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HISPANIC COMPASSION MINISTRIES

# Entrepreneurial Ministry in Los Angeles

MY FRIEND'S HOUSE

By Amy L. Sherman



# *Entrepreneurial Ministry in Los Angeles*

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**Church Name:**

My Friend's House

**Location:**

Whittier, CA

**Size:** 300

**Compassion Ministry:**

Open Door Development Project and Amiguitos Childcare Center

**Year Started:** 1997 (housing), 2001 (childcare)

**Estimated Yearly Budget:** \$750,000

**Paid Staff:** 1 FT, 2 PT (housing), 2 FT (childcare)

**Volunteer Staff:** 1 (housing), 1 (childcare)

## Brief Description

Through its Open Door Development Project, the My Friend's House congregation provides affordable housing for families of low to moderate income in the Los Angeles vicinity. The project also creates job opportunities for church members. The Amiguitos Childcare Center offers working poor families in the neighborhood an affordable daycare program that is explicitly Christian. Both ministries have the potential to generate a modest amount of revenue for the church to use in funding its other community ministries.

**P**astor Jim Ortiz is sweating. The worship this morning at My Friend’s House is vibrant, loud, and energetic. The sanctuary pulsates with enthusiasm as parishioners join the worship band in lively praise songs. Twenty minutes later, as church members settle back into the pews to listen to the morning announcements, Pastor Jim mops his brow. He grins at the young tattooed Latino man in the second row. “This is holy sweat,” he jokes. “There are things out there in the world that make us sweat,” Ortiz admits. “But this is holy sweat.”

The energy this Assemblies of God congregation invests in worship is matched by its vigor in reaching out to serve its community. Ortiz informs his flock that Sunday morning that some trees have had to be cut down in the church’s front yard. It is a sad but necessary prelude to the church’s newest community ministry venture: a tripling of its capacity for youth outreach. The lot is being cleared for several new portable classrooms that will arrive in the next month. By the fall, a new Academic Excellence Center focusing on after-school tutoring will be operating. It is just the latest in a long series of community ministries launched by this active congregation that strives hard to live up to its mission statement: “to be a church of impact and influence.”



**Pastor Jim Ortiz talks with the children of My Friend’s House**

Two of My Friend’s House’s community ministries are especially intriguing. They creatively combine social services that meet real “felt needs” among the working poor while also promising a future, modest revenue stream for the church. Through its “Open Door Development Project,” the church is providing affordable housing to struggling families. Through its Amiguitos Childcare

Center, low to moderate income working families can obtain affordable daycare for their children, in an environment that is distinctively Christian. These entrepreneurial compassion ministries have required strong commitment and perseverance from the church, but promise meaningful dividends.

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# GENESIS

Pastor Jim Ortiz has long had dreams of seeing his church make a difference in the community. Today, those dreams are being realized.

About twenty years ago, Pastor Jim led his congregation in purchasing a house on the property adjacent to the church building. He believed that someday it could be used as a childcare center. That someday was a long time in coming. But the vision became a reality in July 2002 when the church opened the Amiguitos Childcare Center. The dream had been sparked to life the year before, when the church won a \$23,700 grant from Los Angeles County to remodel the old house and furnish it as a childcare facility. Knowing the pressing needs of the working poor in the community for affordable childcare, a dedicated task force from My Friend's House spearheaded a campaign to raise additional funds—and volunteers—for the remodeling project. Now, Amiguitos can provide daycare for 27 children in a community where, according to Los Angeles County statistics, the demand for daycare spaces outstrips their supply by two to one.

About ten years ago, Pastor Jim studied community development at the Los Angeles-based Bresee Institute under Dr. Jolly Beyoiku. His old mentor recalls, “Jim always had a tremendous vision for the community, and he wanted to know more about how to reach the community.” For one of Dr. Beyoiku's courses, Jim wrote a paper outlining how the principles of Christian community development could potentially be worked out in the Whittier neighborhood surrounding My Friend's House. “I kid Pastor Jim,” Dr. Beyoiku chuckles, “that everything you're doing now, I remember that you put it down in writing in my class!” One of the projects Jim dreamed about starting was an affordable housing development initiative. Today, that vision, too, has become a reality.

