking engineer. This can be very costly, and will need to be built into your pre-operation financial planning.

If you plan to buy the property instead of leasing it, you should make sure that the property can be used for another revenue producing purpose in case you are unable to get a conditional use permit to operate a CCC on that site. You do not want to be left with a worthless investment.

In looking for a physical plant for your CCC you must exercise your aesthetic taste. Does it look the way you want, or do you see a way to make it look that way? Will it be attractive to prospective clients?

You must also take into consideration the following regulatory requirements for your property:

1. *Does it have enough play space for the number of children you wish to care for?*
2. *Does it have sufficient space for parking ON SITE?* You should note that there are strict parking regulations that vary city to city. Some cities require as much as one space for every five children and one space for every two staff members. (But remember this requirement changes from city to city, so you must learn the rules that apply to the specific city where you plan to open your CCC.)
3. *How much street traffic is there in front of the school and the surrounding square block?* If you need to file for a conditional use permit, this may be a major factor in determining whether or not it will be granted to you.
4. *Is the site on the first floor?* CCCs are rarely licensed on second floor properties. To have an easier time getting a license, look for a location that has

indoor and outdoor space on the first floor.

5. *What requirements do you have to meet to make your site safe?* Your site must pass the fire safety inspection that is mandatory for a license to operate a CCC?

6. *Are there surrounding schools and businesses that employ the parents of young children?* Both of these places would be ideal “feeders” to your CCC. They will help you make your CCC a financial success.

Once you’ve found your site and negotiated a lease or purchase agreement and are in the process of getting any additional funds you need to finance it, the real fun begins. Unless you’ve found the perfect site, perfectly constructed for your dream CCC, you are going to need to do some work on the physical building. This is when the architect you found at the beginning of your journey starts to do his/her real work. He/she will draw up plans that will need to be approved by the city (if the city has use permit requirements).

The approval of the plans might be only one step in getting all of the necessary approvals from the city to build or renovate your new CCC. As noted above, you might also need to get approval from the city to operate a CCC on the site you have chosen. Cities and counties adopt regulations and ordinances that guide the use of land within that city or county. These regulations may restrict the type of development in a specific area (e.g., cities will zone specific areas for residential use only; other areas for commercial use only); and may restrict other standards (e.g., parking requirements). Each city and county has a planning department

that oversees new development projects and the kinds of permits that are needed to develop on land. Permits, such as conditional use permits (CUP) or special use permits (SUP) let the jurisdiction allow special uses that the community may want or need even though the uses are not typically allowed to occur in that zone. For example, a city could decide to grant a CUP to allow a child care business to operate in a commercial “strip mall,” even if the intended use of the land would otherwise be for retail business.

You need to go through a series of steps in order to get a permit such as a CUP.

If you and your team have determined that you must apply for city permits (such as a CUP), you must get instructions from the city on how to apply. The city may have an application form or provide you with some guidance. Generally an application for a permit will tell you everything you need to know about the regulations that must be met in order to be granted the permit.

What the application will not tell you about is the grey areas in the regulations. Depending on the circumstances, there may be areas that are interpreted differently or even waived on a case by case basis. In these grey areas lie both your greatest chance for getting a permit and the greatest dangers to you not getting a permit. The interpretation of these grey areas may depend on the relationships you develop while in the application process with the city planner assigned to your CCC and how well you have described your project to the city planner.

You must develop an excellent relationship with that city planner. Set a

preliminary meeting with him/her to discuss your plans and review the application. Go to the meeting alone, don't bring your team. This meeting is to show the city planner that you know what you are doing, you are trying to make the planner's job easy and to get him or her to want to help you open your CCC.

In the meeting you want to exhibit to the city planner that your CCC advances the current goals of the city – whether the city wants to foster business, education or green space. It is extremely important that whatever advice the city planner gives you in this meeting be incorporated into your plans when you submit your permit application. For instance if you are trying to open your CCC on a street where all the businesses had street-facing windows, and the city planner tells you that this is the desired design feature for any business on this street, then you should make sure your CCC has windows facing the street (if possible).

After the meeting, regroup with your team and let them know how the city planner's suggestions will affect your plans. Some of the things that the permit application requires might be impossible to deliver in the space you have identified.

The city planner's suggestions might require some change in the architectural drawings. Remember the windows facing the street? Perhaps, before your meeting you were planning to put the windows in the back of your CCC. After the meeting, you will have to work with your architect to rethink this aspect of the plan. When reworking your plans, make sure that the ultimate decisions remain yours and that you don't spend so much time trying to "keep people on board," that you compromise your vision. At the end of

the day, you are the one who is going to have to "live" in the CCC long after the architect, engineers and licensing experts have gone home.

