

New Schools on the Block

Understanding and Expanding
Community Developer Participation
in Early Childhood Care and Education

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Abstract

Increasingly recognizing that stable and affordable housing is a necessary but not sufficient condition to lift families out of poverty, organizations in the community development field have invested in providing child care and supporting child care businesses. However, with the exception of high profile organizations such as the Harlem Children's Zone and Purpose Built Communities, community developers' contributions are largely unrecognized in both the education and community development fields. In response to this knowledge gap, this paper draws on ten case studies to understand 1) how community developers decide to become involved with child care; 2) the roles that community developers assume when involved with child care; and 3) the forms and means of implementation for community developers' child care programs. The paper concludes with five recommendations for practitioners and policy makers to help improve and expand community developer involvement in child care. Ultimately, the paper finds that community developer involvement in child care holds substantial promise as one strategy among many to improve the availability and quality of early education opportunities across the country.

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Acronyms

BSRV	NeighborWorks Blackstone River Valley
CAP	Community Action Program
CAPTC	Community Action Program Tulsa County
CCDF	Child Care and Development Fund
CCI	Comprehensive Community Initiative
CDC	Community Development Corporation
CDFI	Community Development Financial Institution
Chicago CPC	Chicago Child-Parent Centers study
ECE	Early Care and Education
HCZ	Harlem Children's Zone
HIPPY	Home Instruction for Parents of Preschool Youngsters
HUD	US Department of Housing and Urban Development
LIIF	Low Income Investment Fund
LISC	Local Initiatives Support Corporation
MIECHV	Maternal, Infant, and Early Childhood Home Visiting program
NAEYC	National Association for the Education of Young Children
NAFCC	National Association for Family Child Care
NAICS	North American Industry Classification System
NIEER	National Institute for Early Education Research
PBC	Purpose Built Communities
Pre-K	Pre-Kindergarten
QRIS	Quality Rating and Improvement System
RTT-ELC	Race to the Top - Early Learning Challenge
TA	Technical Assistance
TNDC	Tenderloin Neighborhood Development Corporation

Introduction

Over half of the children under age six in the United States today face risk factors that may negatively impact their health and academic outcomes.¹ These impacts snowball with age and ultimately corrode the social fabric of our communities. High quality early care and education (ECE), or child care,² is one means of overcoming these risk factors (Harvard Center on the Developing Child 2010). Increasingly recognizing that stable and affordable housing is a necessary but not sufficient condition to lift families out of poverty, organizations in the community development field have invested in providing child care and supporting child care businesses (Belsky and Fauth 2012; Berlin, Brooks-Gunn, and Aber 2001; Knitzer and Adely 2002). Indeed, community developers such as community development corporations (CDCs)³ have been actively involved in child care since at least the late 1980s (Knitzer and Adely 2002). However, with the exception of high profile organizations such as the Harlem Children's Zone and Purpose Built Communities, community developers' contributions are largely unrecognized in both the education and community development fields.

In response to this knowledge gap, this paper seeks to answer the following questions:

- 1) How do community developers decide whether to become involved with ECE?
- 2) Of those community developers involved with ECE, what role(s) do they assume?

¹ Robbins, Stagman, and Smith (2012) find that 41 percent of children in this age group face one to two risk factors and an additional 20 percent face three or more. Economic hardship is one risk. Nearly half, or 11.4 million, of children in this age group live at less than 200 percent of the federal poverty level, and nearly half of those children live under the poverty level itself. Other risk factors include living in a single-parent household, low parental education, and high rates of residential mobility.

² ECE is a term common in the education field used to describe what, in everyday language, is called child care. The term is used as a means to incorporate into discussions about child care recent scientific findings that high quality education is equally if not more important than the caretaking aspects of child care (Sussman and Gillman 2007). Both "ECE" and "child care" will be used interchangeably in this paper.

³ Discussed further below.

- 3) What form(s) of ECE and method(s) of service delivery do these organizations support?
- 4) How do community developers implement their programs?
- 5) What lessons can practitioners and policy makers draw from these experiences?

These questions are intended to illuminate the work done by organizations that are small in scale, at least relative to behemoths like the Harlem Children's Zone (HCZ). In answering them, this paper aims to highlight how such organizations can become involved with child care in ways that supplement or work independently of the *comprehensive community development* models appropriate to HCZ and its federal counterpart Promise Neighborhoods. Ultimately, the paper will offer some preliminary recommendations aimed at helping community development organizations and early childhood educators align their efforts in order to improve child well-being across the country.

Before answering these questions, this paper starts with an in-depth discussion of child care and community development. First, it gives an overview of the community development field. Then, it provides a definition of the child care industry and relates types of child care programs to their different service goals. Next, it discusses the benefits of high quality ECE, along with the multitude of problems currently plaguing the child care industry and delivery system. After a survey of the scant literature on community developer crossover into ECE, I present the research methods, findings, and recommendations of this study. The findings portion of this paper is organized around the research questions outlined above.

Community Developers and Antipoverty Work

Community development, or antipoverty work, in the United States has a long history dating back to the late 1800s (von Hoffman 2012). Although activists have used many types of organizations to implement their visions throughout the years, today the field is led by six distinct types of private organizations that in practice may be called *community developers*. These organizations include 1) community development corporations (CDCs); 2) community action agencies (CAAs); 3) comprehensive community initiatives (CCIs); 4) housing enterprises, or affordable housing developers; 5) community development financial institutions (CDFIs); and 6) intermediary organizations, which are NeighborWorks America, Enterprise Community Partners, and the Local Initiative Support Corporation (LISC).

Each type of organization has a different focus as relates to antipoverty efforts. Strictly defined, CDCs are private organizations that conduct housing and economic development activities (Economic Opportunity Act Amendments 1972). They are best known for affordable housing development and business and workforce development programs provided in specific geographies, such as a neighborhood. CAAs, authorized by the 1964 Economic Opportunity Act, are public and private nonprofit agencies that primarily focus on services such as citizen participation efforts, early and adult education, food banks, and family counseling (Community Action Partnership 2013). CCIs aspire to promote well-being in low-income communities by tackling issues in the built environment *and* the social environment (Kubisch 1996). They practice an all-inclusive approach that recognizes that the causes and effects of poverty transcend professional and academic disciplines. CCIs may or may not be institutionalized; some are private nonprofits, while others may be ad hoc collaborations. As defined in this paper, *housing enterprises* are private nonprofit affordable housing developers that may develop housing across

a wide territory. Unlike CDCs, they are not constricted by neighborhood boundaries and they do not provide economic development services independently of their housing. CDFIs are private lenders that provide capital for housing and economic development in low-income, underserved areas (US Department of the Treasury 2014). Some of the more prominent CDFIs are also known for their policy advocacy work. Finally, the three intermediary organizations are national private and quasi-public nonprofits that provide resources to support other community developers in fulfilling their missions. Historically, they have focused primarily on housing issues, but as will be discussed, they have extended their focuses to cover a comprehensive range of issues, including child care. The table below provides a summary.