In 1997, Pastor Jim learned of a new program from the U.S. Department of Housing and Urban Development (HUD). Through the new program, nonprofit organizations could purchase certain HUD administered properties in distressed neighborhoods at a significant discount. (These are homes that former owners originally purchased with federally insured loans, but then defaulted on, so the homes reverted to HUD.) The nonprofits could renovate the homes and then resell them to qualified first-time buyers—mainly working poor families who would be allowed to purchase the homes at below-market rates. Intrigued by this HUD initiative for nonprofits, Jim approached his friend Jerry Morgan, a fellow Christian and building contractor. Together, they explored the HUD opportunity further and concluded that it offered a way for the church to accomplish its goal of serving the community through an affordable housing ministry. To date, the church has been able to obtain and renovate ten houses and provide them to working poor families that, apart from this program, had virtually no hope of ever attaining the American dream of owning their own home.

**They're happy. I've seen them dancing when they get their houses. The kids—they have their own room and they're just plastering stuff on the walls, putting their identity into the room. It's been an enjoyment [to see].**

*—Properties Superintendent Lee Allison, speaking of the families who move into the houses renovated through the church's "Open Door Development Project"*

# *The Open Door Development Project*

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## AN OVERVIEW

The basic idea of acquiring foreclosed homes through the HUD program and then renovating them for resale to needy families is straightforward. The actual process of doing this, though, is complicated and challenging. HUD places many rules and regulations over the program and requires significant reporting from the nonprofits that are involved in it. As Jerry Morgan explains, “It’s just a lot of things to delve into. It’s like any bureaucracy—they throw so much paperwork at you.” Jim and Jerry recognized that neither of them were “paper pushers.” In order to manage the housing initiative, they knew the church needed a person with strong business and administrative gifts. In late 1999, My Friend’s House hired David Zepeda as a new full-time assistant pastor who could oversee the Open Door Development Project.

According to David, the basic steps involved in the HUD program can be summarized as follows. First, HUD’s assigned real estate company, Golden Feather Realtors, posts a listing of available properties for sale on its website (the list is updated weekly). A certain number of these listings are available for nonprofit organizations to purchase at a 30 percent discount. Second, David carefully reviews the list to see whether there may be properties on it that My Friend’s House would be interested in purchasing and rehabilitating. He marks the best-sounding potential ones; then, goes on site to view the homes. If he spots one he thinks has promise, he moves to the third step in the process. He contacts Jerry Morgan and requests that Jerry make an estimate of the costs of remodeling the house. David then meets with the church’s realtor, Don Prince, to try to determine an estimate of the re-sale price of the home, given the local market and the comparable costs of homes in the surrounding area.

Based on the information gathered, David, Jerry, and Don then decide whether or not the church should attempt to purchase the home. Their decision is based on two main factors. The first is whether the home could be re-sold for a price that would allow the church to re-coup the rehabilitation costs. The second is whether it is a house that could make a good home for the working poor families the church wants to serve through the Open Door Development Project.

If the three agree on a particular property that seems to have promise, David identifies a lender from whom the church can secure financing to cover the purchase price of the home. He reports that the church has tried to raise such funds through a variety of approaches. The critical task is locating lenders who understand both the church’s mission of providing affordable housing and the reality that the profit margin to be gained through the HUD program is limited. Once financing is obtained, the church submits “an intent to buy” bid to Golden Feather. Since other nonprofit organizations participating in the HUD program may also wish to purchase



Amiguitos Childcare Center

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the same properties, Golden Feather Realtors conducts a lottery to determine which nonprofit will be permitted to buy the home. If My Friend's House is fortunate, it wins the lottery and has the opportunity to acquire the home. Then David submits a \$2000 deposit and signs a purchase contract with HUD. Once the HUD paperwork and the purchase escrow process are complete, the church receives a title to the home and the rehabilitation work can begin.

