

A PLANNING GUIDE:

LINKING CHILD CARE TO ECONOMIC DEVELOPMENT

Best Practices of the California Local Investment
in Child Care (LINCC) Project



885 Moro Drive
Gilroy, Ca 95020

(408) 779-1943
(408) 778-5458 fax

www.gokids.org

The National Economic Development and Law Center
2201 Broadway, Suite 815 Oakland, CA 94612
(510) 251-2600 (510) 251-0600 FAX www.nedic.org



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*Best Practices of the California
Local Investment in Child Care (LINCC) Project*

Alex Hildebrand and Stephanie Upp, Consultants



National Economic Development and Law Center

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National Economic Development and Law Center
2201 Broadway, Suite 815
Oakland, CA 94612
Ph: 510-251-2600
Website: www.nedlc.org

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Preface

LINCC

Local Investment In Child Care Project

This Guide offers child care advocates the tools they need to combine their efforts with the expertise and best practices of the economic development field. In doing so, advocates will be in a stronger position to expand and improve the child care industry in California. The strategies and techniques articulated within are based upon those of the Local Investment in Child Care (LINCC) Project, initiated in 1996 by the National Economic Development & Law Center (NEDLC) and funded by the David and Lucile Packard Foundation.

As part of a "Toolkit" for child care advocates who would like to replicate LINCC activities in their counties, regions, or localities, this guide is one of four publications in a series. The other publications include "A Methodology Guide: Creating an Economic Impact Report for the Child Care Industry," "A Land Use Guide: Tools for Child Care Advocates," and "A Resource Guide: Financing Child Care Facilities Development in California." While portions of this Guide can be used independently, the other publications are complementary by design. Together, the series will help advocates implement a comprehensive and well-rounded child care/economic development project.

The Guide's overall purpose is to develop the capacity of other counties in California to serve as local advocates and resources for the development of child care facilities and businesses, and to help LINCC be replicated – in whole or in part – across the state.

It will describe strategies that LINCC projects around the state have utilized to reduce barriers to the development of child care facilities and businesses. Guidelines and tips about how other jurisdictions can go about replicating those strategies are also included. The text is divided into chapters which cover each of the major "strategic impact areas" of the LINCC project, including:

- Changing perceptions of the child care industry;
- Leveraging economic development resources;
- Reducing land use barriers to child care facility operation and development;

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- Incorporating child care into local economic development planning and General Plans;
- Financing child care facility development;
- Providing technical assistance for child care facility development; and
- Developing child care providers' business skills.

It will outline how to pursue each strategic impact area by setting the **context** for the work, listing the **major players** involved, describing the **tools** that can be used to achieve success in this area, and offering brief **case studies** to document the work of the LINCC counties. Further, the Guide describes **potential barriers** and tactics for overcoming them, and also includes **glossaries** of key terms and **sample materials** from LINCC projects around the state.

The authors would like to acknowledge and thank all the LINCC Project Coordinators and Administrators, the Child Care Law Center, and the California Child Care Resource and Referral Network for their tremendous work implementing the LINCC project and in providing feedback and advice regarding this publication.

National Economic Development and Law Center

James Head, President
2201 Broadway, Suite 815
Oakland, CA 94612-3024
510-251-2600

LINCC County Partners

Alameda County

Child Care Planning Council
Angie Garling, Child Care Coordinator
1401 Lakeside Dr., 11th Floor
Oakland, CA 94612
510-208-9675

Kern County

Community Connection for Child Care
Wendy Wayne, Administrator
2000 24th Street, Suite 100
Bakersfield, CA 93301
661-861-5213

Los Angeles County

Los Angeles County Child Care
Planning Committee
Kathy Malaske-Samu,
Child Care Coordinator
500 W. Temple, Room 588
Los Angeles, CA 90012
213-974-2440

Monterey County

Department of Social Services
Child Care Planning Council
Kathleen Murray-Phillips,
Child Care Coordinator
1000 S. Main Street
Salinas, CA 93901
831-796-3530

San Mateo County

Child Care Coordinating Council
Jan Stokley, Executive Director
700 S. Claremont St., Suite 107
San Mateo, CA 94402
650-696-8780

Santa Clara County

CDI / Choices for Children
Debra Peterson, LINCC Coordinator
111 N. Market St., Suite 100
San Jose, CA 95113
408-297-3295

Santa Cruz County

Santa Cruz Office of Education
Marcia Meyer, Director
809 H Bay Avenue
Capitola, CA 95010
831-479-5321

Ventura County

Human Services Agency
Patty McWaters, Child Care
Development Specialist
505 Poli Street
Ventura, CA 93001
805-652-7830

Technical Assistance Partners

**California Child Care
Resource and Referral Network**
Patty Siegel, Executive Director
111 New Montgomery St., 7th Floor
San Francisco, CA 94105
415-882-0234

Child Care Law Center
Christine Cleary, Managing Attorney
973 Market Street, Suite 550
San Francisco, CA 94103
415-495-5498

Berkeley Media Studies Group
Katie Woodruff, MPH, Program Director
2140 Shattuck Avenue, Suite 804
Berkeley, CA 94704
510-204-9700

Funder

The David and Lucile Packard Foundation
Center for the Future of Children
300 Second Street, Suite 200
Los Altos, CA 94022

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Introduction

Child care is a vital service to every community as it allows parents to work and provides a healthy environment for children to develop and prepare for school. Recent studies have also shown that the child care industry is an important part of every local economy.

Yet, child care businesses, which generally operate with little to no profit margins, are struggling to staff their programs and maintain facilities to meet the demand for care. The child care field alone does not have the resources nor expertise to ensure that communities have the amount and quality of care that is needed to thrive.

Consequently, the Local Investment in Child Care (LINCC) project was initiated in 1996 by the National Economic Development and Law Center (NEDLC). With funding from the David and Lucile Packard Foundation, the project is designed to generate and utilize creative new strategies for supporting the child care field. These strategies include:

1. Transforming perceptions of the child care industry;
2. Bringing new players, including government officials, planners, businesses, banks, and the community, to the table to educate them about their stake in the child care crisis and to discuss how they can be involved in addressing it;
3. Helping child care providers increase their business skills;
4. Generating new, locally appropriate financial resources for the child care field; and
5. Reducing systemic barriers to child care facility development and business operation.

All of these strategies are predicated on the understanding that child care is an important component of community economic development. Once the connection between child care and economic development is made, people who care about economic development will become concerned about supporting the child care industry. Once they become concerned about child care, you must bring them to the table and be ready to provide them with specific tools and strategies for investing in child care.

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While the strategies for implementing the LINCC project have varied greatly across participating counties, one feature has been constant: all players involved have discovered that investing in child care is a win-win situation. Government wins when child care starts bringing more revenue into their jurisdiction and employing more citizens. Businesses win when they learn how to offer effective child care benefits to their employees, who in turn improve their attendance and have greater job satisfaction. Banks win when the child care field becomes a more viable market for their loan products. Communities win when parents have access to safe, quality child care for their kids while they work, and when children enter school healthy, socialized, and ready to learn.

Why is this Guide important?

The acknowledgement of this nexus of child care and economic development has come at an opportune time for both child care advocates and economic development professionals. Despite some recent signs of an economic slowdown, in general individuals and families are employed and doing well, city and county revenue bases have grown considerably, and businesses have invested significant resources in their workforce. A larger quantity of public dollars, including funds from CalWORKs and Proposition 10, is being infused in the child care sector than in any time in the state's history. And yet, these increased investments are not adequate to keep pace with the growing demand for child care. Now, more than ever, child care advocates, policy makers, and business leaders should be building programs and creating new funding systems that will promote and sustain the child care sector when the funding begins to lag.

What is the rationale for linking child care to economic development?

During the next 20 years, California will add more than five million new jobs.¹ This economic growth will be accompanied by more than 12 million new residents, over four million new households², and upwards of two million new children in our public schools. The projected growth of the next 20 years will equal that experienced in the boom years of the 1950s, 1960s and 1970s combined.

This projected growth in population will pose a dramatic challenge for California's child care industry. The economy's growth will increase the need for all forms of early care and education—needs that will overwhelm families and providers if investment policies are not conceived with innovation and vision. These needs will include, but are by no means limited to:

- Affordable child care costs for both low- and middle-income families;
- Access to public and private funding for child care facilities development and/or expansion;
- Investments in business technical assistance and resources for small business operators in the child care field;

- Inclusion of child care concerns in long-term land-use planning and transportation policies; and
- Livable wages for the industry's workforce.

