

INVESTING IN FAMILIES

OUR WORK SUPPORTS AND EXPANDS COMMUNITY SERVICES THAT ENABLE FAMILIES TO WORK AND BUILD ECONOMIC STABILITY



CHILDREN, YOUTH AND FAMILIES



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Building Child Care (BCC) Project

- **Purpose:** To provide a centralized clearinghouse of information and services designed to improve and increase child care providers' access to financial resources for facilities development projects in California.
- **Who:** National Economic Development and Law Center, Child Care Facilities Fund of the Low Income Investment Fund, Child Development Policy Institute Education Fund, and the California Child Care Resource and Referral Network
 - Funded by the California Department of Education, Child Development Division, and designed as the State's response to the need to bring resources together on a centralized statewide level.



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Overview

- How we define *Child Care Facilities*

Development:

- Renovation or Expansion to a child care center or family child care home
- Building or Purchase of a facility to be used as a child care center or family child care home



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Facts About Supply and Demand of Early Care and Education for Children 0-5 in California [\[i\]](#)

SUPPLY

- The number of licensed child care spaces available for children 0-5 years old is estimated at 623,058. 70% of these slots are in child care center facilities, while approximately 30% are in family child care homes.
- The supply of child care center slots for 0-5 year-olds increased by less than 1% between 1998 and 2000.
- The total number of licensed child care facilities, including center and home based, for 0-13 year-olds grew by just under 4% between 1998 and 2000.

[\[i\]](#) These statistics are provided by the California Child Care Resource and Referral Network, *Child Care Portfolio, 2001*



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Facts About Supply and Demand of Early Care and Education for Children 0-5 in California [\[i\]](#)

DEMAND

- Of all children 0-5 in California, 1,534,951, or 51%, live with two working parents or an employed single head of household.
- The estimated supply of licensed child care slots available to serve these children meets only 41% of the demand.
- Demand for space and facilities to house quality child care programs will only increase as school readiness and universal pre-kindergarten programs are explored and implemented.
- Bottom Line: Demand for ECE Facilities in California far outweighs the existing supply.



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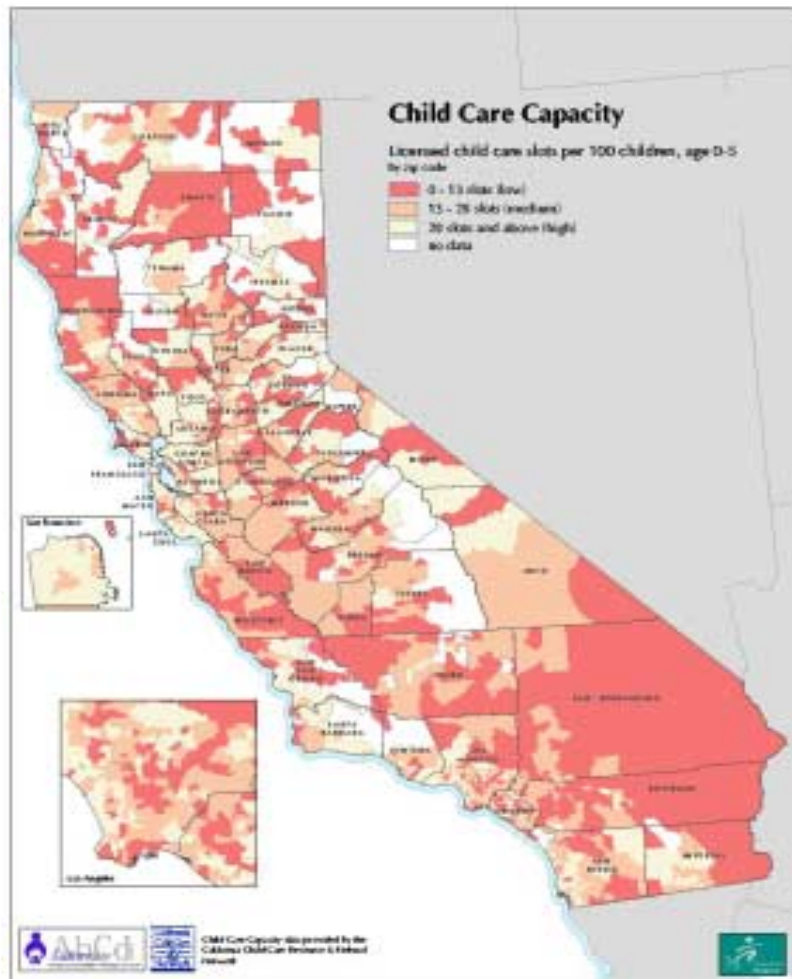
Supply Varies by County