Table 1: Community Developers and Antipoverty Work

Organization Type	Abbreviation	Services	Form of Institutionalization
Community development corporation	CDC	Affordable housing and promotes economic development.	Private organization
Community action agency	CAA	Human-centric programs, e.g., citizen participation, food, and family counseling.	Public and private nonprofits
Comprehensive community initiative	CCI	Affordable housing and human-centric programs, such as food and family counseling.	Private nonprofits and ad-hoc collaborations
Housing enterprise	N/A	Affordable housing development	Private nonprofit
Community development financial institution	CDFI	Provide capital for community development projects	Private organization
Intermediary	N/A	Support other community developers	Private and quasi-public nonprofit

Understanding Early Childhood Care and Education

Defining the Child Care Industry

The child care industry, defined by NAICS⁴ code 624410, contains a variety of different types of businesses (US Census Bureau 2007). Preschools and Head Start programs, which are listed separately in the NAICS industry definition, provide a combination of child care and early education opportunities. Day care centers, nursery schools, baby sitters, and nannies typically provide child care and may or may not provide structured educational opportunities in addition to day care. The same holds for family child care businesses, in which the provider runs a child care business out of her own home. The above businesses may serve infants/toddlers (age 0 to 2), preschool-age children (age 3 to 5), or both. Businesses may provide part- or full-day care, and they may operate for part of the year or year-round. While considered an ECE service, home visitation programs such as Parents as Teachers and HIPPY⁵ are not included in the definition of the child care industry; in these programs, a professional or paraprofessional visits with the mother to assist with improving child health, literacy, and general development (US Department of Health and Human Services 2012). Ultimately, the NAICS designates the child care industry as a subcategory of “Health Care and Social Assistance” (US Census Bureau 2007). However, child care programs today are moving toward providing day care plus high quality education, the benefits of which have gained significant recognition over the past few decades.

⁴ North American Industry Classification System. For a more comprehensive overview of the child care industry, see Moldvay (2012). This report draws on the 2007 Economic Census, data from the US Bureau of Labor Statistics, and a variety of nonprofits that are well known in the child care industry. It is the only up-to-date, detailed child care market study available.

⁵ Home Instruction for Parents of Preschool Youngsters

Child Care Program Types and Service Goals

The different forms of child care vary in how well they meet different needs, which fall into three categories: work support, child development, and commute reduction (Table 2, below) (BRIDGE Housing Corporation 2006; Harvard Center on the Developing Child 2010). Full-day center-based child care enables parents to work while their children are looked after. Part-day center-based child care provides limited work support, and family child care can offer full or partial work support depending on the hours of availability. Child care programs can also reduce the commute time required to drop off and pick up children if their facilities are co-located with housing developments or are transit-oriented (BRIDGE Housing Corporation 2006). Whether a child care program additionally supports child development depends largely on the management decisions of the child care provider. However, as will be discussed below, there is increasing recognition among researchers and policy makers that high quality education is a critical element of child care.

Table 2: Policy Goals of Child Care Program Types

	Work Support	Child Development	Commute Reduction
Full-day Center-based Child Care	Yes	Depends on management	Yes, if co-located with housing development
Part-day Center-based Child Care	Limited	Depends on management	Yes, if co-located with housing development
Home Visitation	No	Yes	Yes
Family Child Care	No	Depends on management	Yes, if co-located with housing development

The Benefits of High Quality ECE

The benefits of high quality ECE are well established. In a review of the literature, Steven Barnett (2013), Director of the National Institute for Early Education Research (NIEER), finds that "when all of the evidence is considered it is found that large-scale public programs have

succeeded in producing meaningful long-term gains for children" (p. 8). To illustrate, Temple and Reynolds (2007) find in a review of the literature that high quality preschool has been associated with a reduction of more than 30 percent each in arrests, grade retention, and high school dropouts. However, benefits are not limited to students who are most at risk for negative life outcomes. The intuition behind such results is that children's brains develop over time, and early brain development affects the potential for later brain development (Harvard Center on the Developing Child 2010). Overall, the literature today demonstrates that high quality ECE can be beneficial, but critics argue for caution because these benefits depend on effective implementation.

A recent meta-analysis demonstrates positive outcomes from high quality ECE. The meta-analysis summarizes the findings from 123 studies on ECE conducted in the US since 1960 (Camilli et al. 2010). Studies were included in the meta-analysis if they examined center-based programs that provided cognitive and/or language development services directly to children. Studies were considered only if their subject ECE programs served all children, not just children with special needs, and if the programs were provided for a specified minimum amount of time. Finally, each study was required to have a comparison group, either "in the form of a control (no treatment or intervention) or an alternative treatment" (p. 583). In the end, the authors find statistically significant gains for children in the domains of cognitive skills, social skills, and progress in school. According to Barnett (2013), these findings are "fully consistent with" previous meta-analyses (p. 2). These gains for children have also been shown to translate to gains to society.

Famously, the Perry Preschool Study demonstrates the extent to which high quality early education can generate high social returns. For the Perry Preschool Study, a group of educators

in the early-to-mid 1960s created and ran the High/Scope Perry Preschool Program for at-risk 3- and 4-year-olds (Schweinhart et al. 2005). To facilitate longitudinal studies, they randomly assigned participants to the high quality preschool program or to no preschool program. To date, longitudinal studies have found a 16-to-1 benefit-cost ratio, much of which accrues to society as a reduction in crime (Schweinhart et al. 2005). Nobel Laureate James Heckman has confirmed that the program produced significant long-term gains to society, calculating a conservative but equally impressive 7 to 10 percent annual return, which is competitive with the stock market (Andrews and Kramer 2009; Heckman et al. 2010).