This surge in jobs and population will not only create the need for new investments in the industry, it will also place added stress on an already overburdened industry.

Furthermore, to be fully successful in meeting these needs, California and the country as a whole need a radical shift in our public consciousness, one that begins to view the child care industry as a “social infrastructure”—like transportation, public works, affordable housing, higher education—that is a necessary and valuable piece of a community's economic and social well-being. For example, without a highly sophisticated highway and public transportation system, high tech companies in the state's booming Bay Area would not be able to attract their much needed workforce beyond county or even city limits. Likewise, without a healthy child care industry, businesses would not be able to attract or retain workers.

In fact, in light of current economic trends and changing workforce demographics, many businesses are becoming more concerned about child care. A study by the Families and Work Institute³ found that:

- Two-thirds of employers report that benefits of child care programs exceed costs or that the programs are cost-neutral.
- Three-quarters of employers who offer flexible work schedules find that benefits exceed costs or that the programs are cost-neutral.
- Of those employers with family leave policies, three-quarters find that the benefits exceed costs or that the programs are cost-neutral.

These companies are getting involved in child care issues in a variety of ways, including supporting community initiatives, offering information and referral services, providing subsidies for employees' child care expenses, creating child care centers, and increasingly, by making contributions to local child care grants and loans funds. Through efforts like these, the private sector is beginning to understand that investment in the child care industry is a good investment for their bottom lines.

The bottom line for business and families, cities and states, public officials and child care workers is that the child care industry is an essential component of its community's infrastructure. The industry provides educational value by preparing children to enter schools. It provides social value by playing a vital role in healthy brain development. Quality child care is equally important as primary and secondary education in setting the stage for a child's future success. Finally, the child care industry provides an economic value to local communities by creating jobs and generating output, in addition to enabling local business to thrive.

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HOW TO USE THIS GUIDE

This Guide is designed to introduce local child care leaders, in the community or in government, to creative solutions for addressing barriers to child care facilities and business development. It is written from the perspective of, and uses models from, projects that have been implemented at the county and city level, but could be utilized on a smaller or larger geographical scale.

Impact Areas

This Guide introduces child care advocates to six major strategic impact areas that can have the greatest effect on economic development planning:

- ***Changing perceptions of child care:*** This impact area will provide the underpinning for most of your work. It involves researching, then spreading the word about the economic value of child care to the various players you will want to recruit to work on this issue in your area. It will provide information on how to gather and present information on child care, and to whom you must present it.
- ***Economic development resources:*** Child care centers frequently encounter difficulties finding a space in which to do business. Some economic development offices specialize in helping businesses find suitable locations. They may help to find public and private land, acquire land for business purposes, and obtain any necessary zoning variances.
- ***Land use incentives:*** In order to promote certain types of economic development, counties will often establish incentives for the use of land by certain types of businesses. For example, as a matter of state law, an 8-child family child care home is considered a residential use of land. Some communities have extended this residential designation to 14-child homes in order to promote larger family-based homes. Similarly, housing developments that incorporate child care centers may receive special benefits.
- ***Child care in the General Plan:*** Child care has not typically been part of the community planning process – but your research and advocacy will help prove that it should be. Every jurisdiction has a General Plan, a document that provides guidelines for how growth and development will be managed locally. Your job will be to ensure that child care is written into that document.
- ***Financing of facilities and businesses:*** Many businesses rely on debt financing to invest in long-term capital assessments and to expand their operations. Although the child care industry has not historically relied on debt financing, it may be cost effective and beneficial for some providers to incur long-term debt for facilities. Economic development resources may be available to lower the cost of the financing, to provide more flexible or longer payment terms, or to provide credit enhancement for borrowers who lack a track record in carrying and repaying debt.

- ***Business development and Technical Assistance (TA)***: Many entities, including a statewide network of Small Business Development Centers and others, provide small businesses with assistance in financial and business planning, marketing and management. Some serve very small businesses, which could include family child care providers. Child care centers, both non-profit and for-profit could also benefit from these services.

Additional Issues

There are several issues to which entire chapters are not devoted in this Guide, but which may deserve attention while you are engaged in your project. These issues include two additional areas discussed below: workforce development and legal services.

→ *Workforce development*

This issue of workforce development is closely related to the task of re-framing child care as an economic development issue. Most LINCC counties, however, have chosen not to take it on as a primary strategy for increasing local investments in child care. This decision is based partly on the fact that workforce development is relatively unpopular politically, and partly because this issue may be addressed more effectively at the state or national level rather than the local.

In many parts of California, the staffing situation at child care programs has reached crisis proportions. The dynamic that is important to emphasize in the course of your education and outreach is that the workforce crisis is placing a major strain on the ability of child care providers to keep their programs open, much less to improve and expand them. This fact is well-known within the child care field, but it is just beginning to attract the attention of the mainstream media. Many of the people with whom you will be trying to partner will be relatively unfamiliar with this issue.

Some local resources are being assembled to address this issue, particularly those generated by Proposition 10, the California Children and Families Act passed by voters in November 1998. The Act increased the tax on cigarettes and tobacco products and directs those extra funds to the creation and/or improvement of early development programs and services for children ages prenatal to five years. Several California Prop 10 Commissions (for example, in Alameda and Kern counties) have chosen to provide some level of stipend to child care providers that have some Early Childhood Education credentials, and who agree to acquire more credentials. This gesture is intended not to solve the workforce crisis, but to provide a little extra incentive for child care staff to stay in the field and improve their qualifications for providing child care.

San Francisco has taken the unusual step of designing a program, funded by the City's General Fund, to supplement the wages of child care providers whose salaries fall below a certain income threshold. This initiative – WAGES PLUS – has predetermined “wage floors” for various staff categories (based on education and job responsibilities). Eligible providers and support staff who do not meet category thresholds receive funding to fill the gap. Wage floors range from \$9 to \$17 per hour, and the average hourly increase is \$1.66 per hour,

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which for a full time employee amounts to about \$3,400 per year. This program, along with others such as Washington State's Early Childhood Education Career and Wage Ladder and North Carolina's WAGES program, is somewhat of an anomaly but could certainly be used as a model to promote to other city governments. The San Francisco program is run through the Department of Human Services, WAGES PLUS Program, (415) 557-5864 or (415) 558-2347.

The Center for the Child Care Workforce, located in Washington, DC (with a branch in Berkeley, CA), is one of the foremost national organizations with expertise in this area, and should be contacted if you decide to craft a workforce development agenda. The Center conducted a study in Alameda County in October, 1999 called "A Profile of the Alameda County Child Care Workforce." Documents such as this one are extremely valuable in lobbying for public or private sector support around workforce development. The Center can be contacted at (202) 737-7700 or via mail at 733 15th St., NW, Suite 1037, Washington, DC 20005.

→ *Legal Services*

While legal issues are mentioned throughout this Guide as they relate to other strategies, legal services are not addressed on their own. Clearly, legal expertise is helpful at just about every turn in advocating for child care. Legal Aid organizations in California are also becoming savvier about child care issues. However, you will have to contact the Legal Aid organization(s) in your area to see what services they may be able to offer in relation to your work.

Generally, Legal Aid organizations are funded to serve people that are low-income or groups that are non-profit and/or serve low-income populations. For example, most Legal Aid organizations could assist a child care business that wishes to become a non-profit. They may also be able to assist family child care providers with legal issues around land use policies and neighbor complaints. Finally, a Legal Aid organization may assist child care providers with the legal and contractual aspects of a facilities development project. If possible, try to get a representative of a Legal Aid organization on your Advisory Board for your project, as there may be issues they can help with that you may not recognize.

For general information about legal assistance for child care providers, and for written materials covering many of these issues, contact the Child Care Law Center by phone at (415) 495-5498 or my mail at 973 Market St., Suite 550, San Francisco, CA 94103. You can also visit their website at www.childcarelaw.org.

Who implements these LINCC project strategies?

In existing LINCC counties, projects are administered by Child Care Planning Councils, County Offices of Education, and Child Care Resource and Referral Agencies. In one former LINCC County, the project was administered by a regional non-profit, and in another by a City Department of Parks and Neighborhood Services.