- **Higher licensed supply:**

Alpine, San Francisco, Modoc,
Marin, Humboldt

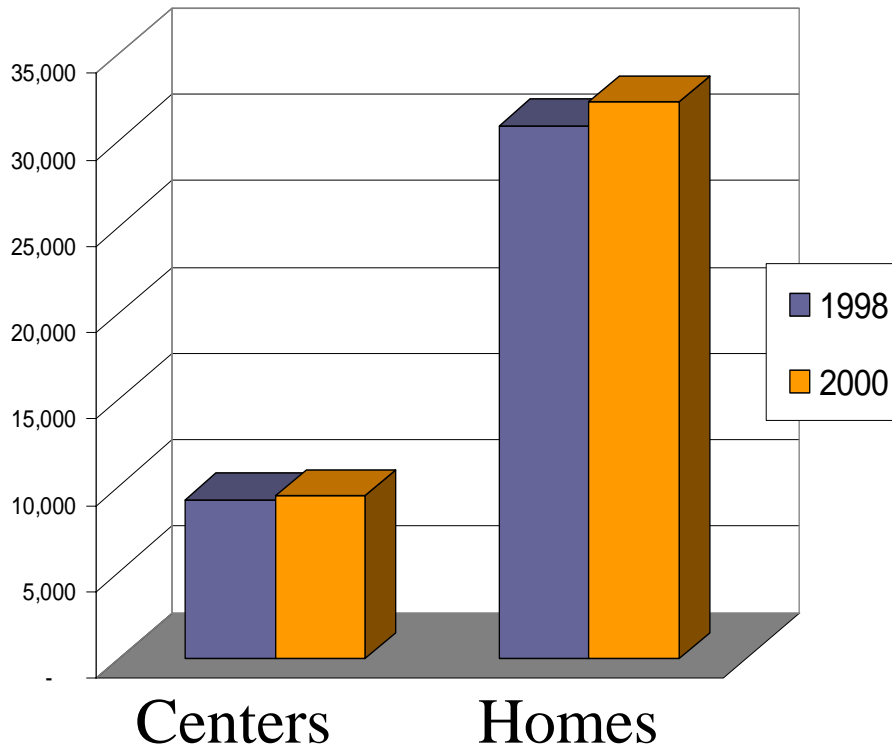
- **Lower licensed supply:**

San Benito, Riverside, LA, San
Bernardino, Orange



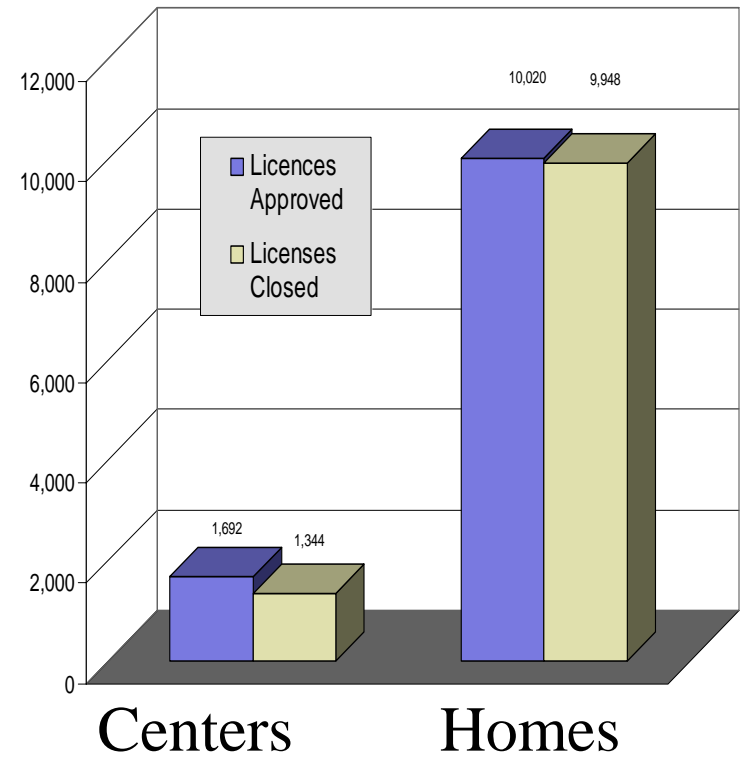
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TRENDS IN FACILITIES 1998 to 2000



(Slow Growth)

TRENDS IN LICENSING DATA



(Poor Sustainability)



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Some Overarching Problems: *Growth and Sustainability of ECE Facilities*

- **Facilities Development Challenges:**
 - Limited purchasing power means that ECE providers typically rent and use below market spaces to meet their need for facilities.
 - Few providers have the skills and knowledge to find their way through the confusing maze of codes, regulations, building requirements and construction challenges.
 - It can be very difficult to identify technical assistance and expert assistance (i.e. Architects, Contractors, Project Managers) to help with these issues.

- **Financial Challenges:**
 - Facilities development projects are costly and require a range of funds.
 - Child care programs typically have limited cash flow and present weak collateral.
 - Planning and predevelopment processes require funding other than debt.
 - Providers often don't understand when and how to use debt and equity.
 - Providers often lack the business skills required to operate sustainable programs.
 - Identifying and accessing available financial resources and technical assistance to help in the financing process can be very challenging.



