



CHILD CARE AND SUSTAINABLE COMMUNITY DEVELOPMENT

The importance of ensuring adequate child care in planning practice

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FAMILY-FRIENDLY COMMUNITIES BRIEFING PAPERS 01

The American Planning Association (APA) has long recognized in its *Policy Guide on the Provision of Child Care* (1997) that child care is a critical component of livable communities for many families in urban, suburban, and rural areas, and that local planning policies can play an important role in ensuring adequate child care. Whether by necessity or choice, the majority of parents work and many depend upon formal, organized out-of-home care.

Since there is no federal or state universal child care system or guidelines for child care planning, most communities have supply gaps that are especially pronounced for infant/toddler age groups and lower income families. Preschool-age programs (mostly part-day) are proliferating nationally due to public awareness of the value of early learning. State spending on preschool increased from \$2.4 billion to \$4.2 billion nationwide between 2005 and 2007 (Wat 2007). Although federal and state spending on child care subsidies has more than tripled in the last decade, most communities still face problems with inadequate supply of quality, affordable child care (Warner 2007).

KEYPOINT #1:

Accessible, affordable, and quality child care benefits the social and financial needs of parents and the educational and developmental needs of children.

KEYPOINT #2:

Child care contributes to the local economy by supporting parents and local employers.

KEYPOINT #3:

The location and availability of child care can affect other community development goals and activities including smart growth and sustainability planning initiatives.

KEYPOINT #4:

Addressing community child care needs in long-range planning documents and development reviews results in more family-friendly neighborhoods.

KEYPOINT #5:

City partnerships can help overcome the financing challenges of improving local child care systems.



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The majority of child care and part-day preschool centers are run by private or nonprofit entities (rather than school districts or cities) and supported largely by parent fees and the use of low-cost space in churches or schools. The extent and diversity of local early care and education is usually determined by the availability or assertiveness of child care operators and intermediary agencies as well as parents' workforce participation rates and their ability to pay fees.

Planners can influence child care programs by creating policies, identifying local resources, and working with developers and community partners. For example, long-range comprehensive plans, zoning codes, and permitting practices can facilitate or inhibit the development of child care centers and homes.

Through five key points, this briefing paper explores the social, economic, and environmental benefits of a robust local system of child care and early education programs for the child, family, and community. It provides useful examples of policies, strategies, and on-the-ground child care projects for planners seeking to enhance child care services to build family-friendly communities.

KEYPOINT #1:

Accessible, affordable, and quality child care benefits the social and financial needs of parents and the educational and developmental needs of children.

Accessible, quality child care supports the ability of parents to participate in the workforce, be economically self-sufficient, and balance their work and family needs. In 2007, 71 percent of mothers with children under age 18 and 55 percent of mothers with children under a year old

were employed (U.S. Department of Labor, Bureau of Labor Statistics 2008). In 2005, 89 percent of children under age five and 63 percent of school-age children with employed mothers regularly attended some sort of child care arrangement (U.S. Census Bureau 2008).

However, high-quality, affordable, and reliable child care is hard to find. In 2003, the market prices of full-time, mediocre-quality child care exceeded the costs of public college tuition in 49 states (Schulman, 2003). Studies indicate that American families spend up to one-quarter of their incomes on child care (Kimmel 2006; OECD 2005). Furthermore, a growing proportion of American employees work nonstandard shifts (e.g., nights, weekends) during which regulated child care is nearly nonexistent (Henly & Lambert 2005; Presser 1988).

These financial and logistical constraints often cause parents to turn to low-cost, flexible, informal care arrangements with relatives, friends, or neighbors (Meyers and Jordan 2006). Estimates are that close to half of the children in day care are cared for in informal arrangements (Sonenstein et al. 2002). Planners need to consider how policies can support informal child care as well as regulated centers and family child care homes.

Equally important is the crucial value child care provides to children. Quality early care and education programs support a child's optimal development and readiness for success in school. Longitudinal research (e.g., Chicago Child-Parent Centers, High/Scope Perry Preschool, and Abecedarian Projects) shows that children who attend high-quality preschool programs are less likely to be placed in special education, less likely to be held back a grade, and more likely to graduate from high school and attend college. They also perform better on standardized tests in reading and math (Wat 2007).