Despite these positive results, some of the most vocal critics take issue with Head Start—the most prominent public ECE program. The Head Start National Impact Study (Puma et al. 2012) fuels critics' arguments. This study finds that Head Start initially generates positive impacts, but its effects fade out by the end of third grade. In response to this study, Whitehurst (2013) of Brookings expresses concern that “preschool education has become like organic food—a creed in which adherents place faith based on selective consideration of evidence and without weighing costs against benefits.” High quality ECE may be important, but methods of implementation matter greatly and the implementation of Head Start must change in order to improve outcomes.

The Cato Institute (2013) presents a more extreme position. The organization holds that “proposals for universal preschool should be rejected.” The organization also maintains that “[p]ublic preschool for younger children is irresponsible.” Coulson (2013) of Cato argues that, because Head Start is ineffective, the Obama administration should replicate “proven successes” such as the K-12 private school voucher program in Washington, DC. Essentially, the Cato Institute holds that ECE and public education are a waste of money, so the federal government

should promote private education instead. Yet, the logic in this argument is flawed. In making his suggestion, Coulson implies that the failure of Head Start is *the same as* the failure of ECE in general. Such an argument flies in the face of evidence. Nevertheless, like Whitehurst's argument, it points to the need to scrutinize the evidence and consider alternative methods of implementation in order to ensure positive program outcomes.

Quality and Access Issues Create Opportunities to Act

Indeed, effective child care policy implementation has proven to be a significant challenge beyond just Head Start. Quality and access are problematic in the current child care delivery system, but these shortcomings create opportunities for community developers to act.

The existing child care system provides low quality child care. One of the most authoritative quality studies found that only 14 percent of the child care centers surveyed provided care and education that could support child development (Helburn and Howes 1996). Among family child care homes, the average provider was "rated as either nonresponsive or inappropriate in interactions with the children close to half the time" (pp. 68-69). There is little evidence to indicate that there have been meaningful, nationwide improvements in educational quality since that study was published.

In fact, workforce quality affects the quality of care and education provided. However, it is commonly accepted that the child care workforce is underdeveloped because workers are undereducated, underpaid, and frequently leave the field. For instance, the median annual wage for preschool teachers in California is under \$30,000, or about half that of kindergarten teachers, even when controlling for education level (Karoly 2012b). Nationally, the median annual wage for a non-teacher child care worker is just under \$20,000 (US Bureau of Labor Statistics 2013). Workforce turnover rates vary by state, but California demonstrates the magnitude of the

problem, with a turnover rate for preschool teachers of over 20 percent per year (Karoly 2012b). It is difficult to imagine receiving a high quality education from a system where the workforce is so significantly unstable and undervalued.

Families also suffer from child care affordability and access issues. Nationwide, 74 percent of 4-year-olds and 51 percent of 3-year-olds are enrolled in child care, but families struggle to afford it (Brown et al. 2013). The US Department of Health and Human Services recommends that families spend a maximum of 10 percent of their income on child care (Child Care Aware of America 2012). The average annual *per-child* cost for full-time care for preschool-age children ranges from \$3,900 in Mississippi to almost \$11,700 in Massachusetts, which implies that the family income needed to comfortably afford child care for *one* four-year-old approaches \$40,000 even in a low-cost state like Mississippi. Nationally, however, nearly 30 percent of families earn less than \$40,000.⁶ Additionally, nearly half of all children under age 6 are growing up in families that earn less than 200 percent of the federal poverty level, which for a family of three is just over \$38,000 (Robbins, Stagman, and Smith 2012).⁷ Infant and toddler care is even more expensive (Child Care Aware of America 2012). The high cost of child care puts affordable, high quality care out of reach of families that need it—especially families with limited incomes.

Although well-intentioned, limited public subsidies do little to mitigate the nationwide issue of high costs. Head Start programs have capacity limits, and portable child care vouchers, which are funded through the Child Care and Development Fund (CCDF) federal block grant,

⁶ American Community Survey 2011 (5-Year Estimates). Child care affordability problems also extend to the middle class. In Massachusetts and New York, average annual per-child costs for preschool-age children respectively amount to 11.1 percent and 13.1 percent of state median income for a two-parent family (Child Care Aware of America 2012).

⁷ For a family of three, the 2012 poverty guideline was \$19,090; two-hundred percent of that figure is just over \$38,000.

are both extremely limited and face ongoing funding cuts (Pardee 2012). In fact, one study has shown that as few as 15 percent of low-income families receive the subsidies necessary to afford child care (Waldfogel 2006). The result is that low-income families often piece together care arrangements, so that one child may be placed in multiple, changing, and inconsistent care arrangements during any given week, month, or year (Witte and Trowbridge 2004).

In response to these ongoing challenges, early childhood educators and policy makers have formulated public policy responses and private industry standards. Some initiatives have been promulgated by states and private industry groups. For decades, states have set licensing standards to regulate the basic health and safety of child care settings (Helburn and Howes 1996). More recently, states have been implementing Quality Rating and Improvement Systems (QRIS), which are a means to establish educational quality standards and then communicate a child care provider's compliance with those standards via a star rating scale (Schaack et al. 2012). QRISs may also include accreditation in the top tier of their quality scales (McKelvey and Chapin-Critz 2011). Private accreditation, which is stricter than licensing and sets high standards for educational quality, is optional and is available through two private industry groups (Helburn and Howes 1996).⁸

In the recent past, complementary initiatives have been enacted at the federal level. For instance, the Obama administration has provided competitive grant funds to states through its Race to the Top Early Learning Challenge (RTT-ELC) initiative. RTT-ELC is a sub-program of the Obama administration's public education improvement initiative, Race to the Top; it is intended to streamline the child care regulatory environment and to make improvements both to

⁸ The National Association for the Education of Young Children (NAEYC) offers a voluntary, industry-standard accreditation for child care centers, and the National Association for Family Child Care (NAFCC) offers the same for family child care homes

educational standards and the child care workforce. Furthermore, in early 2013 the Obama administration proposed nationwide, universal pre-K in its Preschool for All Initiative (White House 2013). Ultimately, however, results have been slow to materialize in spite of the efforts of public and private actors.