At that point, the church's property superintendent, Lee Allison, may be sent to live in the home for a short period of time. This is because unoccupied homes are targets for vandalism, trespassing, and theft. Lee moves in to safeguard the property until the rehabilitation progresses to the point where the house can be safely locked up (e.g., broken doors and windows are replaced). Jerry's company then completes the renovations.

Finally, one joyful day in the future, a delighted family takes possession of their new home. The home buyers have been a diverse group—African-American, Hispanic, white, and Asian. But they all have one thing in common. They would have been unable to buy their own home apart from this special HUD program, which allows them to obtain financing and purchase the homes at prices lower than the typical market rates. Since the housing market in California is very strong, housing prices tend to be very high. This makes it virtually impossible for many families—even those working two jobs—to be able to afford a home of their own. But through the church's Open Door Development Project, now these families have that chance.

### **NEW JOBS FOR CHURCH MEMBERS: AN EXTRA BENEFIT OF THE HOUSING MINISTRY**

One special aspect of the affordable housing ministry is that some men in the church have been able to secure employment with Jerry Morgan's contracting company to work on rehabilitating the HUD homes. Church member Danny Saldano had been looking for work for several years when the opportunity to be hired by Jerry arose. "I had asked my pastors," Danny recalls, "Do you know anybody that's doing any hiring? And David [Zepeda] said he'd look into it." David put Danny in touch with Jerry Morgan and Jerry agreed to hire Danny. He assigned a crew foreman to teach Danny how to paint the homes, both inside and out.

Over the next several months, Danny says he learned a lot more than only the painting trade. "I grew spiritually," he explains. "I'd had a hard time trying to get along with people. I didn't trust nobody." He says he learned to look at people and the job in a different way. "They were willing to help me and show me the trade. And that showed me that Jerry Morgan cared about me," Danny says. "He was concerned and he wanted me to learn something. That showed me that not all people are bad. There are some people who are good."

Today, Danny is self-employed and takes on painting jobs to earn income to support his family. Many of his referrals come from the church, and while the demand goes up and down, he reports that what he makes is sufficient. He is content. Going back to work has done wonders for Danny's self-esteem. He has much stronger "people skills" now. He is grateful for the fresh start his job with Jerry Morgan gave him. Now, Danny explains, he sometimes will do painting jobs for poor people at a significant discount. He says it's a way for him to "give back."

Jerry's company has been able to offer work to other unemployed and underemployed men from My Friend's House as well. Currently, Alfred, a thirty-something father of four kids, is now working full-time for Jerry. When Alfred and his wife first came to My Friend's House four years ago, they were homeless, jobless, and struggling with drugs. Today, all that has changed. "Alfred came from a horrible background—had been abused and had been a gang banger," Jerry says. "But he's a hard worker now. He's got a great heart, and I love the guy to death."

**Church member Danny Saldano says he learned a lot more than the painting trade while he was working with Jerry Morgan on one of the church's rehabbed homes. 'I grew spiritually,' Danny reports.**





# KEY RESOURCES

A housing ministry is an ambitious endeavor. Any church desiring to operate such a program must have certain critical elements in place. My Friend's House built its affordable housing program on a foundation that included the following key resources:

**<1> Professional staff with technical qualifications:** Given the technical nature of the housing ministry (e.g., having to understand and keep up with HUD regulations, having to become skilled in acquiring financing to purchase the homes and in knowing how to accurately research and assess the value of potential home purchases), any church involved in such a ministry will need to employ at least one full-time person. The HUD program that My Friend's House is engaged in requires much time and it involves meeting many different deadlines throughout the process. My Friend's House is fortunate to have a pastor like David Zepeda, who brings a business background and strong organizational and administrative skills to the job.