The Perry Preschool Study followed participants in a high-quality program for more than 40 years and found that, as adults, they were less likely to be arrested, more likely to own a home, and more likely to be employed (Schweinhart et al. 2005). While these studies targeted "at-risk" children from low-income families, other research shows positive effects for all children. Program quality, however, is an important factor.

The challenge for planners is to promote program quality while supporting a diversity of child care options in the market place. Intentionally designed facilities are one component of quality. Helping internalize the cost of new facilities by integrating them into developments supported by a range of public funding streams is one way planners can help strengthen the child care sector. Planning, zoning, and finance tools are detailed below.

KEYPOINT #2:

Child care contributes to the local economy by supporting parents and local employers.

Significant savings to society and the national economy in both the short and long term are realized by investments in early childhood education. Economists have found that high-quality early childhood education offers one of the highest long-term returns of any public

investment—more than \$7 for every dollar spent. At the macroeconomic level, researchers have correlated quality child care programs with greater gross domestic product, jobs, and human capital creation (Wat 2007).

Many economic developers recognize the importance of child care to local economic development. A 2006 survey of economic developers and chamber of commerce leaders in New York State found that:

- ◆ 83 percent agree that child care should be a part of economic development policy.
- ◆ 82 percent recognize that a lack of affordable, quality, convenient child care reduces worker productivity.
- ◆ 67 percent feel that businesses' ability to attract and retain workers is hurt by lack of quality child care.
- ◆ 58 percent acknowledge an inadequate supply of quality child care in their community (Warner 2007).



Figure 1. In San Jose, California, the community colocated child care and affordable housing near a light-rail station.

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Similar results were found for economic developers in a Wisconsin study. However, a national survey of planners found that only 20 percent recognized that their community lacked an adequate supply of affordable child care. A shocking 43 percent did not know about child care supply problems (Israel and Warner 2008).

Since 1997, more than 70 states and cities have conducted economic impact studies of child care to calculate the size of the industry at the state and county levels and its multiplier effect in the local economy. (A database of these studies is available on Cornell University's Linking Economic Development and Child Care project website.)¹ These studies find that child care is a significant small business sector. For example, in Kansas, the child care sector employed more than 14,000 workers and indirectly supported working families who make almost \$2 billion a year (Mid-America Regional Council 2003). Warner's (2009) economic analyses found that, "On average, for each new dollar spent in the child care sector, the broader statewide economic impact is two dollars. For each new job created in the child care sector, the broader statewide impact is 1½ jobs." Child care was included in the 2009 stimulus bill passed by Congress because of its high stimulus effect and because child care businesses are particularly susceptible to the recession due to low margins and high turnover.

Planners play an important role in strengthening the child care sector as critical social infrastructure for economic development by partnering with local employers and leveraging public financing and other economic development tools.

Some public and private employers sponsoring on- or near-site child care centers realize substantial benefits in reduced turnover, absenteeism, training and recruitment costs, project delays, and employee inefficiencies. Planners can encourage employer involvement by connecting employers to resources and helping to site employee-sponsored child care facilities within or in close proximity to places of employment and residential areas. Employers could sponsor child care solely for their employees or as part of a consortium, or pay to reserve child care slots in an existing program. An interesting example comes from post-Hurricane Katrina Mississippi, where child care facilities were destroyed, leaving refinery workers unable to return to work. Chevron Corporation worked with local organizations and planners to redevelop child care facilities, recognizing the critical importance of these facilities as a supporting infrastructure for the local economy (Warner et al. 2007).

¹ See http://economicdevelopmentandchildcare.org/economic_impact_studies.

