

National Children's Facilities Network

October 25, 2023

Lydia B. Taghavi
Chief Data Officer
Office of Policy Development and Research
U.S. Department of Housing and Urban Development (HUD)

Attn: Anna Guido, Clearance Officer, REE, HUD

Re: 88 FR 65737: Notice of Proposed Information Collection (NPIC): Study of Child Care in Public Housing: PHA and ECE Center Interviews Data Collection, OMB Control No.: 2528

Dear Chief Data Officer Taghavi:

The [National Children's Facilities Network \(NCFN\)](#) thanks you for the opportunity to submit written comments on the Notice of Proposed Information Collection on the Study of Child Care in Public Housing: Public Housing Authority (PHA) and Early Care and Education (ECE) Center Interviews Data Collection (OMB Control No.: 2528). NCFN applauds HUD for taking steps to better understand the ECE needs, preferences, and use of families in PHA-owned housing to better understand the factors that are barriers or facilitators to co-locating PHA owned housing and ECE programs. **As you make final determinations about stakeholder and PHA resident interviews, we encourage you to: (1) include community development financial institutions (CDFIs) and intermediaries with experience in planning, developing, and financing high quality ECE facilities and business models in your stakeholder interviews; (2) expand your data collection activities to include perspectives on co-locating both center *and* home based ECE programs with PHA-owned housing; and (3) include interview questions about indoor and outdoor spaces (aka the physical environment) in data collection tools.**

NCFN is a coalition of more than 70 nonprofit Community Development Financial Institutions (CDFIs), financial and technical assistance intermediaries and other interested stakeholders involved in planning, developing, and financing high-quality early childhood care and education facilities and business models – particularly in areas that have the least access to high-quality ECE and the highest concentrations of poverty. Network members increase supply and help improve the quality of ECE by providing technical assistance and financing to address capital needs. NCFN also works to generate public, private, and philanthropic resources that support the development and improvement of early childhood facilities in underserved communities nationwide and collaborates with other children's advocacy leaders concerned with addressing the supply and quality of early childhood facilities across the country.

NCFN Feedback on: (1) Whether the proposed collection of information is necessary for the proper performance of the functions of the agency, including whether the information will have practical utility.

Too often, the condition, quality, and availability of child care facilities is not factored into the formulation of policies and strategies to build the supply of quality child care and early education programs.¹ Child care, Head Start and Pre-K programs lack access to sufficient funding for indoor and outdoor spaces. Child

¹ Grunewald, R. (2020, April 22). COVID-19 Challenges the Child Care Market.
<https://www.minneapolisfed.org/article/2020/covid-19-challenges-the-child-care-market>

care providers, particularly the vast majority of providers who are small businesses, face unique financial challenges. Programs serving low-income communities are highly dependent on unpredictable public funding streams for operations and lack a consistent and effective financing system or capital subsidies for facilities.² As a result, most providers are unable to access traditional financial supports necessary to address infrastructure challenges. Despite the well-known importance of the role that physical spaces play in supporting program quality, health, and safety, there is currently no dedicated source of federal funding for the acquisition, construction and renovation of ECE facilities, and very few states and localities have established dedicated funding streams. States and localities require child care and other ECE facilities to meet rigorous and often expensive health and safety standards. These standards are integral to maintaining quality environments for our youngest children, but also make setting up or expanding a child care business expensive.³ The ongoing upkeep and maintenance costs for child care facilities are a perennial challenge and can lead to issues that impact the health and safety of the children and staff. Furthermore, facilities financing struggles impede child care providers from expanding to meet family and employer demand for additional child care capacity.

To our knowledge, there has been limited federal data collection the intersection between public housing supports and ECE, and we are unaware of any recent data on leveraging spaces in PHA owned housing to help meet the physical infrastructure needs of child care and early learning programs. **The lack of ECE provider access to other forms of capital for physical infrastructure heightens the importance of the role of leveraging affordable housing— including PHA developments – to improve access to spaces that support safe and healthy ECE environments.**

NCFN supports the development and adoption of legislative and regulatory policies that incentivize alignment, utilization and leveraging of community development financing resources like the Low Income Housing Tax Credit and the New Markets Tax Credit to support ECE facilities financing and business capacity building. The Network especially encourages the adoption of policies that promote co-location of ECE programs with quality affordable housing, places of employment and other community spaces. Financing capital improvements in low and moderate income (LMI) urban and rural communities is similar to financing of ECE infrastructure projects in that both activities require multi-sector collaboration and mix of public, private, and philanthropic resources. Quite often, unless significantly adapted, community development tools by themselves do not adequately address the investment needs of child care and early learning providers. Because of the complicated and unstable nature of most ECE programs, utilizing community development tools for the ECE sector requires intensive coordination between sectors (housing, economic development, etc.) and between public agencies (PHAs, housing finance agencies, economic development agencies, education departments, human services, etc.).

The measured success that CDFIs and intermediary stakeholders have had utilizing tax credit programs, discretionary funding, and debt instruments to support ECE providers has largely occurred due to creativity and dogged mission-driven perseverance. Policies and approaches that encourage and incentivize leveraging PHA spaces to support the facility needs of ECE programs are necessary to address the infrastructure needs of providers.

