

# **Kandiyohi County Child Care Economic Development (CCED) Program**

## **Forgivable Loan Application**

### **Contacts**

Program Administrator  
Kandiyohi County & City of Willmar  
(MMDC)  
Economic Development Commission (EDC)  
Sarah Swedburg  
[sarah@kandiyohi.com](mailto:sarah@kandiyohi.com)  
(320) 905-0069

Program Representative  
Mid-Minnesota Development Commission  
  
Michelle Marotzke  
[michelle.marotzke@mmrdc.org](mailto:michelle.marotzke@mmrdc.org)  
(320) 287-1737

Anyone needing one-on-one assistance with completing an application should contact Sarah or Michelle (contact information above). If they are unavailable, you can also contact the EDC at (320) 235-7370. Interpreters, or any other needed accommodations, are available upon request.

**Applications are due by 8 a.m. on the 2nd Friday of the month** to be considered on the 4th Thursday of the month. Applications will be reviewed and approved on a monthly rolling basis through December, 2023. If any language within these guidelines and application conflict with program guidelines of the Minnesota Child Care Economic Development (CCED) Program or State Statute, State Statute and State guidelines will prevail.

Forgivable loans is not the only activity a part of this program. Learn more at:  
[www.kandiyohi.com/business/child-care-economic-development-grant/](http://www.kandiyohi.com/business/child-care-economic-development-grant/)

### **Step 1: Review Program Guidelines**

The Minnesota Child Care Economic Development Program was created to support the implementation of solutions to reduce the child care shortage in the state. In November, 2022, the Kandiyohi County & City of Willmar Economic Development Commission was awarded \$200,000, matched with \$377,300 locally, to support child care providers in Kandiyohi County. The largest activity created as part of this program is a forgivable loan program for existing and new child care providers looking to maintain licensing or expand their licensing capacity for non-school age children (ages 0 to 5 years for Family Providers and ages 0 to a child's first day of Kindergarten for Centers).

Forgivable loans are available in the amount of up to \$12,500 maximum for in-home family providers and \$40,000 for child care centers in Kandiyohi County. No matching funds are required from applicants. For existing in-home family providers, forgivable loans will have a 0% interest, 2-year term. For new in-home family providers, centers, or those renovating a commercial space for a provider, forgivable loans will have a 0% interest, 3-year term.

Building owners who are applying for the cost of construction to remodel an existing space for child care also have a three-year term starting on the date the agreement is signed. Within six months of the date the agreement is signed, building owners must have a signed agreement to rent to a licensed child care provider. Rent for the licensor must be a three-year lease commitment with a set rent. This person may not be currently licensed at the time the agreement is signed, if they are currently working on becoming licensed.

Construction must be complete and state/county licensing of the location approved within nine months of signing the agreement. The location must be in operation, licensed and serving children within 12 months. If these requirements are not met, you will meet with an EDC staff member to determine if an extension of these terms may be granted or if full repayment of the loan is necessary. The building must be up to licensing code, including making improvements deemed

necessary by licensing and requested by the child care provider promptly as they relate to child safety and space functionality.

Individuals who are currently not licensed, including those starting centers, will have nine months to gain licensing. Those who have signed an agreement with a renter that has also received a loan will create an agreement that coordinates with that builder.

Eligible uses include, but are not limited to: child care business start-up or expansion, facility modifications, improvements, equipment, or supplies required for licensing, assistance with licensing and regulatory requirements, and direct subsidies or incentives to retain employees. Forgivable loans are not intended to be used as revenue for the financing of ongoing operations.

Only one forgivable loan request is permitted per applicant; however, the loan request may include multiple projects. In the event of an emergency which inhibits your ability to meet licensing requirements and/or provide safe care for children, contact Michelle or Sarah for an expedited review process.

All applications will be reviewed by the CCED Committee, and final determination rests with this committee. All applicants that receive a forgivable loan must comply with (1) the CCED Guidelines, (2) this Agreement, and (3) available funding.