Economic development tools, such as redevelopment (tax increment) funds and Community Development Block Grants (CDBG), can be used to revitalize neighborhoods and encourage new child care businesses, which create jobs and revenue. For example:

- ◆ The City of South San Francisco built a 100-child center in an office park to help retain and grow its significant biotech industry. The redevelopment agency used \$2.7 million of bond funds to construct the 8,500-square-foot facility and then leased it to a non-profit operator. Other public and private funds were leveraged to support start-ups. (See Figure 2.)

Federal CDBG funds commonly subsidize child care operations or facility construction and renovation for low-income populations (Anderson 2006). Starting new child care businesses is an eligible economic development activity. San Jose and San Mateo County in California, among others, fund family child care home business development projects that provide training, technical assistance, and start-up resources. Other cities support consortia of family child care providers to help them access economies of scale in purchasing and management. The nonprofit Acre Family Child Care Network in Lowell, Massachusetts, oversees 39 homes that serve an average of 234 children daily (Stoney 2004).



Figure 2. South San Francisco built a child care center in an office park to support the growth of its biotechnology industry.

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- ◆ Several New York municipalities use State Enterprise Zone tax credits to develop child care facilities within their jurisdictions.

Other economic development strategies used to strengthen the child care sector include business management training, collective purchasing arrangements for providers, and community outreach regarding tax credits and subsidies for families (Warner et al. 2004).

KEYPOINT #3:

The location and availability of child care can affect other community development goals and activities including smart growth and sustainability planning initiatives.

Increasingly popular smart growth and sustainable community planning focuses on coordinating housing, jobs, and services near each other with goals of increasing housing and transportation choices, denser development, and walkable neighborhoods. Theoretically, these initiatives support

the daily needs of families. However, child care is overlooked in most new and existing residential, commercial, and mixed use developments and community smart growth strategies.

Accessing child care convenient to home, work, or school is a challenge for many parents, particularly those who depend on public transit or rely on subsidized child care. When it is not conveniently located, parents must increase their miles driven and time spent in vehicles, contribute to traffic congestion and greenhouse gas emissions, and spend less time physically active or participating in the community and with family. (See Figure 3.) The National Household Travel Survey found that, nationwide, young children average 65 minutes per day in cars.

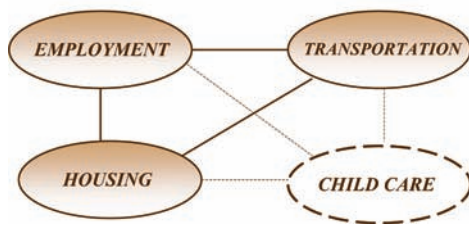


Figure 3. Child care is often the missing link in community planning and economic development.

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Sustainable, livable communities for young families must include housing choices that are family-sized and affordable to a range of incomes and also integrate child care. Many such projects have been built across the nation. Facilities in denser areas may require features such as rooftop playgrounds. Child care centers can be located in or near transit, housing, and workplaces in urban, suburban, and rural areas to facilitate transit ridership and support mixed use development (LINCC 2005; 2008a). A California study determined that parents will ride transit—even by choice—to and from child care when the facility is conveniently located.

Ridership rates are highest in urban areas with robust public transit and for low-income populations (LINCC 2008b). Some cities link affordable housing programs with child care to increase the supply of family child care in housing development. This is important as the majority of infant care is provided in family child care homes and many apartment owners prohibit child care businesses.

Examples of urban, suburban, and rural communities addressing child care needs include San Diego's City Heights neighborhood. One of its redeveloped urban villages includes several family-friendly components within walkable distance of housing, such as a Head Start center, schools, parks, a health clinic, library, police substation, and community college campus. The City of San Jose, California, made \$1.5 million of redevelopment funds available to child care developers through an RFP process.

Rural Watsonville, California, offers a mixed used development adjacent to the downtown bus station that integrates child care facilities and high-density housing (LINCC 2008a). This enables parents to efficiently drop off their children at the child care facility and commute to work via public transportation and ultimately reduce their vehicle miles traveled. Downtown employees can bus in, drop their kids, and walk to work. A Redmond, Washington, child care center, which was developed near affordable housing and a bus station, made the home-to-work trip more convenient for parents of young children.