**<2> Partnerships with building contractors, lenders, and realtors who share the vision of providing affordable housing:** David Zepeda emphasizes that Open Door Development could not succeed without the strong partnerships the church has with Jerry Morgan, Don Rice, and lending institutions that share a sense of mission. This kind of ministry is risky, complicated, and time-consuming. It requires a big commitment. And the financial rewards it pays are modest. For example, Jerry Morgan can make much more money renovating other homes than the ones he works on for the church through the HUD program. Similarly, investors who provide financing can earn a higher rate of return on other loans than those provided to the church for the Open Door Development Project. "You don't go into this kind of thing for the money," Jerry Morgan says candidly. "You have to look at it as a ministry."

**<3> A strong housing market:** This kind of ministry is inherently risky from a financial perspective. After all, suppose the church purchases and rehabilitates a home, but is then unable to find a buyer for it? My Friend's House has not confronted this problem yet, and in large part this is because the demand for affordable housing in southern California is very great. Pastor David recommends that church leaders do a thorough assessment of the housing market in their own community before launching a housing ministry.

**<4> Mentors:** Pastor Jim reports that he has learned much from other church leaders who have practical experience in operating housing re-development programs. Mark Whitlock of FAME Renaissance in Los Angeles has been one such mentor. An African-American Christian leader, Mark has wide-ranging experience in church-based community development initiatives including affordable housing programs and business start-ups. "We have a kind of Paul-Timothy relationship," Mark says of his friendship with Pastor Jim. He has provided advice on financing, assessing the housing market, and thinking through how to make the ministry self-sustaining. "My role is to ask the real hard, 'ugly' questions that make them think," Mark explains.



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# CHALLENGES

The biggest challenge in the Open Door Development Project has been the fact that revenue earned through the sales of the homes has been insufficient to fully fund the ministry's real costs. The profit margin on the home re-sales is limited because of HUD's rules. Those rules state that the nonprofit organization may not sell the home for a price that earns a profit of more than 10 percent of the re-development costs. Suppose, for example, that the church is able to acquire a home through the HUD program for \$50,000. Then suppose that it costs \$20,000 to fully renovate the house. At this point, the church has invested \$70,000 in the process, not counting the cost of having paid staff who administer the program. The church cannot sell the house for more than \$77,000 (\$70,000 plus 10 percent of the redevelopment costs.). This means that the church will make only \$7,000 profit on this house.

In order to earn sufficient revenue to make the housing ministry truly self-supporting, the church will need to increase the number of homes that it purchases and re-sells each year. Since the amount of money that can be earned on each home is relatively small, David Zepeda explains, "the only way for the church to generate significant income is to increase our volume." Jerry Morgan agrees, but adds that this is not possible currently. One reason is that his work crews can only give a limited amount of time to rehabilitating the homes, given all the other demands at his business. Another reason is that the church has faced challenges in finding willing and "mission-oriented" lenders. Without sufficient financing, the church cannot acquire an increased number of properties. Leaders at My Friend's House believe that these challenges can be overcome, though it will take time. They look forward to the time when the church reaches the capacity to increase the volume of its work. With this higher volume, they believe they will be able to earn a modest revenue from the Open Door Development Project that can be used to help finance the congregation's other community ministries. Already, some revenue earned has helped to launch the Amiguitos Child Care Center.

Open Door Development's other main challenge is that most of the homes the church has purchased and re-developed are located at least a half hour's drive from My Friend's House. The available properties in the HUD program must come from certain neighborhoods, and the Whittier neighborhood where the church is located is not one of them. This means that the fruit of the church's efforts are less visible to the average person in the pew. That, say the pastors, can make the task of maintaining high enthusiasm for the ministry more difficult.