1. The forgivable loan applicant certifies that he/she is an owner of record of the property where the funds will be used to finance repairs and/or improvements; or if not the owner of record of the property, has obtained the Owner's written authorization to perform the repairs or improvements to be made. The property owner certifies that all property taxes are paid and up-to-date and will remain so throughout the entire project, until the end of the forgivable loan term.
2. The applicant must be a licensed provider (in good standing) by Kandiyohi County or the State of Minnesota Department of Human Services, or actively working with a licenser to obtain a provider license within nine (9) months of receiving a loan. Additional time to achieve licensing will be reviewed on a case-by-case basis with the EDC.
3. Work performed at the Property shall be stated in the contractor(s) bid(s) obtained by the forgivable loan applicant or the materials list submitted with the application.
4. All work performed at the property must meet appropriate zoning code, building code, and building permit requirements, in addition to child care licensing requirements.
5. To the best of the applicant's abilities, all work must be completed and proof of project completion must be provided to the Program Administrator (Sarah) by December 31, 2023. Additional time needed will be taken on a case-by-case basis. The applicant is responsible for ensuring that the work is satisfactory before paying the contractor(s).
6. Forgivable loan recipients must submit the following items to the Program Administrator (Sarah) upon completion of the work. If more than one contractor is used, there must be complete sets of the items listed below for each contract/contractor:
  - a. Proof of final inspection by the appropriate building permit party. For work not requiring a building permit, call the Program Administrator (Sarah) to notify her the work is complete.
  - b. Final invoice from the contractor showing the total project cost.
  - c. Proof of payment paid to contractor and/or any other vendors. You should be totally satisfied with the work before your final payment.

7. Forgivable loan recipients must remain fully licensed and operational throughout the duration of the loan term. If you have a planned or unplanned closure of more than two weeks, you must notify the Program Administrator (Sarah).
8. If the forgivable loan recipient's license is suspended or business closes permanently, the recipient must notify the Program Administrator (Sarah) of this action within two weeks of the suspension or closure.
  - a. If the recipient's business is permanently closed, or fails to re-open after a suspension or temporary closure within the agreed amount of time, the forgivable loan will be terminated and the prorated loan balance must be given back to the EDC. For example, if the business closes one (1) year into the forgivable loan term, the recipient is responsible for paying 50% of the original loan amount back to the EDC.

## **Step 2: Complete Application Information**

Applicant Name:
Applicant Phone:
Applicant Email:
Child Care Provider:
Child Care Location Address:
Child Care Provider Phone:
Child Care Provider Email:
Length of Time as a Provider:
Number of Children Current in the Provider's Care:
Number of Children in the Provider's Care after Improvements:
Amount of Funding Requested: \$
Approximate Project Timeline:
How will these funds be used?
What specific license requirement(s) does this funding help you meet?

### **Project Sources and Uses**

Please use the chart below to describe the project sources and uses. Include a detailed list of improvements or items you wish to purchase with the loan with a cost estimate for each item.

<b>Project Sources</b>	
Owner Cash	\$
Bank Financing Lending Institution: Contact:	\$
CCED Forgivable Loan	\$
Other:	\$
<b>TOTAL</b>	<b>\$</b>
<b>Project Uses</b>	
	\$
	\$
	\$
	\$
	\$
	\$
	\$
	\$
	\$
<b>TOTAL</b>	<b>\$</b>

### **Step 3: Submit two (2) written bids for all work/project(s)/purchase(s)**

- For any component of the project activity that costs more than \$1,000, get two (2) written bids/quotes for the work. Be sure that both bids are based on the same scope of work. For example, if your first bid is for window replacement, then the second bid must also be for window replacement. If a loan is approved, it will be based on the lower bid.
- Individual purchases of a singular item (i.e. playground set) that is over \$1,000 need two (2) unique bids. This is the same for bulk orders of two (2) or more of a singular piece of equipment (i.e. sleeping mats, cribs). This includes the same item found on two different websites or locations.
- Verify that contractors are licensed in Minnesota.
- If qualified to do so, you may perform the work, but loan funds **cannot** be used to compensate you for the purchase or rental of tools or equipment, for your labor or the labor of family, friends, employees, or others with a financial interest in the business or property. Loan funds can be used to pay for materials if a contractor is not performing the work.
- Applicants are encouraged to solicit estimates from women and minority contractors.
- **Loan amounts are based on the lower bid; however, you are free to accept the higher bid.**