When your application and drawings are finalized, submit them informally to the city planner again. At this time you should ask the city planner whether it would be okay to bring other people in your team so that your whole team hears the planner's suggestions. Listen very carefully to the planner's comments and advice. Redo your work one more time to line it up with any new comments. Then formally submit the drawings and application for approval.

From the day you sign your lease or property purchase agreement keep in mind that time is of the essence. YOU MUST MOVE QUICKLY. Depending on the jurisdiction you are working with, it may take a few days or a couple of months from the formal submission of your paperwork to get formal feedback from the city planner. If this formal feedback involves changes then you may need to make significant changes or risk having your permit application turned down.

After a few rounds with the city planner, your project may be brought before a Planning Commission and the final decision to the city council. The city planner will either recommend or NOT recommend your project. Depending on the jurisdiction, the odds of a city council overruling its city planning department or Planning Commission decisions are extremely slim.

It will take a few weeks to get on the city council calendar. It is very important that you bring supporters to Planning Commission and council meeting to speak

in favor of your application, especially if you know in advance that there will be people there speaking against it. Do your homework and find out who the opposition might be and what their objections are. Make sure your supporters can speak for you against that opposition.

It is always a good idea that you understand the concerns of the city and the city council members and the mayor. It is a good idea to be a member of the local chamber of commerce in the city where your CCC will be located. Here you can influence other business owners' opinions on the value of another CCC in their city to their businesses.

Once you get approval for your city permit, sadly you are not done with the regulatory process involved with opening your CCC. Now you have to implement your plans in accordance with many other city laws. Your architect can help you find a contractor to make the needed structural changes to your site.

Find a contractor with CCC facilities experience, make sure that he/she is a licensed contractor, and that as the contractor makes any improvements he/she is securing all necessary building approvals from the appropriate city departments. A conditional use permit is not an occupancy permit. You will not be licensed to open your CCC unless your building is up to code and has received a certificate of occupancy.

A certificate of occupancy is a document issued by a local government agency or building department certifying a building's compliance with applicable building codes and other laws, indicating that the building is suitable for

occupancy. The certificate is generally required whenever a new building is constructed, when a building that was built for one use is now going to be used for another, when the occupancy of a commercial or industrial building changes, or when ownership of a commercial, industrial, or multiple-family residential building changes.

The city inspector is the one who will come out to your site and make sure that it is in compliance with all building codes and safe for occupancy. You also must receive a fire safety permit and a playground safety permit. Separate inspectors from the appropriate city departments will come out to your site to review its suitability for these permits. If any of these inspectors are not satisfied with the conditions at your CCC they will not grant you a permit until you make the changes they require to bring your CCC into compliance with safety codes.

Quick Tips

Land Use Terms & Permits

- Zoning:** All property is zoned for a specific use, usually based on location.
- Special or Conditional Use Permit:** Allows a property owner to use property for purpose other than what it is zoned for.
- Certificate of Occupancy:** Certifies that building complies with building codes and laws and is ready for use.

6. Just as is Required for Driving a Car, You Need a License

While you are waiting for your CCC to be inspected for these structural and safety permits, you should submit your application for a license to operate with the California's Community Care Licensing Division ("Licensing"). Once you have filed a complete child care application, Licensing has thirty days in which to send someone to inspect your property. Since Licensing may come out for an inspection shortly after receiving the application, you must ensure that your site is ready for inspection – this means that the site must be furnished and ready to operate.

Among the requirements to receive a child care license are; fingerprint cards and a child abuse index form, your criminal record (if any), and a list of your staff -- who must all have been fingerprinted and cleared with the California Department of Justice, the Federal Bureau of Investigation and Child Abuse Index. All staff must have a TB clearance. Some staff must also have 15 hours of health and safety training approved by the Emergency Medical Services Authority. This includes a current CPR and First Aid certificate. A list of the Licensing forms required with your application is available in the appendix.