**The [HUD] program is a really good one for faith-based organizations to be involved with [because] they really know the community. They know the people have a need for housing, and they are hard-working. I've seen neighborhoods that were in a downward spiral, and I've seen that turned around by faith-based organizations that get involved in stabilizing the community. All of a sudden, you have some nice houses on the block sitting there and the people that move into them care about crime and drugs and all that sort of thing, and it can just really change the face of a whole neighborhood.**

—William McKee, Regional Program Director for HUD's Real Estate Owned Non Profit Purchase Program



# Loving the Children

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## AMIGUITOS CHILDCARE CENTER

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*Providing housing is one way that My Friend's House is addressing the needs of its Hispanic community. Through the Amiguitos Childcare Center, the church offers another much-needed, unique community ministry: affordable Christian daycare.*



## MISSION/PHILOSOPHY

A recent report examining daycare needs in the area of Los Angeles County where My Friend's House is located concluded that there are only 50 daycare slots for every 100 slots needed. Clearly, the childcare services offered by Amiguitos are necessary. For the working poor, daycare costs can consume a huge portion of the parents' salaries. Thus, affordable childcare is even a greater need. In addition, few of the childcare centers in the Whittier community are church-based. Consequently, Amiguitos, with its mission to provide distinctively Christian childcare at a below-market cost, is truly unique. Amiguitos' Christian emphasis is evident in several ways: it adheres to Christian values, provides a Christian environment, and has a Christian staff. The curriculum teaches the basic skills necessary to prepare the children for kindergarten, but also includes education in the Bible.



## PROGRAM HIGHLIGHTS

### **SCHEDULE OF ACTIVITIES**

Children begin arriving at Amiguitos as early as 6:30 a.m. in the morning. Breakfast is served to the children at 9:00 a.m., and is followed by a craft project at 9:30 a.m. Later, staff members read to the boys and girls and have a time of Bible study. Weather permitting, the children go outside to the playground at 11:00 a.m.. Lunch is served at 12:00 p.m. and then the children retire for a nap until about 2:00 p.m. or 2:30 p.m.. After the youngsters wake up, staff lead them in a time of coloring and reading. Later, the kids may engage in free play until quiet time begins as parents arrive to pick up their children between 5:00 p.m. and 6:00 p.m.

### **STAFFING**

Francis Rojas, a member of My Friend's House, is the full-time, paid Director of Amiguitos. She has extensive experience working with children prior to her employment with the Center. She worked for 10 years in the public schools, followed by three years working in a daycare facility. Francis said that she became "hooked on children" during her previous experiences and appreciates her job at the Center because she is able to develop personal relationships with the kids. Yvonne Salinas, also a My Friend's House member, is employed as a paid, full-time childcare assistant. Currently, the church provides scholarships to both women to attend Rio Hondo College in Whittier, where they are working on obtaining formal degrees in early childhood education.

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Arlene Arrieta currently serves as the center's Administrator. A teacher and a member of My Friend's House, Arlene does this job on a volunteer basis. She visits the Center once each week to provide guidance and supervision for Francis and Yvonne. Arlene evaluates how the program is running and addresses any problems that may have arisen. She also provides assistance to Pastor David in the administrative and financial aspects of running the Center and in determining the types of activities planned for the children.



## KEY RESOURCES

Ministry leaders have identified several resources necessary for them to embark upon the childcare ministry at Amiguitos:

**<1> A Committed Task Force:** Pastor David emphasizes the need for a committed task force of church members who are “willing to roll up their sleeves and see that [the work] gets done.” My Friend's House's task force included members with childcare and teaching experience as well as business expertise. These volunteers took on the ministry as their personal project—even spending their own money to help with landscaping, supplies, and toys and emptying their garages to provide storage for the Center.

**<2> A Well-located Facility:** As mentioned above, the church purchased a house adjacent to it that it was able to remodel as a childcare facility. Amiguitos' location on a main boulevard in the city is a key asset. It makes the Center visible to the public and convenient for parents.

**<3> Start-up Funding:** A significant amount of money may be required to cover the initial costs of launching a childcare center. My Friend's House was able to obtain a grant from Los Angeles County which, together with contributions from the congregation, provided funding for Amiguitos' start-up expenses.

**<4> Responsible Staff:** The church must identify and recruit staff members who meet both the church's own criteria and the requirements of the local daycare licensing authorities.