Because the information is issue-based rather than organizationally-based, the LINCC activities described in this Guide can be implemented by any party interested in assuming

this new role in supporting the child care field. It can also be used in part or as a whole. All of the topic areas are mutually reinforcing. For example, reducing land use barriers is most effectively done concurrently with developing resources for child care facilities development, so that when the barriers are gone, there are resources to fuel the desired activity. Conversely, *not* addressing these issues concurrently can work against you. To explain, if you work hard to convince local agencies or foundations to contribute to a child care facilities fund, yet do not invest any effort in addressing land use barriers or training child care providers in business skills, your fund could go unused and you could lose the support of partners you worked hard to acquire.

It may be wise to assess your local needs and resources before determining the scope and/or focus of your project. Conduct a survey or hold a summit to generate input from your community around these needs, as well as to get some early buy-in on the objectives of the project. LINCC project activities have two very appealing features: they tend to be very cost-efficient (particularly when they involve policy changes), and they usually require leveraging resources from different sectors and generating partnerships to support the application of those resources. Emphasizing these features will help sell your project to the community and all the stakeholders.

How much do the project activities cost?

Because the project activities can be administered as a whole or in part, project costs can vary based on the number of activities you choose to pursue. Again, the more activities you engage in, the greater the activities will reinforce each other and result in deeper, more long-lasting outcomes. That should not preclude you, however, from choosing one of the project areas if that is all your budget allows.

Historically, counties implementing the LINCC project have spent between \$50,000 and \$150,000 per year on all project expenses. This implementation usually involves one full-time project coordinator and one half-time expert and/or supervisor, as well as meeting and travel expenses, printing costs, and overhead. All LINCC project participants to date have run it out of an existing organization. Starting up a new organization to run this project has not been attempted and indeed would involve much more substantial budgeting and planning.

Should project outcomes be measured?

Measuring project outcomes is important for two reasons: it helps you with the ongoing design of your project, and it will be instrumental in generating outside support for your project. Virtually all funders require some sort of evaluation process to guarantee that their resources are being effectively utilized. Also, organizations you are trying to encourage to participate will be much more impressed by your project if you demonstrate the concrete outcomes that will result from project activities.

Both written resources and consultants can help you design an evaluation strategy for your project activities. It may be best to educate yourself and design what you can, then solicit the input of a consultant to review your evaluation strategy.

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Endnotes

¹ Center for Continuing Study of the California Economy, *California Economic growth—1999 Edition*.

² Ibid.

³ Ellen Galinsky and James T. Bond, *The 1998 Business Work-Life Study: A Sourcebook*, Work and Families Institute, New York, NY, 1998

Chapter 1

Changing Perceptions About Child Care

Background: How Does Advocacy Work Fit with Efforts to Change Perceptions about Child Care?

Fundamental to the success of your advocacy work will be your ability to effectively change people's perceptions about child care and its relationship to economic development. Since much of your work will focus on generating new materials and information, you will have ample opportunity to get the attention of government, business and the news media about a new way of looking at child care. You will have policy proposals to offer government bodies, data for business interests, and reports for the media that emphasize the benefits they will receive from investing in child care.

You will have to adopt the role of an information broker for all of your audiences, which will entail learning about the interests, agendas, and mode of operation of each. Your challenge will be to communicate information about child care to each audience in a format that will be easy and efficient for them to use, and that will clearly demonstrate the benefits they will receive from working with you. Since people in government, business and the media are busy and have many competing priorities, the burden will be on you to make this connection a meaningful one.

Why is it important to develop a common message?

Although you will have to tailor your information to each audience you work with, it will be both helpful and necessary to create some common messages and sound bites. This common message will provide the building blocks for your specific messages to each sector, and will ensure that everyone you work with begins to "speak the same language" about child care. You may want to think about coordinating these messages with other LINCC projects around the state, in order to facilitate statewide advocacy efforts as well as cross-jurisdictional learning. For example, if you are sharing child care policies that have been adopted by a neighboring jurisdiction, it will make more sense to your local government if it looks and sounds similar to what you have been communicating to them.

Presenting a common message will be one of your strongest tactics in



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changing perceptions about the child care field. It is through repetition of simple concepts that a message is transformed from abstract to concrete. A traditional weakness of advocacy in social services is fragmented communication. When government or business leaders hear about a problem in their communities – but also hear conflicting information on how to address it – they will turn away from the issue more often than go to the trouble of figuring out the best and fairest solutions. Conversely, if they hear consistent information over a period of time about why and how to address a problem, along with the concrete benefits to their own agenda, they are likely to develop an understanding of it and set a course of action towards addressing it.

The general rule is to be present at meetings, press conferences and other events as often as possible in order to drive your message home. To be most efficient, you will need to learn the most strategic places and times to present your message about the connection between child care and economic development.

Is a web-page mandatory?

Obviously, having a web page for your project can be a highly efficient strategy for promoting your project and presenting your information. You will have to conduct an informal cost-benefit analysis to determine whether or not, and when, you want to incorporate this strategy into your outreach plan.

→ Costs

If your project is run out of an organization that already has a website and information technology (IT) support, costs will be at a minimum (probably just staff time to organize the information). If not, it can be costly to set up the infrastructure for a web page. You would most likely have to hire a web designer to design your page and to update information as needed over time. This could cost several thousand dollars up front for a basic web page and several hundred dollars per year to have it maintained, unless you learn how to do it and acquire the necessary technology. There may be web services at a discount in your area for non-profits and other service organizations. You could also propose that local business donate these services or funds to cover the costs. You would have to purchase a domain (web page) name at approximately \$50 per year through an internet service provider (ISP).

→ Benefits

The benefits of having a web page will depend on your project objectives and the area in which you live. The overall benefits of having information available online include reduced costs of material dissemination (postage, printing, staff time) and greater accessibility of information (a web link can be circulated much more easily than paper materials). However, you must think about the audiences you are trying to reach and whether or not they will be able or likely to learn about your project online. For outreach to the community and to the child care field, it may be only moderately effective, as many people do not have internet access or may not be inclined to look for information that way. For outreach to businesses, the media, and other government entities, it may be highly effective, as it allows these very busy organizations to access and reproduce your information quickly and efficiently.

Tools and Implementation Strategies

This chapter will provide guidance on *how* to get your message out, through the following three strategies:

1. Develop **materials**;
2. **Participate** in meetings and planning, and **present** information on child care in diverse forums; and
3. Host **events/summits** to raise awareness publicity around particular issues.

Within each strategy area, your target audiences will be discussed along with any important information about how to tailor your message to that audience.

STRATEGY #1: DEVELOP MATERIALS

Because your issue/project will be new to many of the people with whom you will be working, much of your communication and outreach will involve sending written materials on your project.

For this reason, it is necessary to have an arsenal of printed materials that are concise, informative, and easy to understand. These materials could be the deciding factor for those who think that child care might be an important issue, but who are not sure how or why. Using appropriate materials gives you opportunities to convince them that: 1) child care is an issue that relates to their own agenda, and that 2) there is an easy and practical way for them to become involved.

Your materials will, first and foremost, need to be content-driven. Your target audiences will not be interested in a verbal argument unless it is backed by hard facts.

The Child Care Economic Impact Report

Having an "Economic Impact Report" (EIR) for your county or city will be an invaluable source of most of the data you will need to reach all your audiences. Mailing out a press release just prior to the publication of this document, or holding a public event to announce your findings, can be a great way to kick off your project. These reports have been used by other LINCC counties around the state as their entrée to business and government forums. (See Appendix i for a sample executive summary of an EIR.)

Creating an EIR involves research strategies that are somewhat complicated but should not require the skills of a professional economist. The manual "A Methodology Guide: Creating an Economic Impact Report for the Child Care Industry," published by the National Economic Development and Law Center, should be consulted, and can be used as a step-by-step guide to acquiring most of the data you will need. Researching an EIR can take from several hours or days for a city to several weeks or months for a county, depending on the range of information you wish to acquire.

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At the least, you want to include information on the number of child care establishments, the number of children they serve, the total amount of money (gross receipts) the child care industry brings into the area, the direct and indirect employment generated by the child care industry (jobs supported by the child care industry in other employment sectors), and the size of the child care industry compared to other industries that are well known in your area (see appendix ii for a creative example). This information is enough to give anyone with an understanding of economic development and the local economy a good idea of how child care fits in to the “big picture.”

If you have the time and resources, you can go into much more detail on the characteristics of the child care industry, the population it serves, and the environment in which the industry is operating. For example, you can choose to research demographics, trends in the local economy, population growth, child care wages, living expenses, the staffing crisis, child care affordability, and the state and federal dollars that child care brings into a local economy.