Your **Director** must be present and responsible for site operations. If your director is away from the site, a qualified substitute director must be there. Directors must have one of four sets of educational and experience requirements established by Licensing. The four

qualifying educational and experience requirements for a director include:

1. High school graduation or GED along with passing grades in fifteen semester hours or equivalent quarter units in childhood education or child development courses at an accredited or approved college or university, and at least four years of teaching experience in a licensed child care center or comparable group child care program.
2. An associate of arts degree from an accredited or approved college or university with a major or emphasis in early childhood education or child development; and at least two years of teaching experience in a licensed child care center or comparable group child care program.
3. A bachelor's degree from an accredited or approved college or university with a major or emphasis in early childhood education or child development and at least one year of teaching experience in a licensed child care center or comparable group child care program.
4. A Child Development Site Supervisor Permit or a Child Development Program Director Permit issued by the California Commission on Teacher Credentialing.

For more information on approved course work, accredited and approved colleges or universities and additional details on **director** requirements, see the appendix.

Your **Teachers** must also have certain education and experience requirements. Teachers must have one

of the following four education and experience requirements:

1. Twelve units of early childhood education, including units in child development and additional course work.
2. Six early childhood education units provided that the person is continuously enrolled in at least two units per semester until fully qualified.
3. A Child Development Assistant Permit, provided he/she is continuously enrolled in at least two units per semester until fully qualified.
4. A Child Development Associate Teacher Permit, Child Development Teacher Permit or Child Development Master Teacher Permit.

A full list of **teacher** requirements is available in the appendix.

An **Aide** must be 18 years of age or a high school graduate. No college units are required.

Staff must meet the needs of the children in attendance and provide visual observation and supervision at all times. Centers may need additional staff depending on the age and needs of children. Additional staff may be needed for backup. An aide cannot be left alone with children except during naptime and to escort children to the restroom.

7. Almost There

To recap: In order to open your CCC you will need:

1. A Use Permit - Unless your site is zoned for a CCC,
2. A Certificate of Occupancy,
3. A Fire Safety Permit,
4. A Playground Use Permit, and
5. Community Care Licensing Division License.

It is impossible to accurately predict how long it will take to secure these permits. You need to budget your finances to take this into account, as you will be paying rent or a mortgage the whole time you are working on acquiring these permits and will not be able to receive any income from operating your CCC until you have received these permits.

8. Avoid The 5 Most Common Pitfalls!

1. A lack of research into the appropriateness of your property for the operation of a CCC when leasing or purchasing the property.
2. Using a real estate agent who is not familiar with the requirements for a CCC.
3. Not budgeting your finances to accommodate a realistic time frame to secure a CCC city permit.
4. Putting the financing of your property acquisition on a credit card and then having the timeframe for opening the CCC drag on, so that income is not flowing in to pay off the credit card debt.
5. Signing a lease or purchasing property that cannot be either terminated or used for another purpose if you do not receive a CUP.

9. Off to Market You Go

Marketing is crucial to the success of your CCC. Simultaneously to your efforts to get a permit to open, and hand in hand with your quest to find a director and/or staff, you have to work on marketing your CCC so that the day you are ready to open you have children ready to enroll.

Enrolled children equal financing, and financing equals getting out of debt!

To effectively market your CCC, you need to craft a message that clearly and concisely describes what is special about your child care business. You also must create a distinctive logo as well as an interesting and informative website.

Let your imagination run wild in crafting your message. Go to the library and consult books on marketing. You will need to figure out a name that is catchy and informative and a “tag line” to describe your CCC that can be used in all your marketing materials and on your website. Your “tag line” must be something that sticks in the minds of potential clients and is easily repeatable. The “tag line” must in some way convey a message to your audience telling them what type of place your CCC is, i.e.... play centered, learning centered, conservative, “new agey” etc.

Make sure that your program is registered with the local Child Care Resource and Referral Agency (R&R) so that it can refer parents in need of care to any slots you have available.

Start your marketing campaign at least three months before you open. Include your CCC’s name, address, hours of

operation, ages of children served, fees, contact information, your unique message, and expected opening date on all your marketing materials.

Create a marketing plan. This plan should include as many ways of reaching out as you can handle. Find out how “connected” your target audience is to the internet. Use FaceBook, mommy blog sites, and your own website. Link to as many other local community websites as you can. Try to generate neighborhood word of mouth by distributing business cards, flyers, signs and brochures, participating in community events, seeking free media coverage, offering on-site workshops and lectures, and hosting an open house. Get to know other CCC operators in your neighborhood. Some CCC’s have long waiting lists and referrals are a great way to start your business.

Most importantly, devote time every day to your marketing efforts. If you don’t let people know about your services, don’t expect to get clients. Key to any marketing in today’s world is constant refreshing of the information offered.