## CHALLENGES

My Friend's House ran into some unexpected expenses in the remodeling of its facility. An additional bathroom needed to be installed, and this absorbed some of the start-up funding. Also, paying educational expenses for Francis and Yvonne was not a part of the initial budget. Other expenses such as finger-printing and CPR training were not initially foreseen.

Another challenge for My Friend's House was the time consuming and sometimes tedious licensure process. Between the renovations needed for the facility, training for the teachers, and other requirements necessary to become licensed, it took the church from January 2001 to June 2002 to complete the process.

A third challenge has been the additional effort needed for staff supervision and coaching. Although My Friend's House is pleased with their director and teacher, more supervision and involvement has been necessary than was initially planned because the Center's director and teacher lack prior experience in their specific roles. To ensure the excellence of the program, Pastor David and Arlene have an ongoing role in supervising and assisting Francis and Yvonne.



# LESSONS LEARNED

Looking back on the process, Pastor David highlights several lessons My Friend's House has learned about starting a childcare center:

▶ **Do pre-enrollment prior to the opening of the Center.** Promote the Center by offering lower tuition rates and waivers of registration fees to those who enroll before the Center officially opens. Pastor David believes that this would have accelerated the Center's financial self-sufficiency.

▶ **Patience is required.** Circumstances may require you to alter your projected time-line. Amiguitos' lengthy remodeling and licensure process delayed the opening of the Center.

▶ **Understand that a church-based childcare center is a ministry-business hybrid.** Volunteers involved with the ministry need to understand that the same level of excellence is required that they would exhibit at their paid jobs. The Center must answer to the county's licensing agency, to parents, and to the church's own integrity. The church must be a good steward of the children entrusted to it. Therefore, the highest level of excellence is required.

In addition, the church must carefully determine the fees to be charged by the childcare center. They must be high enough to ensure financial sustainability for the ministry, yet low enough to be affordable by the families the church is trying to serve. For one child for five days a week, Los Amiguitos charges \$90 per week. This is approximately 18 percent less than what other childcare centers in the vicinity charge and it is considerably below the current market rate for Los Angeles County, which is \$152.50 per week. At the \$90 rate, though, church leaders have estimated that Amiguitos can be financially self-sustaining, and make a modest profit, at full enrollment of 27 children.



# CHURCH CONNECTION

Church members were involved in the Amiguitos project in a variety of ways. A few key people worked closely with David Zepada on a task force to lead the initiative. They helped with the start-up research, designed the playground, performed structural redesigning, decorated, and determined the layout of the Center (where the materials and equipment would be placed). A number of church members were involved in the renovations work, some as volunteers and some as paid tradesmen. Several men from the church were involved in landscaping the grounds for the Center. And the congregation as a whole pitched in to raise the additional funding needed to complete the remodeling.

Several church families now benefit from the childcare services of Amiguitos. Approximately 30 percent of the childcare center's enrollment consists of the children of church members. The ministry has created two fulltime jobs for church members, and, as mentioned earlier, the church is helping to fund Francis and Yvonne's college education.

My Friend's House leaders believe that the childcare ministry will lead to opportunities to minister spiritually among neighborhood families. Children's involvement in the Center leads naturally to new relationships with parents. In addition, Amiguitos deliberately plans programs with a direct connection to the church. For example, during the Advent season, Francis and Yvonne taught Christian songs to the children enrolled at Amiguitos and worked with them to plan a children's Christmas program. Prior to the performance, the children were active at home in singing songs about Jesus that they had learned at Amiguitos. Pastor David reports that the

Kathy Vera, the mother of a two and a half year old son enrolled fulltime at Los Amiguitos, says that having her son at the Center has given her “peace of mind and of heart” while she is at work. Prior to enrolling her son at the Center, he had been in a home daycare setting with which Kathy was dissatisfied. Interested in finding a Christian

daycare center, Kathy says that she “stumbled upon” Amiguitos in another church’s newsletter which included a listing of daycare centers. Being familiar with My Friend’s House’s good reputation in the community, she attended Amiguitos’ open house to learn more. Then she observed at the Center and asked other parents whose children were enrolled at Amiguitos if they were pleased with it. Finding that the Center was “love-based,” Kathy decided to enroll her son.