A lesson learned in existing LINCC counties was that one document containing the full range of information was a bit overwhelming for the audiences it was trying to reach. Once you have done research and collected and processed data, you may want to pick and choose from this information in developing materials specifically focused on the needs of your particular audience.

Materials for the Community

It will be handy to have a brochure on your overall project for the community (child care providers, consumers, and the general public) that concisely describes the scope of your work and its importance to the local area. Be sure to include information on how people can get involved in your project, and how they can find additional or related information. You may want to have separate issue sheets on specific project areas, such as child care facility development, for those who are interested in getting more in-depth information about your activities and their importance.

Materials for the Media

It is especially important that your materials for the media are well-developed, accurate, and easy to use. Reporters and editors have minimum time to review materials, and if they do not immediately recognize the importance and relevance of an issue, it will probably not keep their

Case study

Strategy: In 1990, the Santa Clara County Intergovernmental Council co-sponsored and published a document called “Child Care Options: A Guide for Employers in Santa Clara County.” This 50-page document provides a menu of options for businesses that want to do something about child care, along with a description of how the business should go about selecting a strategy. It also includes resources and publications to further assist businesses in this process.

Outcome: An informative, user-friendly guide to distribute to any interested employer and to use as a public relations piece.

Contact: Deborah Simon, City of San Jose Parks and Recreation Department, 408-277-2617

attention. You will want to provide the media with enough materials to allow them to understand the essence of your project without overwhelming them. A brochure and issue sheets will probably be adequate if you are trying to create a general interest in your project. If you are highlighting a current issue or event, be sure to provide background materials on your project – including accomplishments – in addition to the materials relating to the issue at hand. Always be sure to include the name and phone number of the person who can be contacted to provide information on your project to the media.

Materials for Businesses

Your materials for businesses will have to clearly demonstrate the importance of child care issues to their “bottom line,” or, in other words, how it can make them a more profitable business (including the enhancement of their image in the community). Be sure to include studies that have proven how child care benefits have enhanced worker productivity, reduced turnover and increased profits (see Appendix iii). Include information on child care in their area so they can understand how their efforts can impact their local child care supply. Finally, include information on other local businesses (or competitors in their field) that support child care in some way.

Businesses will not want to know how they can help you, but rather how you can help them, if they decide that child care is an important issue. Be ready for them to ask you how they can support child care for their own employees first. If you choose business involvement as a primary strategy for your overall project, you will want to consider becoming a clearinghouse for information on “child care options” for businesses. Essentially, you will be providing a service to your business community (for which consultants are often hired). It can, however, go a long way toward generating business involvement and investment in your project, and in getting businesses to understand and care about child care issues. In addition, your local resource and referral agency and/or child care coordinator may already be involved in this kind of activity. Contact them first and see what information and/or services they offer. You may also want to have a list of work/life consultants they can call if they desire professional assistance in this area. A national organization offering expertise on work/life issues, including child care options, is One Small Step. They can be reached at (415) 772-4315 by phone, or 50 California Street, Suite 200, San Francisco, CA 94111 by mail, or on the web at www.onesmallstep.org.

Materials for Government Entities

You will want to tailor your materials, to the extent possible, for each of the government entities with which you work. The most important entities to reach are your County

Case Study

Strategy: Alameda County LINCC created a “Child Care Industry Profile” for several cities in order to provide a quick reference for city officials who were interested in child care as an economic development issue. These profiles are single sheets including the most important information about the economic impact of the child care industry, as well as information on child care needs in each jurisdiction.

Outcome: Cities in Alameda County now have access to information on child care in their specific jurisdiction and can base planning and policy on the needs identified.

Contact: Alex Hildebrand, Alameda County LINCC Coordinator, 510-208-9714

Chapter 1: Changing Perceptions About Child Care

Board of Supervisors and City Council, County and City Planning Departments, and County Social Services Agency. The materials you develop for elected officials must be very concise and clear, framing the issue broadly and relying on a minimum number of statistics and data. You should include information on the link between child care and business development and quality of life in your area; public support for child care services; and the potential costs to the jurisdiction of not investing in child care. Materials for city and county departments and agencies should be tailored to the specific mission of each agency. For example, materials for a social service agency should include data and resources about child care for low-income and CalWORKs families, and research tying child care benefits to employment retention.

STRATEGY #2: PARTICIPATE AND PRESENT

The most informal of all your communication strategies, participating in meetings and presenting your case publicly may very well be the most important. Because not everyone will be able to volunteer to come to *your* meetings, you will have to develop a habit of getting out into the community to spread the word about child care and economic development. You will simply need to balance this outreach strategy with other activities, as attending meetings can be time-consuming and costly, if it involves a lot of travel.

This strategy can greatly increase the reach of your message, in addition to increasing the frequency with which it is heard in the community. It can also provide a great opportunity for networking and meeting players that you might not otherwise have thought about involving. Lastly, it reinforces the message you are trying to deliver: that child care touches a wide range of issues, and belongs in discussions of everything ranging from welfare-to-work to commercial real estate development.

A general note about presentations

A single presentation on child care and economic development should be developed, then adapted for your different audiences. There are two major errors that can be made when making presentations: appearing unprofessional and appearing unknowledgeable about the group which you are addressing. Either of these errors can damage your chances of soliciting support or participation from that group.

A key to appearing professional is being well prepared prior to your presentation, and relaxed as you make it. This approach will help demonstrate confidence and mastery of your subject area. Be prepared to answer questions or challenges to your assertions so you are not thrown off-guard when they come. Be dressed appropriately for your audience and come armed with business cards and materials to hand out, so that people can follow up with you.

Because the link between child care and economic development is a relatively new subject area, you may be making presentations to groups with whom you are unfamiliar. To avoid mistakes in this area, be sure to find out as much as you can about the organization before even contacting them for the first time. Then be sure to get additional information as you are communicating with them about your presentation, finding out also about the specific meeting you are going to and the context in which your child care presentation will be heard.

Tailor your information and remarks as much as possible to the “common ground” between child care and the organization’s mission. Be sure to be sensitive to the schedule they have established for you by not talking over your time limit.

Participate in and present at community events and meetings

The child care community will be a vital partner in this project and it will be important to present it to them early on to solicit their buy-in and make them aware of the work you will be doing in their area. Be sure to involve your local child care resource and referral agency, and present your project at any relevant trainings and meetings they hold for the child care community. In addition, be sure to work with your local family child care provider associations. Although they may be unfamiliar with some of the issue areas (i.e. land use planning), try to get a sense of how well the project strategies align with issues they confront on a day-to-day basis as child care providers. Let child care providers know when and how they can offer input into your project objectives, particularly on an ongoing basis. Invite child care providers to become a part of your advisory group.

Community meetings and events that focus on community planning or that address issue areas like youth violence can be an effective place for you to say a few words about child care. Such comments will help community members make the connections in their minds between child care and other community issues. It will also spread the word about your project in case you need to generate community support for policy at some future date.

You should also look for other groups in your community with whom you may share a common agenda. For example, if there are any economic development alliances in your area, try to get involved in their activities and make a presentation where appropriate.

Participate in and present at business events and meetings

If you elect to work with the business community at the most basic level, a natural forum will be your local Chamber(s) of Commerce. Be sure to at least present the scope and rationale for your project to this group, and include general statistics on the impact of child care benefits on business performance. Include also a discussion of child care supply and demand in the local community and explain how child care shortages can affect the overall quality of life. Stress the recognition and positive public relations benefits that businesses have earned from providing model child care benefits.

If you elect to recognize or give an award to businesses with model child care programs as part of a public relations campaign, make the award the highlight of your presentation and incorporate your project information as a backdrop. This strategy can be very effective for generating interest among businesses for your project, since a good public image is a high priority for many firms. Your recognition or award can also create a climate of competition for businesses to develop the most impressive or comprehensive child care benefits.

Participate in and present at government meetings

Government meetings are a vital forum in which to raise awareness about the connection between child care and economic development, particularly when it comes to planning and land use issues. You will not be able to mobilize the political support necessary to implement

these policy changes until you have convinced strategic government officials of their importance.

Meetings or hearings about economic development or community planning are an obvious target for participation and presentations. Keep in mind that these meetings and hearings are often subject to complex bureaucratic requirements regarding content and process. You should therefore move into action as far in advance as possible if you wish to get onto the agenda to make a presentation.

When making presentations, be sure to speak in a language that is conducive to policy discussions, and to make specific policy recommendations at the conclusion of your talk. Be liberal about offering yourself as an information resource and providing your support and services for future planning and events.