Despite the existence of QRISs, accreditation, and RTT-ELC, there have been limited nationwide improvements to child care quality and access. A full review of the programs and initiatives is beyond the scope of this paper, but a survey of outcomes is illustrative. For instance, the National Association for the Education of Young Children (1997) finds that licensing requirements in “the majority of states” are insufficient and may actually create the risk for harm to young children (p. 2). Stoney (2013) indicates that such problems still persist, and that high staff-to-child ratios are one culprit. Accreditation is rare, in part because it is expensive. Less than 10 percent of child care centers and less than 1 percent of child care homes are accredited nationwide (Child Care Aware of America 2011). Furthermore, state and federal programs continue to run up against funding shortfalls and political gridlock in Washington, DC. Ultimately, the child care environment remains less than ideal for families. However, this situation creates both the need and the opportunity for community developers to make improvements to child care at the local level.

The Literature on Community Developers and ECE

The literature that describes the role of community developers in the child care industry falls into four broad categories, among which there is some overlap. Most of the recent literature includes 1) advocacy pieces, 2) how-to guides, and 3) case studies of two high-profile, exceptionally well-funded community developers involved with child care. The final category, which is quite sparse,

is concerned with how less well-known community developers are involved in the child care industry. The present study cuts across and adds to the advocacy, implementation, and case study literature.

Category 1: Advocacy for Community Developer-Child Care Partnerships

The first category is the literature that calls for collaboration between community developers and the child care industry. These reports and papers include work by Berlin, Brooks-Gunn, and Aber (2001), Conti and Heckman (2012), the Harvard Center on the Developing Child (2007b; 2010), Andrews and Kramer (2009), and Belsky and Fauth (2012). These authors emphasize that interdisciplinary collaboration is important to improve children's health and to break the cycle of poverty, and they argue that high quality ECE is an important component of such interdisciplinary collaboration. Belsky and Fauth in particular refer to this interdisciplinary collaboration as *comprehensive community development*, which is a perspective that holds that effective antipoverty work requires investments in people (e.g., ECE, job training, social work) and investments in place (e.g., real estate, transportation, energy efficiency), not *just* investments in place as has been the norm in community development for several decades. Ultimately, the respective authors marshal a substantial body of evidence in support of their claims, but they focus marginally, if at all, on how to make such collaborations work.

Category 2: Implementation Guides

The second category includes guides published *by* community developers *for* community developers. These guides provide step-by-step instructions for CDCs and other affordable housing developers who would like to offer child care to their residents and the broader communities that they serve (BRIDGE Housing Corporation 2006; Gillman et al. 2008). The Low Income Investment Fund (LIIF) and the Local Initiatives Support Corporation (LISC), both

members of the National Children's Facilities Network, were involved in the publication of the guides.⁹ LIIF worked with BRIDGE Housing Corporation, and LISC published Gillman et al. (2008). These publications draw upon case studies but stop short of providing a comparative analysis of the ways in which various types of community developers are involved with child care.

Category 3: High-Profile Comprehensive Community Development Case Studies

Case studies on high-profile comprehensive community development organizations are the third category of literature. The Harlem Children's Zone (HCZ) and Purpose Built Communities (PBC) in particular have received special recognition for their work, which includes making improvements to early childhood education opportunities at the local level. Both program models draw on the perspective of *comprehensive community development*, and they further draw on the concept of the *cradle-to-college continuum*, which involves providing supportive social services from before birth through high school graduation. The literature demonstrates that the outcomes of HCZ and PBC are contested or depend on specific conditions in order to be realized, but the federal government is trying to replicate the potential inherent in such programs through its Promise and Choice Neighborhood initiatives.

Harlem Children's Zone

The HCZ has been lauded, but research on its outcomes suggests that the HCZ's results should be interpreted with caution (Belsky and Fauth 2012). The HCZ, started in 1970 and led by current CEO Geoffrey Canada since 1990, is an education-oriented comprehensive community

⁹ The National Children's Facilities Network is an unincorporated advocacy group for child care finance. In total, the network has twenty-three members, seventeen of which are nonprofit lenders such as CDFIs. The group has a website (www.ncfn.org) that primarily links to facilities design resources and provides a list of members. For more information, see Singh (2013).

development organization that uses an integrative service model to improve the lives of the children and families it serves (Belsky and Fauth 2012; Harlem Children's Zone 2013b). Two of HCZ's early childhood initiatives include The Baby College and Harlem Gems. The Baby College provides parenting education for both expectant parents and parents with children who are three years old or younger. Harlem Gems is a full-day preschool program that serves 200 children, has a low child-to-staff ratio,¹⁰ and holds instruction in English, Spanish, and French. The HCZ further provides school-based programs, out-of-school-time programs, and a bevy of community building, health, and social services that are intended to carry its children from poverty to prosperity.

Currently, Geoffrey Canada is a veritable celebrity among educators for the results of the HCZ. The organization's self-reported successes range from increases in the frequency that parents read to their children to a 93 percent ninth-grade passage rate for the statewide algebra exam in 2008 (Belsky and Fauth 2012). Furthermore, in the 2010-2011 school year, colleges accepted 90 percent of seniors from the Promise High School. Belsky and Fauth argue that much of this success can be attributed to the organization's "commitment to people and focus on outcomes" (p. 93).

Regardless of these results, not everybody agrees that the HCZ is worthy of such high praise. Whitehurst and Croft (2010) from Brookings argue that the HCZ may not be as effective as all the hype suggests. Indeed, they find that the HCZ has done little to enhance students' standardized test scores. However, others have suggested that such criticism is too narrow. The social services provided as part of the HCZ may not have affected standardized test scores, but

¹⁰ The HCZ adult-to-child ratio is 1:4, while NAEYC accreditation allows at most a 1:9 teacher-child ratio for children age 2.5 to 4 years, depending on group size. The HCZ does not specify whether the adults are teachers or classroom assistants, so the ratios are illustrative but not perfectly comparable.

they have created “other benefits” (Belsky and Fauth 2012, p. 94). The HCZ is not just an educational improvement program; it is a multipronged antipoverty initiative. The methods for evaluating the HCZ, which are still a topic of intense debate, should reflect that broader intention (Schorr 2012; Smith 2011).