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Who's Involved in Child Care Facilities Development and Financing in California?

Child Care

- **Technical Assistance:** Resource and Referral Agencies, Regional Resource Centers, Local Planning Councils, Child Care Advocate Program, Prop 10 Commissions, Building Child Care (BCC) Project

Facilities Development

- **Specialists:** Architects, Contractors, Project Managers, Real Estate Developers
- **Licensing:** Community Care Licensing, Planning Departments, Fire Departments

Financing

- **Lenders:** Community Development Financial Institutions, Foundations (PRI's), National Financial Intermediaries, Federal, State, and Local government programs. (e.g. Affordable Buildings for Children's Development (ABCD) Fund)
- **Grant-makers:** Private foundations, community foundations, corporations, Prop 10 Commissions
- **Business Development Assistance:** Small Business Development Centers, Service Corps of Retired Executives (SCORE), Women's Business Centers



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What is Being Done to Meet ECE Facilities Development and Financing Needs statewide?

- In California, there has never been a central place linking child care facilities development and financing resources on a statewide level...

The Building Child Care (BCC) Project takes the first step in establishing such a place.



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The Building Child Care (BCC) Project

- 1. Identifies resources available to help California's ECE Providers and Advocates with facilities development and financing issues:**
 - Publications,
 - Financial resources, and
 - Technical assistance
- 2. Improves access to these resources through statewide technical assistance:**
 - Project website (www.buildingchildcare.org),
 - Toll free line (888-411-3535),
 - "Training the Trainers" workshops, and
 - Focus groups
- 3. Expands existing resources and fosters the development of new ones to meet identified gaps in what is available for ECE facilities development and financing in the following areas:**
 - Financial,
 - Technical Assistance, and
 - Written Materials



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What Can Economic Development Corporations Do?

Financial Strategies: By strategically focusing your resources, Economic Development Corporations are in a unique position to promote child care as an economic development issue and, in doing so, help providers develop and sustain facilities by creating funding opportunities.

- 1. Leverage financial resources.** Help providers in your communities gain access to funding by helping them access:
 - Planning and Predevelopment grants
 - Bridge loans
 - Recoverable grants
 - Forgivable loans
 - Revolving funds
- 2. Improve the sustainability of the child care field.** Ensure the stability of existing programs and the sustainability of start-up programs by helping providers access:
 - Mini-grants to family child care home providers who need assistance doing small renovation, expansion, and safety-related facilities projects
 - Emergency funds to established child care centers and homes that are in risk of losing their licenses because of leasing problems, licensing problems, zoning issues, etc.



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What Can Economic Development Corporations Do?

Facilities Development Strategies: By helping ECE providers with certain elements of the facilities development process, Economic Development Corporations can ensure that projects are well-planned, sustainable and utilize collaborative resources.

- 1. Ensure that projects are well-planned and sustainable.** Help ECE providers in the early stages of facilities development – the planning and predevelopment stages – by providing assistance with
 - Consultant fees (e.g. Architects' design fees)
 - Feasibility studies
 - Business skills development
- 2. Integrate ECE programs with other facilities.** Coordinate ECE facilities with other facilities in the community to make the most of existing and developing resources by encouraging the inclusion of ECE facilities in
 - Family resource centers
 - Housing developments
 - School readiness programs



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What Can Economic Development Corporations Do?

General Strategies:

- 1. Identify ECE facilities as a priority in your strategic plans.** Based on your region's needs and your capacity to offer assistance to meet these needs, clearly defining the facilities development and financial assistance you can offer will ensure that you maximize your resources by applying them in the most strategic ways.
- 2. Coordinate efforts.** There are already a range of resources that exist on local and statewide levels to help with both financing and developing child care facilities. In order to meet your region's needs and to avoid duplication, efforts should be coordinated closely with these existing resources.



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How Can BCC and EDC Efforts Be Coordinated?

Coordination on Facilities Development Issues

BCC provides information about...

- The process of facilities development (esp. planning and predevelopment)
- How to integrate ECE facilities with other programs
- How to identify local technical assistance (TA) resources and their applicability to different needs
- How to identify and work with specialists (e.g. architects, contractors, project managers)
- Coordinating TA efforts to better meet providers' needs for help with facilities development and financing on a statewide level

Coordination on Facilities Development Issues

EDC's can use this information to...

- Help projects maneuver through that process successfully
- Facilitate the integration of local projects
- Guide providers to appropriate technical assistance
- Help providers identify these specialists and pay for certain fees
- Work in collaboration with local TA resources to meet local needs for facilities development and financing



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CONCLUSION

Through creative approaches,
hard work, and the collaboration of resources,
we have an amazing opportunity to successfully meet this
crucial challenge, and to

Create a quality child care alternative for every family in California.

*For more information about the Building Child Care Project please call Prudence Beidler,
the BCC Project Coordinator, at
510-251-2600 ext.135, or 1-888-411-3535.*