You will want to look into presenting your project to City Councils, County Boards of Supervisors, your Planning Department(s), and Social Service Agencies. Keep your eye out for strategic opportunities, such as the development of youth or community strategic plans or periods during which your General Plan is being updated.

Present to the media

Once your project gets up and rolling – and particularly if you have news to release or need to respond to an incident – it is a good idea to set up a meeting with the editorial board of your local paper to give them an in-depth presentation on your issues. You can also discuss the implications of your project on other newsworthy issues. As always, when interacting with the media, be very concise and direct about your purpose, objectives and capabilities. Such a meeting gives you an excellent opportunity to establish a trusting relationship with a local or regional news source, and can determine whether or not they go to you for information when a news story comes up. Be sure to provide materials and contact information, including back-up contacts in case you are unavailable and they need a fast response on a news item.

STRATEGY #3: HOST AN EVENT OR SUMMIT

An event or summit highlighting a particular issue area has several advantages: information can be conveyed and discussed in depth; the project's visibility (to the press and the community) can be heightened; relationships can be forged around common agenda items; and commitments can be secured from participants.

Since event organizing is time-consuming and expensive, you may want to focus on your most prominent issue area. Be sure that your subject area is well-defined and your objectives are clearly articulated. Further, it is important to design the event to include concrete next steps and commitments from participants to accomplish certain tasks relative to those steps.

Make certain to contact other counties that have convened similar events so you can avoid common mistakes around event-planning and fully capitalize on all the opportunities that may present themselves.

Who should participate?

The answer to this question depends on the issue area you are highlighting and the outcomes you hope to achieve. In general, events are very conducive to cross-jurisdictional learning and sharing, and you should seize the opportunity to bring diverse groups together. If you do invite a wide range of organizations, be sure that everyone's role is clearly defined so no one feels left out or useless.

As always, it is a good idea to involve community members as much as possible. Include child care providers and advocates, who can provide valuable firsthand testimonials about the issues you are discussing. It is also a great opportunity to educate your community about your issue and the role government and businesses play in it. Further, government and business representatives will feel that the "eyes of the community" are on them and will hold them accountable for agreements they make during the course of the event.

Events and summits can represent a rare opportunity for different sectors of government and business to get together around the issue of child care. Often, a great deal of learning and coordination could occur between these entities, but rarely does it because they lack a common forum. Take advantage of this reality to frame your issue in a way that inspires diverse entities to see their role in addressing a community problem and that also motivates them to act upon it.

Be sure to issue a press release at the appropriate time to announce your event. You may want to pitch it to the media as a unique collaboration between businesses and government, and use that point to emphasize the new prominence that child care is gaining as an economic development issue.

Resources and Key Players

Reporters, editors at local and regional newspapers, radio stations, television	Find out who covers education, business or children's issues; ask who would be interested in stories on child care or economic development; set up an informational interview; and submit press releases when appropriate.
Child Care Resource and Referral Agency	Enlist agency support to help strategize and facilitate outreach to the child care community and general public.
Family Child Care Provider Associations	This essential link to the licensed family child care provider community should be educated about the connection between child care and economic development. Provide opportunities for them to participate in events and media outreach.

Chambers of Commerce	Good entrée to the business community. Start by presenting project/data to them and find out how they can partner in enhancing child care services for the local workforce.
City Council, Mayor	Buy-in from City Council and/or Mayor is crucial to success at the city level. Try to meet with them individually and find strategic allies. Be prepared also to present and/or testify at City Council meetings that relate to child care <i>or</i> economic development.
County Board of Supervisors	Buy-in from county Supervisors is crucial to success when working with county agencies.
Economic development entities	These entities include government bodies, such as Economic Development Departments or Commissions, as well as local or regional advocacy groups. Connect child care to other economic development issues already being addressed, such as workforce development, housing and transportation.
Children's Defense Fund (CDF)	The CDF website includes data and studies on important topics such as polls on public support for child care funding, child care and early education basics, the value of after-school programs, and state-specific statistics. Visit their website at www.childrensdefense.org .

How to Address Potential Barriers

What if we do not have the expertise to develop a communication strategy?

If you feel strongly that you do not have the internal expertise to develop a communication strategy, you may want to consider hiring a media consultant. Be advised that there are many written and web-based resources available to help you develop a communications strategy. You could save a lot of money by doing what you can internally using those resources, then hiring a media consultant to review your plan. Media consultants can charge anywhere from \$50 - \$250 per hour. If you do elect to hire a consultant, be sure to do some research beforehand to ensure the person or firm you select has a good reputation and to be more effective in managing the process of hiring a consultant. Communication problems are inherent in working with consultants, so express your needs clearly, and obtain definite commitments regarding the scope of work, timelines, and expectations.



Glossary

Chamber of Commerce: An organization, usually at the city level, consisting of companies, small businesses, and trade associations. Its purpose is to represent these organizations in lobbying local government, advocating in the courts and publicizing members' activities. It often offers special member benefits and discounts.

Child Care Resource and Referral Agency: Mandated by the state government, these organizations usually operate at the county level and are responsible for providing referral services for families and businesses looking for child care. They also offer a wide range of business and program support services for child care providers in their area.

Family Child Care Provider Association: An organization composed of family child care providers who pay a small fee in exchange for receiving various member benefits such as trainings and educational materials. These organizations usually represent their constituency in community advocacy efforts.

General Plan: A compendium of city or county policies regarding long-term development, in the form of maps and accompanying text. The General Plan is a legal document required by the State.

Local Planning Department: A city- or county-based government agency that is responsible for developing and enforcing land use regulations, and for directing residential and economic development planning for the jurisdiction.

Press Release: A written document issued to media outlets (newspapers, TV stations, radio stations, etc.) prior to, or following an event or incident, intended to supply information and state the position of an organization for the purpose of media coverage of the event or incident.

Social Service Agency: The county government agency responsible for implementing most county-based social welfare services and programs, including the county's component of CalWORKs, the state version of Temporary Assistance to Needy Families (TANF).

Work/Life Consultant: A professional consultant specializing in various benefit programs businesses can offer to employees to address home, family, and personal issues that relate to a person's employment situation.

Chapter 2

Leveraging Economic Development Resources

Background: How Can Economic Development Resources Be Leveraged for Child Care?

The goal of this chapter is to introduce child care advocates to a range of economic development tools and programs including activities and organizations that can be enlisted to foster the growth of the child care industry. Child care advocates can leverage many additional resources by connecting with local economic development networks. In order to effectively plan for future child care needs, advocates should understand how the local economy is expected to develop. In addition, economic development offices offer many helpful tools including assistance with finding a location for the business, securing financing for facilities and business expansion, obtaining technical assistance for business development, and obtaining assistance with workforce development.

Given the mission of local, state and federal economic development officials to connect businesses with these types of tools, the child care industry should be prepared to access their resources. When child care advocates initiate dialogue with local economic development practitioners, these practitioners are more likely to think of child care as they plan for the community's economic health. For all these reasons, child care advocates are encouraged to reach out to economic development officials.

What is “economic development?”

Economic development is primarily a government-initiated activity to attract, expand, retain or start businesses in state and regional economies — often by providing tax abatements, regulatory relief, and other incentives. The potential weakness of this strategy is that elected officials and economic development professionals may pay little attention to the quality of the jobs created, the people who get the jobs, or the adverse impact that the “economic development” success often has on small, existing businesses that are already generating jobs and revenue and reinvesting profits in the community at almost no cost to the public sector.

Tools and Implementation Strategies

Engaging your community's economic development professionals is an essential step in stabilizing and growing your local child care industry. The child care industry and its advocates are just now starting to understand the full impact that their industry exerts on the economic well-being of communities. As a social infrastructure, this industry enables parents to take jobs and local businesses to thrive. These attributes—job placement and business development—are central to the mission of most economic development agencies, both private and public.

Early research at the National Economic Development and Law Center helped to determine some initial steps that you can take to begin developing your understanding of and involvement in economic development arenas.¹ As always, it is important that you clearly identify the desired outcomes for your project or organization. The field of economic development is broad and, at times, nebulously defined among different communities.

This section provides an introduction to **seven programs** that are central to the economic development field:

1. Community Development Block Grants
2. Empowerment Zones and Enterprise Communities
3. State Enterprise Zones
4. Economic Development Administration (EDA)
5. Programs for Public Housing Residents
6. Assistance Related to Military Base Closures
7. Rural Economic Development Programs

These program explanations, and subsequent questions, will help you to better understand the economic development field and its link to your community's child care industry.