She soon saw a visible difference in his behavior and attitude. He is “happy when I

leave him and happy when I pick him up,” Kathy reports. This was a change from his prior daycare situation. Kathy believes it makes a difference that the Amiguitos’ staff are members of the congregation at My Friend’s House. At other church-based centers, she says, the staff are not always part of the congregation and may not have the love and patience Kathy believes is so important. At Amiguitos, says Kathy, “I don’t have a second thought about whether my son is loved and cared for.”

attendance at the actual program, which took place at the church, was very high. Parents, grandparents, and other family members all came out to see their toddlers perform “on stage.” For some, this was their first visit to My Friend’s House. As the church continues to love the toddlers through Amiguitos, they believe some of these families will become involved in the church.

## ADVICE *For Other Pastors/Church Leaders*

Pastor David jokes that he has learned more about running a daycare center than “he ever wanted to know.” But the experiences My Friend’s House has had in establishing Amiguitos offers insights for other churches considering launching such ministries. David offers several practical pieces of advice:

► **Do an assessment of need and marketability before starting a childcare ministry.** A survey or assessment of families in the immediate neighborhood should be performed to determine if there is a need for a childcare ministry. My Friend’s House surveyed its own congregation, contacted parents of appropriately-aged children involved in its Sunday School program, and asked church members for referrals. Visiting the neighborhood door-to-door to ascertain needs is also important. These neighbors are the most likely customers for the daycare center, since most parents want to choose a provider that is close by. Pastor David suggests two additional ways of researching the potential demand for childcare services. First, the church can survey families from nearby congregations to inquire about their childcare needs. Second, the church could contact the local Parent-Teacher Association (PTA) to see

## ADVICE continued

whether they can estimate their members' childcare needs. It is also important to learn about other agencies already providing childcare in the community. Knowing what the competition is offering will help you to determine unique features your center could offer.

► **Visit other childcare centers.** Pastor David recommends that church leaders visit other childcare centers to obtain information about programs, pricing, the needs of clients, and the design of the classroom. Directors and teachers of other childcare centers were helpful to My Friend's House's task force. They assisted the task force in anticipating problems and determining how to set up and successfully operate Amiguitos. Books and internet sites regarding childcare management can also provide useful guidance to church leaders in launching the ministry.

► **Be sure to be fully aware of what is required for the childcare facility to be licensed.** My Friend's House had to learn all the requirements imposed by Los Angeles County's daycare licensing office. The church had to send representatives to an orientation meeting and submit a formal application for a license. My Friend's House also had to screen its potential employees for past child abuse, submit criminal background checks, work with the Fire Department to determine that the facility was in compliance with the fire code, and so forth. The licensing agency also had very strict building codes regarding the physical layout of the facility (for example, the number of bathrooms and the size of the playgrounds) that the church had to meet. The rules and regulations are extensive and sometimes involve more than one government agency.

► **Make sure the church has liability insurance that covers a childcare center.** My Friend's House's current insurance policy already covered childcare. However, it is important to ascertain whether your church needs to purchase any additional insurance if it plans to launch a daycare center.

► **Determine the age of children you are best able to serve.** My Friend's House determined that toddler care was more "doable" than infant care. This was because infants require more extensive care and the church's facility was better suited for preschool-age children. In addition, church leaders believe that whenever possible, a parent should stay home to care for an infant child. Thus they were reluctant to offer infant care at Amiguitos.

► **Determine a hiring policy.** The church needs to decide whether to look for staff within the church or consider potential job candidates from outside the church body. Leaders at My Friend's House wanted to try to hire from within. They felt that a church member was more likely than an outsider to understand the vision and mission of Amiguitos. Also, a person from within would already have a personal relationship with church staff members. These are significant advantages of hiring from within. This approach also requires realism, though. Being a Christian and a church member does not automatically mean that the person is a good candidate for the job. Some churches may decide to hire individuals from outside the church to staff its childcare ministry. In this case, the church will need to determine what type of relationship that person will have with the church.

