

Fund for Quality (FFQ) Letter of Intent (LOI) and Application Frequently Asked Questions (FAQ)

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Are you a child care provider that currently operates a facility with a STAR 3 or STAR 4 Keystone STARS quality rating actively pursuing an expansion project in Philadelphia? Applicants can either propose to increase the usable space within an existing childcare facility or open a new facility modelled on their current operations.

The Fund for Quality (FFQ) is a partnership between Reinvestment Fund and Public Health Management Corporation (PHMC), with funding from William Penn Foundation.

I. Eligibility and General Application Process for FFQ Planning Phase

What is the eligibility criteria for the Fund for Quality Planning Phase?

Applicants must meet both provider and project eligibility criteria to be accepted into the [Planning Phase](#) of the FFQ program.

Program Eligibility Criteria:

- Licensed Child Care provider
- For-profit or nonprofit
- In operation for at least two years
- Keystone STAR 3 or 4 designation at over 50% of facilities
- Serving majority children receiving subsidy funding (including CCW, PHLpreK, PreK Count, Head Start/Early Head Start)
- Positive enrollment trends
- Strong business case for expansion
- Current on all taxes
- No recent serious licensing infractions
- No active lawsuits or liens on property affecting business sustainability

Project Eligibility Criteria:

- Site located in Philadelphia
- On-site or new-site expansion
- Ownership or long-term lease (10+ years) of site (see [lease guidance](#))
- Site could feasibly pass all regulatory requirements to be licensed as a Child Care Center within an 18-month timeline
- Expansion project can feasibly create at least 40 new high quality early childhood education seats (for children ages 0-5)

Can providers who participated in FFQ in the past apply again?

Please note - first time grantees are prioritized. Repeat grantees that completed the capital phase may apply with new projects, but must be licensed and operating at 85% enrollment to be considered for another round.

What is the application process?

There are two steps in the application process to the Planning Phase of the current round of FFQ.

Step 1: Letter of Intent (LOI)

The LOI can be found online: <https://reinvestmentfund.smartsimple.com>

LOIs will be reviewed on a weekly basis through the deadline for eligibility. Providers that meet initial eligibility criteria will be invited to submit a full application.

Providers may be requested to participate in a preliminary site visit from program staff or a licensing consultant if there are questions about the expansion site.

Step 2: Full Application

An application will be emailed to providers who meet initial eligibility.

Select applicants will be requested to participate in a site visit.

What is the deadline to submit an LOI?

Friday, October 21, 2025 at 5pm

What is the deadline to submit a full application?

Friday, November 21, 2025 at 5pm

When will I be notified if invited to submit a full application?

LOIs will be reviewed and those that meet initial eligibility will be invited to submit a full application on a weekly basis. We encourage providers to submit an LOI early to allow time for questions and feedback, and to ensure they have plenty of time to complete a full application if they meet initial eligibility.

All providers will be notified by Friday, November 7, 2025 at the latest if invited to complete a full application.

What information and documents are required for the LOI?

The LOI focuses on initial program and project eligibility, general program information, and detailed expansion project and site information.

Providers are asked for the following documents:

- EIN letter
- Current Childcare License (Certificate of Compliance) at all sites
- Deed/Agreement of Sale, or Lease/LOI to lease for expansion site

- Certificate of Occupancy from L&I (as available)
- Zoning-related documents, such as Child Care Use Permit (as available)
- Existing architect drawings for site (as available)

How will decisions be made about who is invited to a full application?

All providers that meet initial program and project eligibility will be invited to submit a full application.
(See [Eligibility for FFQ Planning Phase](#))

How will award decisions be made for the FFQ Planning Phase?