While there are demonstrated strategies to include child care in new development, many master planned communities have not adequately anticipated the needs of children and parents. For instance, the master plan for San Francisco's Mission Bay neighborhood proposed 6,000 housing units and seven million square feet of office, research and development, and retail space. Although a child care study recommended inclusion of three child care centers as well as land-use entitlements to allow family child care "by right" within residential zones, these family amenities were not developed along with newly constructed condominiums and apartments over the past six years. The lack of facilities now forces parents living in transit-oriented developments to drive to other neighborhoods for child care, recreational, and school facilities (Dinneen 2009).

KEYPOINT #4:

Addressing community child care needs in long-range planning documents and development reviews results in more family-friendly neighborhoods.

Communities engage in long-range planning to ensure the appropriate location of uses needed by residents, workers, and visitors. Family-friendly communities plan for those facilities and services families need to thrive and stay in the community, including housing and transpor-

tation, schools, parks, and child care (Israel and Warner 2008). Failure to consider child care results in supply gaps, increased development costs, poorer linkages to families' housing and transportation, and neighborhood resistance when projects are proposed in built-out areas. When child care is intentionally planned in new development or redevelopment, neighbors' "not-in-my-backyard" opposition, a frequent obstacle to proposed child care projects, can be minimized. Awareness of the location of child care centers in existing or future development helps inform the purchase decision of potential home buyers.

Planners in all states can tap into child care experts who track demographics such as workforce participation rates and child care supply and demand at Child Care Resource & Referral Agencies (R&Rs). (See the Toolkit for contacts.) R&Rs can be resources to assess the local child care market, identify operators, design experts, and funding, and assist in developing policies to support child care development.

Land-use planning tools increasingly address child care and systematize its inclusion in community development (Anderson 2006; Warner 2007). Many jurisdictions include child care policies and programs in long-range comprehensive and general plans to reduce barriers to the permitting of child care in numerous zoning districts, simplifying processes and minimizing fees. For example, the general plans of dozens of California cities incorporate child care in land-use, transportation, economic development, public facilities, social services, or other plan elements. In addition, many call for the integration of child care needs assessments for proposed developments. Cities can also offer density

bonuses, parking reductions, or other trade-offs to incentivize the inclusion of child care in developments when those facilities require a below-market lease rate. Such incentives may be implemented through zoning codes or negotiated as part of a development agreement. These actions enable the child care market to more effectively respond to growing demands.

The following examples illustrate some of the ways local jurisdictions are integrating child care into plan-making processes and community development projects.

General/Comprehensive Plans:

- ◆ Vermont state law includes child care as one of 13 specific goals for municipal and regional planning.
- ◆ Delano, a city in rapidly developing rural Kern County, California, adopted a General Plan policy that requires a child care needs assessment for new projects.

Zoning

- ◆ White Plains, New York, changed the zoning ordinance in 2008 to allow child care in office zones; subsequently, a 114-child facility opened in an office park.
- ◆ San Diego, California, allows child care centers "by right" in all nonresidential zones

Planning Practices

- ◆ Step-by-step child care permitting guides have been developed in various cities (See San Mateo, California's at www.cityofsanmateo.org/index.aspx?NID=230).
- ◆ Riverside County, California, has expedited fast-track permitting for child care centers.

Developer Agreements and Fees

- ◆ Livermore, California, instituted a developer fee to fund community facilities including child care and senior centers and facilities for the disabled. More than a dozen California cities and counties have instituted such developer fees or inclusionary ordinances.
- ◆ Developer agreements have been negotiated by cities to include child care facility construction, in-lieu fees, or tuition subsidies.

KEYPOINT #5:

City partnerships can help overcome the financing challenges of improving local child care systems.

Because of the inelasticity of child care fees and parents' inability to pay higher fees beyond a certain point, the majority of child care providers cannot generate revenue sufficient to pay for capital costs. Joint development is one way of overcoming financing challenges. Cities and

their partners (e.g., school districts, transit agencies, and housing developers) can broker creative public and private support for child care projects. Each stakeholder benefits from having child care available and convenient for different populations (e.g., transit riders, affordable housing residents, students, employees) and brings unique contributions to the table.