The church also needs to understand the requirements the local childcare agency may have concerning staff qualifications (for example, educational certification or prior experience). Francis Rojas did not, at the time she was selected for the Amiguitos director's position, have all of the educational credits required for that role. Church leaders were able to discuss this with the childcare licensing agency and a compromise was reached. The agency approved Francis' hire since the church offered to pay tuition for Francis to take the few additional courses she needed for full certification as a Center director.

Another hiring challenge concerns timing. The hiring process itself—recruiting and interviewing candidates—takes time. One cannot wait until the Center is officially opened before



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beginning to look for staff. However, staff may be found and hired before the Center is ready to open. So, potential employees may need to be willing and able to wait for a period of time before they actually begin working.

Have a reserve of money to pay for staff salaries until the Center is self-sustaining. Whether one child or ten are enrolled when the childcare center first opens, staff must be hired and in place. Since it may take time to reach full enrollment, the church must have adequate funds on hand to pay staff salaries until the childcare ministry is able to bring in enough money from tuition to cover salaries. My Friend's House was able to use money that had been made through the Open Door Development Project to cover the salaries for Los Amiguitos' first few months.

► **Determine what measures the childcare ministry will take to meet the special needs of low-income families.** As mentioned earlier, Los Amiguitos offers daycare services at a below-market price, in order to help struggling families. But even these reduced rates may not be affordable for some parents. Pastor David indicated he could envision a scenario in which parents could obtain reduced tuition for a limited time by performing in-kind services for the church or the Center in exchange for that reduction in rates. Amiguitos also responds to the needs of low-income families by participating in the "Options" program. "Options" is a program operated by the Los Angeles County government that gives low-income parents a tuition scholarship for childcare costs at licensed daycare facilities. Amiguitos is registered in the Options database and currently accepts four children whose tuition is paid through the Options program.

► **Understand the local schools' expectations for children entering kindergarten.** Amiguitos' curriculum includes both a Christian emphasis and an academic emphasis. Church leaders believe it is important for them to maintain a good relationship with the local schools, in order to know what basic skills children entering the schools are expected to have. In this way, the childcare center can focus on those skills and ensure that children "graduating" from Amiguitos are ready for kindergarten.





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## Who Could Do This, Too?

My Friend's House has achieved an advanced level of community engagement. Other pastors, considering not only the church's housing and childcare programs, but also its tutoring ministries and various social services, may feel overwhelmed by how sophisticated My Friend's House is in these arenas. But My Friend's House is not an extremely large church or a very wealthy church. What it has accomplished as a church of "influence and impact" can be imitated by other Hispanic congregations. It just takes time. Pastor Jim has served the congregation for over thirty years and has steadily led the church, step by step, from one community ministry endeavor to another. He has had to become skilled at casting vision and motivating church members for outreach. He has had to learn "the business of community development" by attending classes and sitting at the feet of Christian mentors with experience in this area. He has had to bring together a leadership team of people with the organizational and administrative skills to implement big, exciting, and sometimes risky visions. And, of course, all this has had to be balanced with attention to serving the needs of members of My Friend's House.

One of the most exciting aspects of this church's story is that it has not only been used by God to meet many different community needs, but it has done so while also growing its own membership. This has happened in two ways. One is that the church's outreach into the community has led to new relationships and new conversions. Through its community ministries, My Friend's House is loving people into the Kingdom of God. The second way that being an outreach-oriented congregation has led to church growth is that the church's vision for getting outside of its four walls is exciting and attractive. People come here in part because they see many opportunities for "putting their faith into action." Clearly, My Friend's House shows that church leaders do not have to make a choice between emphasizing either church growth or church outreach. As Pastor Jim has discovered, word and deed ministry in the community is the means of growing the church.

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**Teachers and students at Amiguitos**