The priority criteria for applicants includes:

Program Priority Criteria:

- Commitment to program quality
- Commitment to quality business practices
- Commitment to serving all care levels (infants through preK)
- Commitment to serving low-income families
- Program readiness to expand
- Organizations that are first-time FFQ grantees

Project Priority Criteria:

- High potential new seat creation (60+ new licensed seats)
- Commitment to high-quality design, and potential for high-quality design at expansion site
- Location priority, based on [Childcare Map](#) data considering family poverty, gap in total child care seats, gap in high quality child care seats, and low-wage jobs in the vicinity of the expansion site

When will award decisions be shared?

All providers will be notified of award decision for the FFQ Planning Phase by December 15, 2025.

How can I get answers to my questions?

For any general questions, you can email fundforquality@phmc.org

Please expect at least 2 business days for a response.

Sign up for a time to ask program staff individual questions at this link: <https://phmc-org.zoom.us/j/97728794229>

Join open office hours on Wednesdays from 1-2pm in October.

II. Specific Project-Related Questions on the LOI

What is required to show site control (ownership or lease) for the LOI?

Providers must upload one of the following documents:

- Deed

- Agreement of Sale to own
- Lease for 10+ years*
- Letter of Intent (from owner) to lease for 10 or more years.

**If you have a current lease for the property that is for less than a 10-year term, you must upload a letter from your landlord confirming ability the to extend the lease through June 2035 if accepted into the FFQ Planning Phase.*

If I plan to lease, do I need to sign a full lease before submitting an LOI?

No. You only need a Letter of Intent to lease for 10 or more years from the property owner to be eligible for the FFQ Planning Phase.

If accepted into the FFQ Planning Phase, you will need to be prepared to sign a lease.

You should **not** sign a lease unless you can answer yes to the following questions:

1. I plan to pursue this expansion with or without FFQ program funding.
2. I understand all zoning and licensing requirements, and have a good sense of program design and cost to operate a high quality child care in this space.
3. I can afford both the estimated capital cost for construction and cashflow required during the project development and ramp-up period before earning income at this site.

How do I check current zoning for an expansion site?

You can check current zoning by searching the property address in Philly Atlas: <https://atlas.phila.gov/>

How do I know which zoning steps would be required for a potential site?

You will need a zoning use permit for Day Care Center for the entire expansion space. A zoning use permit will name the specific part of a property it applies to (i.e. first floor, second floor, basement, and outdoor space). If you already have a zoning use permit for your entire proposed expansion space, you will have no more zoning steps.

If you need a zoning use permit for child care for an entire proposed expansion space, or a portion, you will need to go through zoning.

There are three zoning classifications for Day Care Centers and potential steps:

Common Zoning District	Child Care Center Allowance	Zoning Steps
RMX-1, RMX-2, RMX-3, CMX-2, CMX-2.5, CMX-3, CMX-4, CMX-5, CA-1, CA-2, IRMX, ICMX, SP-INS, SP-CIV, SP-STA	Permitted as right	Submit zoning use permit application (generally 1-2 days)
CMX-1	Permitted as special exception	Apply to Zoning Board of Adjustments (takes time)
Other Residential, Industrial, and Special Purpose districts	Not allowed (expressly prohibited)	<i>You cannot get a Day Care Center zoning use permit</i>

You can look up information about more zoning districts in this [Zoning Quick Guide](#).

How do I know what Certificate of Occupancy steps will be needed for a project?

A Certificate of Occupancy (CO) is issued by the City of Philadelphia Licensing & Inspections (L&I) department and shows that a building is safe to be occupied. In order to receive a DHS license, a provider must submit a CO with child care listed as an allowable use. The CO will specify if children under 2 ½ years may be in the space. The CO will also specify which specific part of a property it applies to (i.e. first floor, second floor, basement, and outdoor space). See more information about CO's [here](#).

Often, expansion projects result in a new CO.

Will the project result in a new CO?

Yes	No	Maybe
There is no current CO for the entire expansion space that includes child care (or there was one, but it cannot be located by the owner or L&I)	There is a current CO that allows child care for the entire proposed expansion space to be licensed for child care; and upgrades are extremely minor/cosmetic and will not require building permits.	There is a current CO that covers the entire proposed expansion space to be licensed for child care, but unclear if L&I will issue a new CO to close out the permit process.