Purpose Built Communities

Purpose Built Communities (PBC) has also received praise, and the numbers suggest that the model can achieve significant results when deployed in the right way. PBC started in Atlanta in 1995 as the East Lake Foundation and became PBC in 2009 (Franklin and Edwards 2012).¹¹ Its model focuses more heavily on physical rehabilitation than does the HCZ, and it similarly deploys a cradle-to-college educational pipeline and an integrative service model (Purpose Built Communities 2013). Over the course of the organization’s first neighborhood revitalization project, the East Lake Foundation replaced an ailing 650-unit public housing project with 542 units of mixed-income housing, launched a charter school that emphasizes ECE, and partnered with the local child care nonprofit Sheltering Arms to build a new child care facility with a capacity of 135 children (Franklin and Edwards 2012). The Foundation also facilitated a number of other private investments that fundamentally transformed the character of the neighborhood.

As a result of these changes, Franklin and Edwards (2012) report that: 1) crime decreased by 73 percent; 2) employment of low-income adults increased from 13 to 70 percent; and 3) the public school in the neighborhood jumped in performance from 69th out of 69 schools to 4th place. All of these results were realized within ten years. Replicating such results relies on a specific set of conditions, such as a large amount of dilapidated public housing, the opportunity to create a charter school, and strong community leadership that will sustain these efforts.

¹¹ Shirley Franklin is Chairwoman and CEO of PBC.

However, such conditions appear to exist in other neighborhoods. PBC is implementing its model in communities throughout the country, but at this time it is too early to assess the outcomes of these efforts.

Promise and Choice Neighborhoods

Two relatively new federal programs are attempting to build on the potential embodied in organizations like the HCZ and PBC. One is the US Department of Education's Promise Neighborhoods program, and the other is the US Department of Housing and Urban Development's (HUD's) Choice Neighborhoods program. Although these two programs are administratively distinct, both take a comprehensive approach, and the federal government incentivizes applicants for one program to apply to the other (Donovan 2009).

Promise Neighborhoods is a place-based development program modeled after the HCZ (US Department of Education 2012c). Communities compete for grants that will help them plan and implement a school-centric community development program. Promise Neighborhood grants are designed to help each recipient community improve its schools and implement a cradle-to-college continuum of social services.

Choice Neighborhoods differs slightly from Promise Neighborhoods. It is the successor to HOPE VI (Donovan 2009), and it promotes the integration of physical and people-oriented redevelopment efforts through a focus on housing, people, and the surrounding neighborhood (US Department of Housing and Urban Development 2013b). It aims to improve educational outcomes and break the cycle of poverty by providing families with services including high quality early education and social services. The program also aims to improve public housing and low-income neighborhoods by introducing "high-quality mixed-income housing that is well-managed" and by otherwise supporting the conditions necessary to attract additional private

investment to the neighborhood (US Department of Housing and Urban Development 2013b). It is still too early to definitively determine the effectiveness of either program, but the evidence around high quality ECE indicates that the federal government is moving in the right direction.

Category 4: Other Community Developer Case Studies

The fourth and final category is the literature that tries to ascertain how community developers that are less well publicized and potentially less well funded than HCZ or PBC are currently involved in the child care industry. To say that this literature in this category is sparse would be an understatement: it consists of just one study, more than a decade old (Knitzer and Adely 2002). But this one study does indicate that community developer involvement in child care is more than just an anomaly and may be important for improving child well-being.

Knitzer and Adely (2002) conducted an exploratory study in which they argue that CDCs have an important role in the future of the child care system. In a review of the general literature on CDCs, Knitzer and Adely cite a 1998 census of CDCs that finds “21 percent [of CDCs] reported child care as one of their major activities” (p. 7). The 1998 census was conducted by the now-defunct National Congress for Community Economic Development, and it remains the most recent data on the prevalence of CDC involvement in early childhood education.

On the basis of the aforementioned survey findings, Knitzer and Adely held in-depth interviews with nine CDCs involved with child care. They find that CDCs augment existing early learning opportunities in three ways. First, CDCs provide ECE services, either by themselves or through partnership with child care organizations. Second, they operate programs to improve the skills of, and opportunities available to, ECE providers. For example, CDCs have rehabilitated family child care homes and have provided education and resources to family child care businesses. Third, CDCs help families attain their economic and parenting goals—by, for

example, providing support networks, helping families navigate the welfare reforms of the late 1990s, and working to prevent lead poisoning. The authors conclude that “CDCs, alone or in partnership with others, are well-positioned to play an important role in promoting the well-being of the next generation. Their voices need to be heard” (p. 21).

Gaps in the Literature

Ultimately, the extant literature has three gaps that this study sets out to address. First, the literature does not examine the decision making processes that have encouraged and discouraged community developers from becoming involved in child care. Understanding these processes will help to clarify when community developers should become involved with child care and when they should not. Second, it does not compare the roles that different types of community developers take on when they engage with the child care industry. There are six types of community developers that operate on different models; each is likely to engage with child care in a different way. Finally, the literature does not examine whether different types of community developers support different types of ECE, nor does it examine how their methods of implementation might differ. The present study aims to shed light on these issues.

Methodology

For this study, several potential subject organizations were identified by conducting a survey of community developers, with the final organizations selected on the basis of specific criteria discussed below. The data and associated methods are qualitative; data was collected through interviews with executive directors and the staff members directly in charge of educational initiatives (cf. Appendix A: Interviewees). Qualitative methods were necessary because this study investigates a phenomenon about which there is otherwise scant data available. There is no

list of community developers that offer child care or support child care businesses, nor was there an opportunity to take a census of community developers.

Sample Selection

In order to identify potential interviewee organizations, I drew on professional connections to identify two NeighborWorks network organizations (NWOs) suitable for the study, and I both created and distributed an online survey to NWOs to cast a wider net. NWOs are community-based nonprofits that work to revitalize communities and produce affordable housing.

NeighborWorks America vets each nonprofit based on its organizational strength and degree of community involvement before admitting it to the NeighborWorks network. The survey was intended to ascertain the ways in which NWOs engage with the child care industry. The response rate was low, at about 12 percent (twenty-eight respondents), but such a response rate was expected because it was assumed that only NWOs involved with ECE would reply. Not only is the crossover between community development and ECE still fairly nascent, but many NWOs focus exclusively on housing issues.