### **Step 4 – Review, sign and date application**

#### **FORGIVABLE LOAN PROGRAM AUTHORIZATION FOR RELEASE OF INFORMATION AND CERTIFICATIONS**

Applicant acknowledges that they are making an application for a forgivable loan and that the Kandiyohi County & City of Willmar Economic Development Commission (EDC) may rely on the Applicant's warranties and self-certification of eligibility in the approval process of a forgivable loan. The applicant acknowledges that representations made in this application will be relied on by the EDC in its decision to award such a forgivable loan, and EDC such information is true and complete to the best of my knowledge. The applicant will promptly notify the EDC of any subsequent changes which would affect the accuracy of this information and the information provided on all accompanying documents. The applicant understands that it is a crime to make a false representation as to their or their company's financial ability for the purpose of securing a forgivable loan. The Applicant acknowledges that the submittal of false or inaccurate information will result in the repayment of forgivable loan funds. The Applicant also acknowledges they will comply with any requests from the EDC to supply any necessary data or information that may be needed as part of the forgivable loan.

Applicant shall indemnify, defend, and hold harmless EDC and its officers, directors, employees, agents, and CCED program partners from and against any and all claims, damages, loss, injuries, liability, and expenses (including attorney's fees and damages for death, personal injury and property damage) as a result of any act or omission by Applicant in connection with this application for funding, or from Applicant's breach of its obligations under any program documents, or from Applicant's or its employees' gross negligence or willful misconduct.

I hereby make an application to the Kandiyohi County Child Care Economic Development Program. I acknowledge that this involves public dollars, and I certify that I am eligible, my application is true and accurate, and that I understand Minnesota Data Practices laws apply to this application and any loan agreement I may sign under it.

Signature/Title of Applicant: \_\_\_\_\_ Date: \_\_\_\_\_

Signature/Title of Applicant: \_\_\_\_\_ Date: \_\_\_\_\_

*If the Loan Applicant is the property owner, go on to STEP 6. If the Loan Applicant IS NOT the property owner, the property owner must sign below.*

Signature of Property Owner: \_\_\_\_\_ Date: \_\_\_\_\_

### **Step 5 – Deliver the Application**

By postal mail, email or in person to the EDC

Attention: Sarah Swedburg, 222 20<sup>th</sup> Street SE, P.O. Box 1783, Willmar, MN 56201

[sarah@kandiyohi.com](mailto:sarah@kandiyohi.com)

### **Step 6- Review of application by Program Administrator**

*A loan is not approved until this document is signed below by the Program Administrator.*

### **To be completed by the Program Administrator**

Date Application Received: \_\_\_\_\_

Loan Amount: \_\_\_\_\_ (herein referred to as "Loan")

Private Match: \_\_\_\_\_ (herein referred to as "Matching Funds")

Total Project Cost: \_\_\_\_\_ (Loan plus Matching Funds)

Loan Approval Date: \_\_\_\_\_

### **Program Administrator**

Kandiyohi County & City of Willmar Economic Development Commission

\_\_\_\_\_  
By:

### **Step 7 – Once the loan is approved, select contractor and begin work.**

**The Kandiyohi County Child Care Economic Development Program is supported, in part,  
by the State of Minnesota through a grant from the  
Department of Employment and Economic Development.**

**DEED's Mission is to empower the growth of the Minnesota economy, for everyone.**

## **Forgivable Loan Application Checklist**

Your application packet must include:

- The application form with all questions completed.
- Copy of your current child care license, if applicable. Also include any documentation from your licensor if the items in your loan application are needed to meet licensing requirements.
- Building permit (if applicable). If your project requires a building permit, please attach.
- Estimate or bid (if applicable). This is required for the installation of fences, windows, or construction, as required by licensing, or equipment assembly projects. This bid must be from a licensed contractor.
- Equipment or supplies estimate (if applicable). A picture from a catalog or online shopping cart of items you plan to purchase is acceptable for this estimate requirement.
- [W-9 Form](#).



The following scoring criteria will be used when reviewing applications:

1. Increase in child care license capacity 25 points

Rating Factors:

- Does the scope of work increase the number of children the provider can care for?
- Does the applicant demonstrate the capacity for this increased licensing?

2. Improves health & safety for children 15 points

Rating Factors:

- Does the project improve the health & safety of children?
- Has this improvement been identified as a need to maintain licensure?

3. Matching funds 10 points

Rating Factors:

- Does the applicant provide up to 20% of the total project cost in matching funds? *(Note that these funds do not have to be from the provider, they might be, for example, from a local community.)*