

Affordable Buildings for Children's Development: A California Child Care Facilities Initiative

Although high quality child care is one of the best public investments on behalf of children, and child care plays a key role in the state's economy, California has enough licensed child care spaces for only about a quarter of the state's children. Political and community attention to the importance of child care, particularly preschool, is growing across the state, but a lack of suitable buildings is a barrier to expansion of opportunities to provide children with quality early education, particularly in communities that are most in need of these services. At the same time, the facilities component of this need is complex and requires understanding and expertise that is outside the typical realm of early childhood education. LIIF's¹ ABCD Initiative, launched in 2003, addresses this need by employing a combination of grants, loans, technical assistance, training and policy advocacy to help build a comprehensive and sustainable financing and support system for child care facilities development.

ABCD Fund

Child care programs operate on slim margins. Typically, child care directors' strengths are in child development, not capital financing. LIIF understands the economics of child care and uses this expertise to provide pre-financing technical support along with affordable, flexible capital grants and loans to child care operators. From 2003 through 2007 LIIF delivered more than \$18 million in capital, leveraging an additional \$86.4 million, to support more than 6,500 child care spaces. Much more capital is needed, and so LIIF, building on its success in making loans and grants to child care, works with partners to encourage public and private investment in child care facilities.

Development Assistance

Child care is found in residential and commercial areas co-located with housing, schools and other community services. Developers of quality child care facilities are usually not child care operators, however. Developers need support finding child care partners, and in siting, designing, and financing facilities. LIIF builds partnerships with and provides resources to community developers including project-specific consultation, tools/guides, and trainings, resulting in 1,100 spaces under development.

Constructing Connections

Real estate development is regulated and capitalized at the local level. Child care supply and demand is driven by local economic and social factors. LIIF works with lead agencies in 11 counties² throughout California, providing support with a variety of strategies that improve facility financing and development. These strategies include streamlining land use policies, partnering with real estate developers and working with financial institutions. There are 300 projects with more than 10,000 spaces under development in Constructing Connections counties.

Children's Facilities Policy Committee

LIIF's Children's Facilities Policy Committee is a statewide coalition of child care advocates, finance experts, and community developers who share an interest in promoting facility development. The Committee's 2007 priorities are: reinstatement of Community Care Licensing Child Care Advocates and full implementation of the Child Care Facilities Revolving Fund. LIIF is working with state department, legislative staff, and advocacy partners to promote the Committee's agenda.

¹ LIIF is a nonprofit community development financial institution with nearly a quarter century of experience providing capital and technical assistance for affordable housing, child care and education facilities.

² Construction Connections counties include Amador, Calaveras, Kern, Los Angeles, Merced, Riverside, Sacramento, Santa Barbara, Solano, Orange, and Ventura.