COMMUNITY DEVELOPMENT BLOCK GRANTS

The Community Development Block Grant (CDBG) program aims to develop “viable urban communities, by providing decent housing and suitable living environments, and expanding economic opportunities, principally for persons of low and moderate income.” Under the program, the federal government makes grants to certain cities, counties and states which qualify as “entitlement areas.” These government bodies then use these funds for projects which must either:

- Principally benefit low- and moderate-income persons;

- Aid in the prevention or elimination of slums or blight; or
- Meet other urgent community needs. At least 70% of all funds must be used toward the first goal, to benefit low- and moderate-income persons.²

Which areas qualify for CDBG Funding?

In addition to entitlement areas, the CDBG program also grants funds to states for distribution in "non-entitlement areas."³ There are two kinds of entitlement areas: "metropolitan cities" (cities that are central cities in a metropolitan area or any other city within a metropolitan area that has a population of 50,000 or more) and "urban counties" (counties within metropolitan areas that are authorized under state law to undertake community development and housing activities in unincorporated areas and have a population of 200,000 or more excluding the population of metropolitan cities within the county).⁴ If you are not in a metropolitan city or urban county, then, you should inquire about your state's CDBG program. In California, this program is administered by the Department of Housing and Community Development. A different department will administer CDBG funds in each metropolitan city or urban county. To find the department, you might first check with the offices of the mayor, county manager or city manager.

How can I lobby to get CDBG funds for child care?

Child care advocates have several opportunities to influence how CDBG funds are administered. Every CDBG grantee (both states and entitlement communities) must annually submit a *consolidated plan* (please refer to Appendix iv for a sample consolidated plan which includes child care). This plan has three elements, a *citizen participation plan*, an *action plan*, and a performance and evaluation report:

→ *Citizen participation*

Child care advocates can play a valuable role in the citizen participation process. CDBG grantees are required to encourage broad participation, especially among low-income residents and neighborhoods, in the allocation of CDBG funds. Further, grantees must plan in detail how they will encourage citizen participation. Child care advocates should find out what opportunities for citizen participation have already been planned (for example, at least two public hearings must be held each year), and should attempt to take part in those activities. Advocates can also point out how child care contributes to CDBG's mission of

Case Study

Strategy: To provide accessible, understandable business resources for child care providers, Monterey County LINCC included a technical assistance link on their child care web page at www.co.monterey.ca.us/hr_child/CCTechAssist.htm.

Outcome: The web page receives hundreds of "hits" each month, providing care-givers with concrete resources for their businesses.

Contact: Kim Stemler and Jacquie Pentony, Monterey County Department of Health and Human Services, 831-643-2627.

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expanding economic opportunity for low- and moderate-income persons, and therefore members of the child care sector should be included in future citizen participation plans.

→ *Action plan*

The action plan portion of the consolidated plan details the types of community development activities the agency will fund during the year. Child care advocates should get a copy of the consolidated plan and explore how child care might fit into the existing priorities spelled out in the action plan. You can also start to lay the groundwork with local officials to convince them to include child care in future plans for the allocation of CDBG funds.

CDBG funds may be used to obtain real property, offer employment training, provide public services, give technical assistance to small businesses, offer home ownership assistance, and reconstruct housing, among other activities. While a majority of CDBG funds must be used for housing, CDBG also funds other economic development activities. Up to fifteen percent of CDBG funds may be used for social services, including child care. Government agencies may carry out CDBG activities directly, or agencies may make grants to non-profit organizations and to corporations established to carry out community development goals.

Under the Section 108 program, local governments may decide to finance large capital projects with public bonds secured by present and future CDBG funds. Economic Development Initiative Grants may also be available on projects financed through section 108. In addition, the Department of Housing and Community Development may utilize federal training dollars to provide training services to local communities that lack the capacity to apply for and administer CDBG-funded projects.

Strategies for working with Community Development Block Grants

Your first task will be to identify all the governments in your county that receive CDBG allocations. These may be “metropolitan cities” or “urban counties” entitled to a CDBG allocation, or they may be cities or counties that have successfully applied to the state for CDBG funds to “non-entitlement communities.”

Start your inquiry with the mayor’s office or the board of supervisors for your city or county. Ask if the city or county receives CDBG funds, and if so, who administers it. You may also inquire with the HUD field office that serves your area. For non-entitlement communities in California, inquire with the state Department of Housing and Community Development, (916) 445-6000. Other possible sources of information about who is administering CDBG funds include economic and community development offices, housing development offices, and redevelopment agencies.

Once you find the appropriate office, ask for copies of the consolidated plan and any requests for proposals that have been issued during the current program year. Look through these documents to see where child care could participate. You may also find that end-of-year reports give useful information about past uses of CDBG funds. Try to find out:

- What is the allocation amount of CDBG funds?

- What process is used to allocate the money?
- Is child care listed among the funding priorities?
- How are CDBG funds currently being used?
- How have CDBG funds been used in the past?
- Are Section 108 loan guarantees being used and, if so, for what activities?
- How is the office meeting its public participation requirements?

EMPOWERMENT ZONES AND ENTERPRISE COMMUNITIES

There are six California communities that have been designated as Empowerment Zones and Enterprise Communities: *Imperial County, Los Angeles, San Diego, San Francisco, and Watsonville* (Enterprise Communities) and *Oakland* (an Enhanced Empowerment Zone). Enterprise Communities received grants of \$2.95 million and Oakland received \$125 million. Community residents determine the use of these funds for economic, social and community development activities. The program is slated to last for 10 years. Each Zone and Community has specific boundaries. Businesses located within the boundaries are eligible for tax credits equal to 20 percent per taxable year of the first \$15,000 paid to an employee who lives in the zone and performs most of her job there.

The *Small Business Administration* has also set up *One Stop Capital Shops* in each zone and community. In order to receive their grants, Zones and Communities submitted strategic plans which detail how they would meet the program goals, including goals of community participation in the decisions on how to allocate the program benefits.

How to work with Empowerment Zones and Enterprise Communities

Identify the officials responsible for Enterprise Community or Empowerment Zone funds. Start by asking at the Mayor's Office, Board of Commissioners, Planning Department or Economic Development Department. Ask for a copy of the strategic plan. Locate the boundaries of the zone or community. Look for public participation goals that the child care sector might take part in, as well as for program goals that could apply to child care. Continue to talk with zone or community officials about how child care serves economic and community development goals.

STATE ENTERPRISE ZONES

In addition to the empowerment zones and enterprise communities just discussed, the state of California has additional programs of this type. Under the auspices of the California Trade and Commerce Agency, California has established four types of special zones to promote economic development: enterprise zones, employment incentive/program areas, the Los Angeles Revitalization Zone, and local agency military base recovery areas (LAMBRA).⁶ Businesses that operate or invest in a trade or business within these zones may qualify for



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various economic development incentives. The first two of these programs were merged into one program in 1996.⁷ Their provisions are detailed below.

Is my area eligible as a state enterprise zone?

Businesses in enterprise zones must meet one of the following criteria to receive benefits:

- An average of at least 50 percent of the business' employees are residents of a high density unemployment area; or
- An average of at least 30 percent of the business' employees are residents of a high density unemployment area and the business has set up a community service program; or
- The business is at least 30 percent owned and operated by a resident or residents of a high-density unemployment area.

Under state law, qualified businesses in enterprise zones can receive the following benefits, among others:

- A hiring credit for wages paid to qualified employees during the employees' first 60 months on the job;
- A 15-year carryover of net operating losses; and
- Lender interest income deductions for loans made to zone businesses.

Employees in enterprise zones may claim an income tax credit on wages earned in an enterprise zone. Enterprise zone and program area tax incentives only apply to investments and business activity undertaken after the zone or area receives final designation.

In addition, each enterprise zone may have its own, locally-defined package of benefits to businesses that locate within the zone. These may include waivers or reductions of permit and construction-related fees; streamlined review of plans and permits; reduced land costs; reduced utility rates; assistance in employee hiring; and low-interest loans.

How to work with State Enterprise Zones

First, identify any enterprise zones in your county. Call the Trade and Commerce Agency at (916) 324-8211 to receive an up-to-date list of enterprise zones. (You can also obtain this information from www.commerce.ca.gov. Click on "Enterprise Zones" on the left side column for access to "Map & Street Ranges.") Identify the agency charged with implementing the enterprise zones in your county. Obtain the following information from that agency:

1. What are the boundaries of the zone?
2. What incentives are being offered to entities located in the zone?



3. What major projects, if any, are going on in the zone?
4. What types of businesses are being assisted?
5. How has child care been taken into account within the zone?
6. How might child care be taken into account in the future?