In addition to information gathered on the thirty NWOs—the two initially identified, plus the twenty-eight survey respondents—I also identified five prominent national organizations to interview. These organizations were NeighborWorks America, Enterprise Community Partners, the Local Initiatives Support Corporation (LISC), the Low Income Investment Fund (LIIF), and HIPPIY USA.¹² The first four organizations focus on a broad set of community development goals, while the last focuses exclusively on ECE.

Drawing on the initial pool of thirty-five organizations, I conducted semi-structured interviews with nine NWOs and the five national organizations. I chose the NWOs as subjects

¹² Home Instruction for Parents of Preschool Youngsters

for the study based on criteria that I hypothesized were important to community development strategy around ECE (Table 3, below). Three of the organizations interviewed provide ECE, either internally or through partnership, prioritizing residents of housing developments managed by the organization (“ECE, Residential Priority”). Three other organizations do the same but with a mission to serve families regardless of who manages the families’ housing (“ECE, Community Priority”). The final three provide limited to no ECE, but do provide out-of-school-time programming for children. The nine organizations represent a variety of locales from all four Census regions of the United States. I rounded out the data collection by interviewing the five national organizations. The interviewees from these organizations provided a broader policy perspective on community development and child care than was obtained in the interviews with the locally-focused NWOs.

Table 3: The Ten Subject Organizations, Organized by the Initial Understanding of ECE Services Provided

Type of Services	Organization	Abbreviation	Geographic Focus	Census Region	Organization Type ¹³
ECE, Residential Priority	Foundation Communities	N/A	Austin, TX and north TX	South	Housing enterprise
	CommonBond Communities	CommonBond	MN, WI, IA	Midwest	Housing enterprise
	AHC, Inc.	AHC	Washington, DC metro	South	Housing enterprise
ECE, Community Priority	NeighborWorks Blackstone River Valley	BSRV	Northern RI	Northeast	CDC
	CAP Tulsa County	CAPTC	Tulsa County, OK	South	CAP
	Housing Partnership, Inc. (subsidiary of Community Partners)	N/A	Palm Beach County, FL	South	CDC/human services agency
	Enterprise Community Partners	Enterprise	National; analysis restricted to Baltimore, MD	Multiple; analysis restricted to South	Intermediary
Out-of-school-time Programming, but no ECE	Beyond Housing	N/A	St. Louis, MO metro	Midwest	CCI
	Tenderloin NDC	TNDC	The Tenderloin neighborhood, San Francisco, CA	West	CDC
	The Neighborhood Developers	N/A	Chelsea, MA	Northeast	CDC

The above groupings served several analytical purposes. I chose the first two groups to compare and contrast issues of implementation and perspective, and I chose the last group in order to uncover potential roadblocks to community developer participation in ECE. The assumption was that organizations that already provide out-of-school-time programming would be more receptive to ECE, even if they do not currently provide such services. Using these

¹³ For definitions of these types, see “Community Developers and Antipoverty Work,” above.

categories also helped to quickly exclude from analysis organizations that are focused solely on housing. These categories facilitated the selection of organizations with a wide variety of missions and target populations who provided distinct yet sometimes converging perspectives on the issues at hand (Table 3, above).

After an initial review of the data, it became evident that this study would benefit from including Enterprise as a subject organization. It was the only organization that made home visitation—in this case, the HIPPY program—part of its core focus rather than a supplementary program, even though the federal government recognizes that home visitation is an important form of ECE. In fact, the US Department of Health and Human Services is funding a nationwide expansion of evidence-based home visitation services through its Maternal, Infant, and Early Childhood Home Visiting program (MIECHV) (US Department of Health and Human Services 2012). However, to ensure comparability with the other nine subject organizations, the analysis of Enterprise's involvement with ECE was limited to just its HIPPY program.

Despite dissimilarities between Enterprise and the other nine subject organizations, focusing exclusively on Enterprise's HIPPY implementation ensured enough similarities to warrant comparison with the nine other subject organizations. Enterprise first became involved with HIPPY as the program's operator, making its experience comparable to that of the nine NWOs, though unusual for a community development intermediary. Intermediaries tend to provide financing and technical assistance to facilitate the actions of other community developers, and are unlikely to implement on-the-ground initiatives. Furthermore, Enterprise's initial foray into early education was focused in Baltimore, Maryland, which is similar to the geographically bounded approach found among the other nine community developers in the

sample. Ultimately, given a narrowed scope of analysis, there are enough similarities between Enterprise and the other subject organizations to facilitate a comparison.

Data Analysis

In order to analyze the data, I categorized responses based on pre-developed, research-informed categories while staying alert for additional patterns that I had not anticipated. In this process, the initial categories used to select the interviewees largely faded into the background, though they proved useful in limited ways. The distinction between resident versus community priority, for example, proved important when analyzing program implementation. Additionally, the categories proved useful for analyzing the experiences of organizations not involved with child care.

However, the initial categories are not a consistent theme throughout the paper. Ultimately, the research questions proved more useful than the initial selection categories for structuring the analysis.

How Community Developers Decide to Be Involved in ECE

Strategies for Evaluating Potential Involvement with Child Care

The ten subject organizations described three different initial strategies that informed their involvement—or lack thereof—with child care (Figure 1, below). Four organizations explicitly mentioned research documenting the favorable effects of high quality ECE for low-income populations. The consensus among these organizations reflects what is commonly accepted among early childhood educators: early intervention is more effective than interventions later in life, and children perform their best in school when they are reading at grade level by third grade. Two organizations implied but did not state that they conducted research about ECE effectiveness. For instance, one posed the question, "What do kids age 0 to 18 need in order to be successful in a community?" and ECE was the response.

The remaining four organizations stated that direct observation of community needs, not academic or policy research about ECE effectiveness, was the significant motivating factor for entering or considering entering the ECE space. These organizations own housing and explained that the need was fairly obvious because their residents have low incomes, low levels of education, and are sometimes new to the United States. Each of these four organizations also explicitly mentioned that relationships between housing staff and residents provided key data; the staff knew details about their residents' lives, including that their residents had unmet child care needs. Indeed, one executive director argues that "we do not need more research that shows that reaching kids the earliest ensures that they will have longitudinal success in their lives." The need for high quality ECE is obvious, given both direct observation of families' daily lives and the ample evidence base in favor of ECE.