For on-site expansions, a project may result in a new CO just for the new space being licensed, or it may prompt a review that the entire building meets current building code.

Please note, this is information that FFQ program consultants and your project team could help you understand, and at times can only be confirmed by a plans examiner from L&I.

How do I know if this project will require new sprinklers?

The Philadelphia building code [Philadelphia Building Code \(IBC 2018\) sprinkler requirements](#) for child care requires sprinklers on any floor with young children that does not exit directly to ground level without stairs (such as a basement, second floor, etc.). For first floors, FFQ follows L&I requirements for permit approval.

Please note that the city of Philadelphia plans to adopt International Building Code 2021 in January 2025, which all projects must follow.

FFQ requires childcare projects to have sprinklers on any floor where young children are served if there is not a direct exit to ground level in all cases, including if building permits could be issued without requiring a new Certificate of Occupancy.

II. Fund for Quality Program

How does the FFQ program work and what are the two phases?

The Fund for Quality program offers business planning supports and facilities-related funding to help high quality early care and education providers expand their services to reach more low-income families in Philadelphia. FFQ has two phases.

Phase 1: Guided Planning Phase

First, providers are accepted into the FFQ Guided Planning Phase and receive business and project planning supports. (See Planning Phase for more details).

Phase 2: Capital Phase

Providers must successfully complete all requirements of the Planning Phase to be accepted into the Capital Phase. **Capital Phase funding is not guaranteed based on acceptance in the Planning Phase.** (See Capital Phase for more details).

What is involved in the Planning Phase?

During the planning phase, providers work with program consultants and their project team (architects, engineers, contractors, etc.) on a range of organizational business planning and project planning for high-quality expansion.

How much is the Planning Grant?

The FFQ Planning Grant is \$20,000.

What can the Planning Grant be used for?

The Planning Grant can be used for project soft costs for your proposed expansion project, including architect costs, engineer fees, zoning costs, sprinkler utility plans, environmental testing and remediation, building permits, etc. Additionally, the planning grant has an allocation of organizational consulting hours that are not billed to the provider, FFQ covers those costs.

How do participating providers become eligible for Capital Grant funding?

Providers will be given a full Planning Checklist of items to complete in order to be eligible to move into the FFQ Capital Phase and receive a Capital Grant. Projects that are accepted to the FFQ Planning Phase are not guaranteed Capital Phase funding.

The Planning Checklist Items include:

- Organizational Business Planning Deliverables
 - o Staffing + recruitment
 - o Enrollment plan
 - o Marketing plan
 - o Business systems review
 - o HR and program handbook updates
 - o 5-year financial operating projections
 - o Furniture + materials list
- Project Planning Deliverables
 - o Architect plans: draft + final permit set
 - o Mechanical, engineer, plumbing plans
 - o Sprinkler utility plans (as applicable)
 - o Environmental testing for lead + asbestos
 - o Construction estimates
 - o Risk due diligence (insurance, etc.)
 - o Building permits

- Licensing docs (zoning, CO, FPSL plan, etc.)
- Plan + cost review (by construction inspector)

What is involved in the Capital Phase?

During the Capital Phase, the FFQ construction inspector will make progress inspections of work complete in line with your contractor's payment schedule, and L&I permit inspection schedule.

How much is the FFQ Capital Grant?

The FFQ Capital Grant award is up to \$300,000 for eligible capital project costs.

What can the FFQ Capital Grant be used for?

The FFQ Capital Grant can be used for hard costs, including construction, furniture, fixtures, and equipment, and classroom learning materials.

Who are the program staff?

The FFQ program is a partnership between Reinvestment Fund and PHMC.

Who is the program funder?

The program is funded through generous support from the William Penn Foundation.