ECONOMIC DEVELOPMENT ADMINISTRATION (EDA)

The Economic Development Administration is part of the U.S. Department of Commerce. It provides grants to non-profits and local governments for projects that alleviate unemployment and underemployment in economically distressed areas. In order to become eligible to receive EDA funds, communities must develop an Overall Economic Development Program. Local governments, community development corporations and non-profit organizations may then apply for EDA grants. These grants promote economic development planning and technical assistance, and help communities adjust to sudden changes in their economic situations.

How to work with Economic Development Administration Programs

Ask your economic development officials if your city or county receives EDA funds. A city, county, or other political subdivision may develop this plan. An Overall Economic Development Commission may have been established to do this planning. If this approach fails, contact the regional office of the EDA. In California, contact the Western Regional Office at (206) 220-7660.

If a plan is being prepared in your area, try to get involved in the planning process. Be ready to explain how child care is essential to any program that aims to alleviate unemployment and underemployment. Request a copy of any Action Plan emerging from the planning process. Assess how child care might fit into the plans which have already been made. Begin a dialogue with officials administering EDA grants to highlight the role child care might play in meeting their existing goals.

PROGRAMS FOR PUBLIC HOUSING RESIDENTS

The Department of Housing and Urban Development has several economic development programs targeted to public housing residents. These programs may offer funding, facilities, technical assistance, or support to public housing residents in their efforts to start or expand small businesses. For example, the Family Investment Center (FIC) program is designed to provide families living in public housing with greater access to educational and employment opportunities by developing facilities in or near public housing for training and support services.⁵ Grants to build FICs are awarded competitively to Public Housing Authorities (PHAs). The Act requires each PHA, to the maximum extent practicable, to employ public housing residents to provide the services funded under the Act. One PHA in California

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applied for a grant under this program to create a microenterprise incubator, which would assist tenants operating businesses out of their homes to expand those businesses.

How to work with Public Housing Programs

To gather information about public housing programs, it is necessary to identify all of the Public Housing Authorities in the county. PHAs may operate at the city or county level. The HUD regional office in San Francisco has a list of all of the PHAs in the country.

Once you have created a list of PHAs in the county, use the following check list to obtain the information for each PHA:

- ✓ Jurisdiction, contact name, and phone number
- ✓ Public housing properties managed by the PHA
- ✓ Programs available for residents
- ✓ Current HUD grants

Additionally, you should find answers to these questions:

- Does the PHA provide assistance for residents to start and expand their own child care businesses?
- If so, have child care businesses been assisted?
- Does the PHA offer job training programs to residents?
- If so, are residents being trained to work in the child care field?
- Does the PHA provide child care services to residents?
- If so, how are such services provided (under contract to a local provider; by PHA employees; under contract to PHA resident family day care providers; etc.)?
- Is any other assistance provided to promote or provide incentives for child care providers?
- If no assistance is provided, why not?

ASSISTANCE RELATED TO MILITARY BASE CLOSURES

If your community is experiencing closure of a military base, federal programs are providing grant funds and technical assistance to help convert the base to civilian use. The community at large must be involved in deciding how the base will be re-used. If a base is being converted in your community, try to get involved in the process of planning the re-use. Some

re-use projects will involve job creation, and child care advocates can point out the importance of planning for child care in any job creation program. In addition, property on military bases will be allocated to various entities. With advocacy, some building space could be dedicated to child care.

How to work with Base Closures

For each closing base, identify the entity responsible for conducting the base reuse planning process. If the usual sources (Mayor's Office, City or County Board of Commissioners) cannot tell you who to contact, try the Department of Defense Office of Economic Adjustment at (703) 604-2420.

Ask about the process and the time line for completion of the re-use plan. Try to get involved in this process. Determine what funding sources are being used to assist with the conversion process. Do any of the grant applications mention child care? Does the re-use authority plan to submit additional grant applications? If so, can funding for child care facilities, job training, or small business assistance also get included in the application?

RURAL ECONOMIC DEVELOPMENT PROGRAMS

The United States Department of Agriculture (USDA) offers several loan and grant programs targeting rural communities. Through these programs, family-based, for-profit and non-profit child care providers could obtain below-market rate financing for a variety of activities.

Family child care providers might benefit from housing loan programs, including Home Ownership Loans and Home Improvement and Repair Loans. Through these loans, family child care providers in rural areas may obtain below-market financing to purchase, construct, repair, or relocate their homes, as well as to remove health and safety hazards in their homes.

Other programs could facilitate child care centers' access to financing for facilities. Non-profit centers can participate in the Community Facilities Loan program, while for-profit centers can participate in the Business and Industry Loan program. Community facilities loans may be used to construct, enlarge, or improve community facilities providing essential services in rural areas and small towns. Business and Industrial Loans may also be used for facilities. In both programs, USDA can make direct loans at very low interest rates, as well as guarantee bank loans at higher rates. All the loans carry below-market interest rates. Direct loans are scarce, but may still be worth pursuing; guaranteed loans are much easier to obtain.

Is it possible to start your own loan program?

In addition, government and non-profit agencies may obtain pools of funds from USDA, for re-lending to small and emerging businesses. Rural Business Enterprise Grants can be used to establish revolving loan programs, as well as to acquire and develop land, construct buildings, and obtain technical assistance. Through the Intermediary Relending Program, USDA makes loans to non-profits and government agencies, which in turn establish revolving loan funds that make loans to small businesses in rural areas. Child care advocates

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might consider applying for grants or loans from USDA, in order to establish a revolving loan fund to help child care providers improve their facilities.

How to work with Rural Development Programs

USDA's loans are administered by local offices, which may or may not be located in your county. The state office of USDA Rural Development, however, can direct you to the office serving your area. In California, contact USDA Rural Development at (530) 792-5800, and ask them how to contact your local office.

When you contact your local office, inquire about the following programs:

Programs	For each program, find out:			
	What types of activities may be funded or financed?	In what size community is the program available?	What kinds of entities are receiving assistance (for-profit, non-profit, etc.)?	How does this program perceive the potential for child care providers to benefit from USDA programs?
Intermediary Re-lending Program				
Rural Economic Development Loan and Grant Program				
Community Facility Direct and Guaranteed Loans				
Community Facility Grant Program				
Business and Industry Guaranteed Loans				



Rural Housing Programs				
Rural Business Enterprise Grants				

Resources and Key Players

The key players in building strong links between the child care industry and the greater economic development community include:

County Board of Supervisors	These elected officials are responsible for determining policy throughout your county, including unincorporated areas.
City Council	Most cities across the state and the nation elect a city council, which governs the city's affairs. Like the members of the county Board of Supervisors, city council members should be familiar with major economic development efforts in their communities. In cities without a mayor or city manager, the city council members may be a primary source of referrals to other economic development agencies.
City Manager and/or Mayor	Many California cities have a mayor and/or a city manager. Like the county administrator, this person implements city council policy and manages the city's affairs. This person's office should be an excellent source of information about other economic development agencies in the city.
City and County Offices of Economic Development	These offices will be good sources of information on overall growth and development in the county, particularly those industries that may be creating a demand for affordable child care services. In addition, these offices will administer programs, such as business planning services, revolving loan funds, and site identification assistance, which may be of use to child care providers
City and County Planning Departments	See Land-Use Chapter (3) for more information.