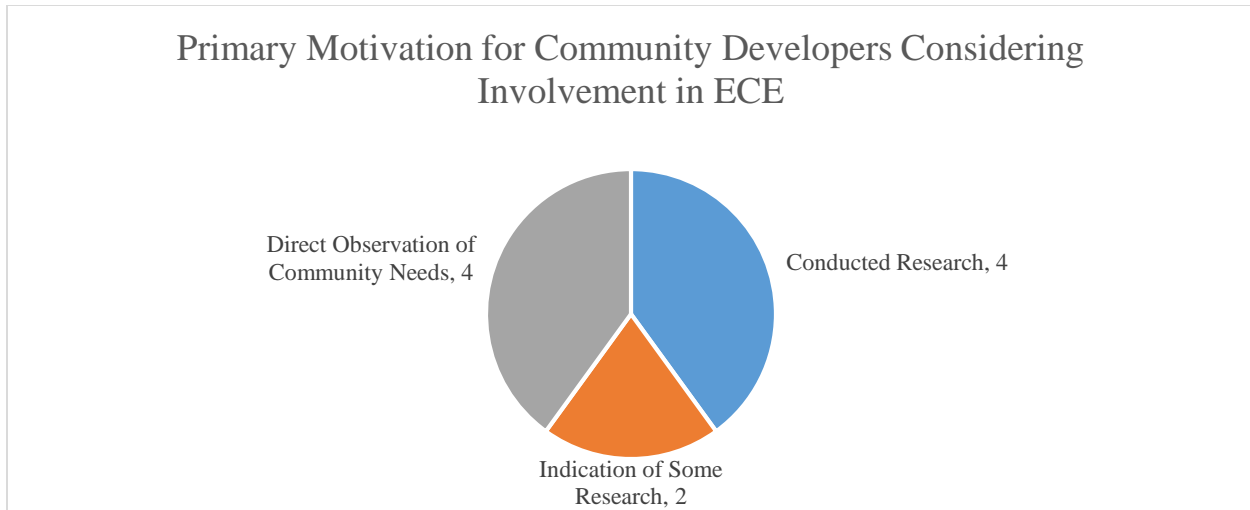


Figure 1: Primary Motivation for Community Developers Considering Involvement in ECE

A deeper analysis reveals that it is important to balance the above two approaches, especially when thinking about implementation. Each approach has strengths that counterbalance the weaknesses of the other. Reviewing the existing literature helps to ensure an approach grounded in years of rigorous scientific research, but *only* reviewing the literature cannot illuminate the unique needs of specific populations. Meanwhile, the latter approach is grounded in the observed needs of the population(s) to be served. Such observation is already happening on a daily basis and is important because each population or community is unique. However, an observation-based approach does not draw on the wealth of existing information about child care. The initial balance of these approaches in program formulation is likely to affect program cost and effectiveness in the short- and long-run.

Being conscious about this balance is especially important because it may take time for organizations to move beyond the initial motivating factor. For instance, one organization commented that, if they were to start from scratch with child care, “we would have been more intentional about our work early on, versus just doing something that we thought was the right

thing.” This organization learned by trial and error, but some of the implementation errors could have been avoided with more extensive research at the outset. Furthermore, limited funding for child care can limit community developers’ abilities to conduct this research, as both CommonBond and Foundation Communities implied. Ultimately, if community developers do not strike a balance between these two approaches, they risk operating or supporting programs that are low quality, inadequately grounded in the science of child development, or not properly designed to serve community needs.

Choosing Whether to Engage with Child Care

Community developers become involved with child care because child care is an outgrowth of their antipoverty missions. All ten subject organizations have recognized that, in the words of CommonBond VP Kelly Matter, affordable housing is necessary but not sufficient “to help families stabilize and advance,” and that child care can be an important strategy in this regard. Furthermore, each organization has recognized a need for improvements to the child care system. Assuming that resources are available from private sources, such as donors (Foundation Communities) and rent revenues (AHC), community developers are poised to provide child care and/or support its delivery.

However, as an *outgrowth* of community developers’ missions, child care may in fact be a significant divergence from community developers’ current programs. This divergence can prevent community developers from engaging with the child care industry. For instance, Tenderloin NDC (TNDC) and The Neighborhood Developers each said that ECE does not fall within its organization's mission, even though each has at some point considered offering ECE for the reasons mentioned above. TNDC primarily serves people who live in single room occupancy hotels (SROs) and studios; there are few families in their properties. The

Neighborhood Developers focuses on community engagement work, which includes building connections among neighbors. Both organizations have considered involvement with child care, but neither is currently involved.

Mission conflicts may also affect organizations that have already entered the ECE space. Since 2008, Enterprise has scaled back its ECE platform and other human capital investments in favor of focusing on its core mission—housing. Ultimately, the community developers in this sample who do not offer or have scaled back ECE programs are focused on other services that will improve their neighborhoods.

Furthermore, community developers may not get involved because they do not know how to proceed. TNDC, for instance, stayed away from ECE programs because ECE was not its expertise. The Neighborhood Developers aspires to develop such expertise, but the process has been slow and bogged down by funding challenges. Moreover, as mentioned above, The Neighborhood Developers is currently focused more intensively on other programs. These two organizations also implied that they would only consider offering the ECE services themselves. They did not consider that they might use their existing strengths to support child care delivery, or that they might develop limited expertise on the subject and use that knowledge to choose an effective ECE partner organization. Both of these options, discussed in detail in the next section, can align the strengths of community developers with those of child care businesses, without requiring a community developer to extend itself beyond its core competencies. Indeed, the belief that community developers have to provide ECE on their own causes a sort of paralysis: community developers do not know where to start, so they do not start at all. Such beliefs indicate that there is a need for increased seed funding, technical assistance, and knowledge sharing to standardize community developer involvement in child care and to bring such

involvement into the mainstream. Designating a central organization to lead such efforts would help to advance and give shape to this nascent, important work.

Roles of Community Developers in the Child Care Industry

Community developers have three general options for being involved with child care: 1) start child care as a line of business within one's organization ("Direct ECE Provision"); 2) partner with an existing child care business, either for-profit or nonprofit, to provide child care ("ECE through Partner(s)"); or 3) assume a role that is otherwise supportive of child care delivery (Table 4, below).