10. The Beginning (It's Not Really The End)

Marketing is hard work, but well worth the effort. There's nothing more gratifying than opening the doors to your CCC after months (perhaps years) of planning and work and having the entire facility filled with excited young children and their parents.

Is your head swimming? Does all of this seem impossible? Have you decided to take your resources and your time and use them to open a toy store, or a children's clothing store instead? Don't! **YOU** can do this, and even make a profit while doing it.

There are agencies, individuals and funding sources listed on the next few pages just waiting for you to approach them for help, and many will donate their time to you for free. All you have to do is educate yourself, ask questions and be patient with the process. It's worth it!



APPENDIX

1. Low to No Cost Professional Partners

a. Law: There are several not for profit and pro bono law firms that may be able to assist you if you qualify for their services. In Los Angeles County, you can reach Public Counsel at www.publiccounsel.org or Legal Aid Foundation of Los Angeles at www.lafla.org. If you are outside of Los Angeles County, please contact your local Bar Association for information on free legal services in your area.

b. Architecture: Building Child Care is an excellent resource for architects with child care facility experience throughout California. Its website and resources are available at www.buildingchildcare.org.

c. Construction: Local contractors in your area can help you with renovating an existing structure to suit your child care needs. You can contact local child care associations or resource and referral agencies for a list of contractors with child care facilities experience in your area. If you have trouble finding an appropriate contractor, please contact other child care providers in your area and ask if they have had work done on their properties and if they were satisfied with their contractor's work.

d. Business, Accounting and Finance: The Small Business Administration

can provide you with information on running a small business at www.sba.gov. SCORE, a volunteer organization with offices across the United States provides free business counseling services to people starting their own business, www.score.org. Also, you can check your local community college for a variety of low cost courses on management, accounting and finance. You can also join your local Chamber of Commerce for programs tailored to small business owners.

e. Early Childhood Development: There are many national organizations that provide online materials on early childhood development including: The National Center for Infants, Toddlers and Families, www.zerotothree.org; The National Association for the Education of Young Children, www.naeyc.org; and The United States Department of Health and Human Services, Administration for Children & Families, www.acf.hhs.gov.

For support in Los Angeles County, you can access the Child Care Alliance of Los Angeles, www.ccala.net and your local Resource and Referral Agency.

f. Licensing: Community Care Licensing Division of the California Department of Education administers the licensing of Family Child Care Homes and Child Care Centers. Information on child care licensing can be found at <http://cclcd.ca.gov/PG411.htm>.

2. Business Plan Resources - please see Business, Accounting and Finance above.
3. Checklist and Research Before Purchasing an Existing CCC. The Low Income Investment Fund of Los Angeles has excellent resources for child care providers including a guide book called "Preparing Facilities for Child Care: A Guide for Assessment, Modification and Cost Estimating" which is available to download at <http://www.liifund.org>.
4. State Mandated Space Requirements for a Child Care Center.
 - a. Child Care Center: The state requires 35 square feet of interior space and 75 feet of outdoor space for each child enrolled in a Child Care Center. California Code of Regulation, Title 22, Division 12, Chapter 1, Article 7, 101238.2 & 101238.3
 - b. Family Child Care Home and Large Family Child Care Home: A Family Child Care Home may up to have six children and two additional children can be added with consent of landlord if provider does not own the home. Large Family Child Care Homes may have ten children; two additional children may be added with consent of landlord if provider does not own the home. California Code of Regulation, Title 22, Division 12, Chapter 3, Article 6, 102416.5.
5. Licensing Forms For a Child Care Center. The California Department of

Social Services Continuously updates its list of Community Care Licensing Division Forms at <http://www.cclld.ca.gov/PG411.htm>.

You can also find a comprehensive list of all forms need to open a Child Care Center (LIC 281A) or a Family Child Care Home (LIC 279A), both are available on CCLD's website.

6. Director Requirements For a Child Care Center. CCC Director Requirements can be found on Community Care Licensing Divisions Website at www.dss.cahwnet.gov/ord/entres/getinfo/pdf/ccc4.pdf, Section 101215.1.
7. Teacher Requirements For a Child Care Center. CCC Teacher Requirements are posted at www.dss.cahwnet.gov/ord/entres/getinfo/pdf/ccc4.pdf, Section 101216.1.
8. Personnel Requirements For a Child Care Center. CCC Personnel Requirements are posted at www.dss.cahwnet.gov/ord/entres/getinfo/pdf/ccc4.pdf, Section 101216.