City and County Offices of Housing and Community Development	See Land-Use Chapter (3) for more information.
Federal Programs & Resources	<p>Department of Housing and Urban Development <i>General Information</i> (202) 708-1422, (415) 436-6550 <i>Multi-Family Division, Asset Management</i> (415) 436-6503 <i>Regional Offices</i></p> <ul style="list-style-type: none"> • Fresno (559) 487-5033 • Los Angeles (213) 894-8000 • Sacramento (916) 498-5220 • San Diego (619) 557-5305 • San Francisco (415) 436-6550 • Santa Ana (888) 827-5605 <p>Community Development Block Grants (CDBG), Housing and Urban Development Office of Block Grant Assistance (202) 708-3587 <i>California CDBG</i> (916) 445-6000 <i>Section 108 Office</i> (202) 708-1871</p> <p>Empowerment Zones and Enterprise Communities, Housing and Urban Development <i>Office of Economic Development</i> (202) 708-2290</p>
California Programs & Resources	<p>Enterprise Zone Programs, Trade and Commerce Agency (916) 324-8211</p> <p>Economic Development Field Offices, Trade and Commerce Agency Sacramento (916) 323-0777</p> <p>Department of Housing and Community Development <i>General Information</i> (916) 445-4782 <i>CDBG</i> (916) 445-6000</p> <p>State Office of Small and Minority Business, Department of General Services (916) 323-5478</p>

Private Organizations	<i>American Economic Development Council California Association for Local Economic Development California Association for Microenterprise Opportunity (CAMEO) California Chamber of Commerce California Redevelopment Association California State Association of Counties League of California Cities Local Chambers of Commerce National Association of Development Organizations National Economic Development and Law Center</i>
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Glossary

Community: A large, well-known district, recognized by outsiders as one area, but which has internal neighborhoods of some importance to residents.

Community-Based Development Corporation (CBDC): An organization meeting all conditions of a non-profit corporation (see Non-Profit) and the conditions of a CDC (see Community Development Corporation).

Community Development Corporation (CDC): A Corporation:

1. Established by investors or members, which develops housing, fosters economic growth and revitalization, creates small businesses, including minority-owned businesses, and supports other community development initiatives;
2. That operates within a defined neighborhood or area, including low and moderate income areas, under-served rural communities, and governmental-designated redevelopment areas, such as within towns, cities, counties, or states; and
3. In which the profits, dividends, tax credits and other distributions from equity investments, or interest income received by the CDC are devoted to activities that primarily promote the public welfare.

Community Housing Development Organization (CHDO): An organization which meets all conditions of a non-profit (see Non-Profit) and:

1. Does not include a public body;
2. Has standards of financial accountability that conform to Attachment F of OMB circular No. A-110 (Rev.) "Standards for Financial Management Systems";
3. Has among its purposes the provision of decent housing that is affordable to low and moderate income persons;

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4. Maintains accountability to low income community residents by:
 - a. Maintaining at least one-third of its board's membership for residents of low income neighborhoods, and
 - b. Providing a formal process for low income, program beneficiaries to advise the organization in its decisions regarding the design, siting, development, and management of affordable housing.
5. Has a demonstration capacity for carrying out activities assisted with HOME (federal) funds; and
6. Has a history of a minimum of one year, of serving the community within which housing to be assisted with HOME funds is to be located.

Community Services: Those services which promote the public health, safety and common welfare, including police and fire protection, educational institutions, libraries, health care facilities, and arts and cultural facilities.

Disadvantaged Business Enterprise: A business or other legal entity that qualifies as both a minority, woman or minority and woman business enterprise and a small business enterprise as defined in city ordinances.

Economic sector: A specific industry or group of inter-connected industries.

Indirect Employment: Industries that develop or "feed" off of driver industries. (Indirect employment industries include child care services, local retailers, groceries, contractors, and dry cleaners, etc.)

Industry: A distinct group of productive or profit-making enterprises including forestry, fishing, hunting and trapping; mining; construction; manufacturing; transportation; communication, electric, gas and sanitary services; retail and wholesale trade.

Infrastructure: Facilities and services needed to sustain any type of development, whether it be residential, commercial or industrial activities. Infrastructure includes water and sewer lines, streets, electrical power, fire and police stations.

Neighborhood: An area of a community with characteristics that distinguish it from other community areas. It may be defined by physical barriers such as major highways and railroads, or natural features such as rivers. It may also be distinguished by unique architectural, historical, social or ethnic characteristics.

Neighborhood Facility: A public facility that is typically within a one-half mile radius of the residents it serves.

Non-Profit: An organization that:

1. Is organized under state or local law;
2. Has no part of its net earnings financially benefiting any member, founder, contributor, or individual;
3. Is neither controlled by, nor under the direction of, individuals or entities seeking to derive profit or gain from the organization; and
4. Has a tax exempt ruling from the Internal Revenue Service under 26 U.S.C. 501(c) of the Internal Revenue Code of 1986.

Policy: A specific statement that guides decision making. Policies are statements of intent for actions to be taken in pursuit of a given objective.

SBA: Small Business Administration.

Sector Plan: A comprehensive plan for a defined geographic area of the city that is larger than a neighborhood.

Urban Centers: Characterized by mixed or concentrated commercial, public and residential uses at a regional scale which capture the highest practical proportion of projected regional population while supporting the development of an efficient and effective high capacity transit system.

Endnotes

1. Stokley, Jan with Jennifer Kassan and Stephanie Haffner. *An Introduction for Child Care Advocates to Local Economic Development Resources in California*. National Economic Development and Law Center, 1997.
2. Housing and Development Reporter, 09:0011, 3/6/95.
3. In New York and Hawaii, non-entitlement communities must apply to the federal Department of Housing and Urban Development. In all other states, non-entitlement communities apply to a State CDBG program for funds.
4. There are other ways for cities and counties to qualify as entitlement areas which are not described here. For more information, see 42 U.S.C. 5302(a)(4) and (6).
5. 42 U.S.C. 1437t, 24 CFR 964, subpart D.
6. Currently there are three LAMBRA zones in California: Mare Island Naval Shipyard, Castle Air Force Base, and George Air Force Base.

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7. 1996 legislation (AB 296, SB 2023) repealed the current law related to enterprise zones and program areas and unified these two programs by providing for an automatic conversion of program areas to enterprise zones and incorporating some of the program area provisions into the new enterprise zone program.

Chapter 3

Land Use Policies and Child Care

Background: How Do Land Use Policies Affect Child Care?

Amending local land use policies and fees can be one of the most economical and efficient ways to support both the quality and affordability of existing child care services, and the development of additional child care facilities.

California child care facilities are subject to regulation by both the state and local levels of government. While state law prohibits the imposition of fees and taxes on small family child care homes (see below), *local* governments may impose expensive permit fees and business license taxes on large family child care homes and child care centers. These fees can be onerous to child care providers with minimal profit margins, resulting in a reduction in the overall quality of care that is provided. The process of applying for permits can be confusing and cumbersome, costing child care providers valuable time to successfully complete, and costing them even more if they fail to do so and are caught. Local jurisdictions can also prohibit child care centers from operating in certain zoning districts, restricting the options for child care providers to develop facilities.

In addition, commercial, industrial, and residential developments often create additional demand for child care in an area. Consequently, local jurisdictions can utilize land use policies governing development activities to encourage or require developers to mitigate that effect. These options will be discussed at the end of this chapter.

What are the laws governing land use?

The State of California has some basic laws outlining land use policies, but local jurisdictions usually have considerable leeway in determining where to allow certain activities (such as different types of child care), and the amount to charge for applying for land use permits.

Many of the problems concerning land use regulations result from a misunderstanding of state land use laws governing child care programs by local planning departments or commissions.



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Here is an outline of State laws affecting zoning regulations for child care providers:¹

- California Health and Safety Code §1597.45 preempts local jurisdictions from limiting or prohibiting small family child care in any manner, including the imposition of a business license, fee or tax.
- Zoning restrictions on large family child care homes must be reasonable standards relating to *only* the following four factors: density, traffic control, parking and noise control.
- State law dictates that local jurisdictions require one of the following of large family child care providers:
 - ✓ Allow large family child care providers to operate on residential property without a use permit;
 - ✓ Grant an administrative use permit for use of a lot zoned for a single-family dwelling; and
 - ✓ Require a conditional use permit for use of a lot zoned for single-family dwellings, to be granted if the home complies with the reasonable standards listed above and any regulations adopted by the state fire marshal.
- Child care centers are a conditional use in all zoning districts. Centers must comply with all local regulations on yards, building height, setback and lot coverage standards for the zone in which it is located. Issues most often arising are noise, traffic, parking, pick-up and drop-off, signage, landscaping and setbacks.
- Any local or neighborhood regulations restricting the operation of businesses in residential areas are preempted by state law allowing the operation of family child care businesses.

The American Planning Association (APA), recognizing the importance of child care to local development activities and planning, has established policies relevant to child care services and zoning regulations:²

- ✓ APA encourages communities to consider amending local zoning ordinances to remove obstacles to the provision of regulated group and family child care in all zoning districts that are appropriate and safe for children; and
- ✓ APA encourages communities to negotiate with developers and to offer incentives to provide space for child care in all types of projects, residential, office, mixed use, and commercial, including new construction and reuse.