² Birken, B. (2020). Dollars and Sense: Affordability of Childcare. Federal Reserve Bank of Atlanta. <https://www.atlantafed.org/community-development/publications/partners-update/2020/covid-19-publications/200604-dollars-and-sense-affordability-of-childcare>

³ Rosch, J., Monaco -Vavrik, M., Goldstein, I., Reeves, K. (2022, January). Capitalizing Child Care The National Landscape of Grants, Loans, and Community Development Capital in Early Childhood Education. <https://www.ncfn.org/capitalizing-child-care>

NCFN Feedback on: (3) Ways to enhance the quality, utility, and clarity of the information to be collected

NCFN has several recommendations on ways that HUD can enhance the quality, utility, and clarity of the information to be collected.

1. Include community development financial institutions and intermediaries with experience in planning, developing, and financing high quality ECE facilities and business models in your stakeholder interviews

[Community Development Financial Institutions](#) are intermediary organizations with a primary mission of community development that seek to provide fair, transparent financing and financial education to people and communities underserved by mainstream financial institutions.⁴ Many CDFIs are engaged in local affordable housing strategies, and consider increasing access to quality ECE programs a core component of their community development missions. They leverage capital from public and private sources, and pool and deploy resources in collaboration with local partners and community-based organizations to support the physical infrastructure and business capacity needs of ECE programs. This HUD information collection presents an incredible opportunity to bring CDFIs and other intermediaries into conversations related to leveraging PHA-owned housing to support the colocation of affordable housing and ECE programs.⁵

2. Expand data collection activities to include perspectives on co-locating both center *and* home based ECE programs with PHA-owned housing.

The current information collection appears to be limited to a focus on ECE centers. Many families, especially those with infants and toddlers and those with non-traditional work hours, prefer home-based child care.⁶ Additionally, home based providers often do not receive the public sector resources and support they need to provide the highest quality care.⁷ According to Home Grown, a national collaborative of funders committed to improving the quality of and access to home-based child care, in recent years, the number of home based child care providers in the United States has declined.⁸ Given the vulnerability of home based ECE providers and the lack of clarity that exists around whether home based care can be co-located with PHA-owned housing, NCFN encourages HUD to expand its data collection in stakeholder and resident interviews to include questions about co-location of home based care.

3. Include interview questions about indoor and outdoor spaces (aka the physical environment) in data collection tools.

There is no comprehensive national data collection related to documenting the condition, quality or availability of ECE facilities, leaving providers few opportunities to report on their infrastructure needs, and parents few opportunities to report on their expectations of ECE spaces. As a result,

⁴ <https://www.cdfifund.gov/>

⁵ [Capitalizing Child Care: The National Landscape of Grants, Loans, and Community Development Capital in Early Childhood Education](#) an NCFN supported research project conducted by Reinvestment Fund (a Philadelphia-based CDFI and NCFN member) concluded that CDFIs play a critical role in the financial ecosystem that supports ECE programs, yet too few communities have access to CDFIs that are engaged with the child care sector.

⁶ Schilder, D.; Adams, G.; Wagner, L.; Lou, C.; Willenborg, P. (2022, March). *What Child Care Arrangements Do Parents Want during Nontraditional Hours?*. Urban Institute. https://www.urban.org/sites/default/files/2022-03/What%20Child%20Care%20Arrangements%20Do%20Parents%20Want%20during%20Nontraditional%20Hours_0.pdf

⁷ <https://homegrownchildcare.org/parents-choose-quality-when-they-use-family-friend-and-neighbor-care/>

⁸ <https://homegrownchildcare.org/#:~:text=HBCC%20providers%20often%20do%20not,the%20United%20States%20has%20declined.>

many states and localities do not have an adequate assessment of how the condition and service capacity of facilities affect health, safety, program quality, and availability of care. We recommend that HUD include questions about the condition, quality, and availability of ECE facilities and related financing in the PHA and ECE Center Interviews in order help normalize discussing the aspects of physical spaces that heavily influence the overall success of co-location strategies seeking expand access to quality care.

NCFN is committed to developing and improving equitable access to quality child care in communities around the country. We sincerely hope that the collection of information on ECE needs, preferences, and family utilization in PHA-owned housing, will lead the Department to better understand the barriers and facilitators to operating co-located PHA and ECE programs. HUD is taking meaningful steps toward demonstrating a multi-sector commitment to elevating the importance of ECE spaces and eliminating an ECE facilities blind spot. We are eager to see the adoption of policies and guidelines that improve the alignment of federal child care resources with family and community needs. Please use the Network as a resource on child care facilities and related financing issues. For questions about NCFN or our work, please contact: Nicole Barcliff NCFN Co-Chair LISC Senior Policy Director at nbarcliff@lisc.org or (202) 739-9296, or Angie Garling NCFN Co-chair LIIF Vice President, Early Care & Education Programs at agarling@liifund.org or (415) 489-6116 Ext 316.

Sincerely,

The National Children's Facilities Network (NCFN)