A child care center/learning lab to be built at Santa Monica College in California is a good example. The 12,500-square-foot early childhood education center with a 7,500 square-foot outdoor play area will be designed and built at the Civic Center with \$7 million from a bond measure approved by voters in 2004. The city is contributing revenue from a child care impact fee on development. The 125-child center will serve employees nearby at City Hall, RAND Corporation, county courthouse, and residents of a 330-unit housing project. It will also serve as a learning laboratory for the college's early childhood education students.

Child care on school sites can reduce neighborhood traffic problems and support educators' goals. To support student achievement or utilize available space, school districts often accommodate before- and after-school care for elementary age and preschool programs on school campuses. Beginning in 1989, Fairfax County, Virginia, committed to ensure that designated space for school-age child care was included in every new and renovated school, using general obligation bonds to fund construction.

Cities providing land or financing for affordable housing projects can issue developer requests for proposals that include a child care component. For example, the Rich Sorro Commons affordable housing development in San Francisco includes both a small center and a residential unit set aside for family child care.

To meet local employee and school district child care needs while supporting transit ridership and walkable communities, the Shady Grove, Maryland, Metro station has a child care center with capacity for 106 children that received state Smart Growth and federal Livable Communities transportation funds. It was a public-private partnership involving 11 funders and the school district. Businesses contributed \$438,000 and the county \$288,000; the transit authority provided a 30-year minimal cost lease.

Planners play an essential role in building their communities' child care and early education systems. With their long-range vision for building sustainable communities and complete neighborhoods that are inclusive and meet the needs of all ages, they can pursue strategies to ensure child care needs are met. Building the connections with many interested partners leads to win-win solutions and maximized resources for all.

This briefing paper was written by Kristen Anderson (child care coordinator, Redwood City, California) and Ellen Dektar (LINCC coordinator, Alameda County Child Care Planning Council, California).

TOOLKIT

These organizations and their websites and publications are resources planners and their partners can use in planning for and developing child care facilities.

Child Care Facilities Design and Development

- ◆ The Building Child Care Project has information on facility design, development, and financing; estimating market demand; and architects and contractors who specialize in child care facilities. www.buildingchildcare.org
- ◆ Enterprise Community Partners provides manuals for community development practitioners in low-income communities. www.enterprisecommunity.org/resources/publications_catalog/#child
- ◆ Local Initiatives Support Corporation provides several design and development guides and articles. www.lisc.org
- ◆ The Low Income Investment Fund provides a child care facility planning checklist, child care center design guide, sample child care site plan, and California county child care development intermediaries. www.liifund.org

Identifying Market Demand, Experts, and Operators

- ◆ The National Child Care Resource and Referral Network provides agency contacts for local child care design experts and operators and local data and market assessment to help identify local market demand. www.naccrra.org

Child Care Licensing

- ◆ The National Child Care Information and Technical Assistance Center lists state-by-state child care licensing regulations. www.nccic.org

Child Care and Community Development

- ◆ The Local Investment in Child Care Project has a toolkit for developers and local governments, child care, and transit research, and a list of transit-oriented developments with child care. www.lincc-childcare.com

Facility Needs Assessments, Planning Documents

- ◆ Low Income Investment Fund. www.liifund.org.
- ◆ The National Child Care Information and Technical Assistance Center includes contacts for all states' child care licensing and resource and referral agencies. www.nccic.org

Linking Child Care and Economic Development

- ◆ The Cornell Linking Economic Development and Child Care Project provides resources for conducting impact studies, links to economic development policy, and the role of planners in family-friendly communities. <http://economicdevelopmentandchildcare.org>
- ◆ The Insight Center for Community Economic Development conducts child care impact studies and capacity-building projects in several states. www.insightccd.org

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Family-Friendly Communities Briefing Papers

This is one in a series of briefing papers on how planners can create family-friendly communities where families enjoy housing that is affordable, child care, parks to play in, quality schools, and safe neighborhoods.

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