Within the "support" category there are five distinct roles. First, community developers can finance child care with their own money or money from other organizations. Organizations that provide financial support either offer grants themselves, as with Enterprise, or facilitate access to grant funds for other nonprofits in the area, as with CAPTC and Beyond Housing. Community developers may also provide loans, although none of those in the study sample played this role. Technical assistance and capacity building are provided in the form of training in small business finance and in the business side of child care. The role of regional facilitator means that the organization coordinates child care referrals (Housing Partnership) or that it strives to improve child care access and quality in a given region through a combination of funding, expertise, and inter-organizational partnerships (CAPTC and Beyond Housing). Policy advocacy means that the organization pushes for policy changes at the local, state, and/or national level by issuing research reports, lobbying, or both. Facilities development means that the organization manages the financing and construction of child care facilities.

Given the above categories, the question of how to enter the ECE space depends primarily on the strengths of the organization in question (Table 4, below). CDCs and housing enterprises tend to draw on their development expertise and resident relationships to focus on facilities development and ECE provision in geographically concentrated service areas, either directly or through partners. The work of Beyond Housing is consistent with that of other CCIs, which coordinate regional development efforts and advocate for policy changes. However, the organization's focus on young children is a departure from the historical tendency among CCIs, which Berlin, Brooks-Gunn, and Aber (2001) find have focused primarily on issues other than ECE. CAP agencies like CAPTC focus heavily on education; 89 percent of CAPs provide Head Start, youth mentorship, literacy classes, and/or adult education (Community Action Partnership 2013). It is not clear from the sample whether other CAPs develop ECE facilities, but even if they do it is likely that CAPTC is exceptional in this regard since it has constructed over 500,000 square feet of new facilities space since 1999. Enterprise, as is typical for an intermediary, primarily provides grant dollars and technical assistance to its community partner, which provides HIPPY; the organization initially provided HIPPY directly, but eventually decided to use its core strengths to facilitate the provision of ECE opportunities. Housing Partnership is an outlier in this sample because it is predominantly involved in early childhood mental health rather than child care, but as indicated by its CEO, this organization draws on its strengths to coordinate child care referrals at a regional level. It also offers home visitation through a community partner as one of many social services available in its six-unit property for formerly homeless single mothers.

Table 4: Roles of Community Developers in the Child Care Industry¹⁴

Org. Name	Org. Type	Roles Supportive of Child Care Delivery					Child Care Provision	
		Finance	Technical Assistance and Capacity Building	Regional Facilitator	Policy Advocacy	Facilities Development	Direct ECE Provision	ECE through Partner(s)
Enterprise (HIPPIY, Baltimore)¹⁵	Intermediary	Yes	Yes	No	No	No	(Previously)	Yes
CAPTC	CAP	Yes	Yes	Yes	Yes	Yes	Yes	No
Housing Partnership	CDC/human services agency	No	No	Yes	Limited	No	No	Limited ¹⁶
Beyond Housing	CCI	Yes	Yes ¹⁷	Yes	Yes	Limited ¹⁸	No	No
NeighborWorks BSRV	CDC	No	Yes ¹⁹	No	No	Yes	No	Yes
Foundation Communities	Housing enterprise	No	No	No	No	Yes	Yes	Yes
CommonBond	Housing enterprise	No	No	No	Limited	Yes	Yes	Yes
AHC	Housing enterprise	No	No	No	Limited	Yes	No	Yes

¹⁴ Tenderloin NDC and The Neighborhood Developers are not included in the table because they do not provide child care services.
¹⁵ Excludes consideration of the other ways in which Enterprise supports child care, for reasons outlined in the Methodology section.
¹⁶ Home visitation services are offered on a limited basis.
¹⁷ Offered through its partner, United for Children.
¹⁸ Upgrades to existing properties (not complete facilities development) are provided through its partner, United for Children.
¹⁹ Offered through its partners, which are LISC and a local child care nonprofit called Connecting for Children and Families.

In fact, based on community developers' strengths, the most viable options for community developer involvement in child care appear to be supporting child care delivery through other organizations or providing it through community partnership. Direct provision appears less feasible. Out of the eight organizations that provide or support child care, only three provide child care directly, and two of those three organizations also partner with providers to increase the array of child care services they provide. Four exclusively partner with outside organizations to provide child care. Included in this group of four is Enterprise, which used to provide ECE directly but later decided to partner instead. All eight of these organizations support the delivery of child care in one or more of the five support roles described above.

These results are not entirely surprising, but they are important for several reasons. First, organizations like TNDC and The Neighborhood Developers could, if they chose, use their existing organizational strengths to help improve child care delivery in their service areas. Rather than try to offer child care themselves, they could, for instance, help construct child care facilities. The facilities construction could be done in partnership with a local child care business that would run programs in the new space.

Second, these findings indicate that the questions and challenges faced by a community developer involved with ECE will vary depending on how the organization engages with the child care industry. Future research, then, should highlight the ways in which CCIs, CAPs, intermediaries, and CDFIs—organizations discussed less at length in this study than CDCs and housing enterprises—are contributing to the child care industry.²⁰ These findings also indicate that the literature on best practices for CDCs and housing enterprises involved in child care is not likely to apply to all community developers. If intermediaries, CDFIs, CAPs, and CCIs are going

²⁰ Research, as yet unpublished, has been conducted on the role of CDFIs in the child care industry. See Singh (2013) for more information.

to be involved in the child care industry, there is a need for additional research into best practices for these organizations and for research into the public policies that will best support such work.

Child Care Forms, Delivery Models, and Implementation

The community organizations in the sample collectively offer the full spectrum of ECE services, and they do so in ways that draw on their unique positions vis-a-vis the homes and neighborhoods of their communities. Of the eight organizations that provide or support ECE in some way (Table 5, below), each focuses on high quality early education and six provide or support at least part-day care. Strikingly, five have tied provision to housing- and neighborhood-based child care facilities development—strategies that can contribute to physical neighborhood revitalization. Three have even found ways to provide high quality early education through home visitation services, which can utilize community developers' position as owners/managers of housing while circumventing the large capital outlays required to build child care facilities. Community developers are working with models of child care that draw on the power of home and neighborhood in new ways that promise to drive both physical and people-centric neighborhood change.

Table 5: Forms of Child Care that Community Developers Support²¹

Org. Name	Education Element	Standard Forms of ECE				ECE Delivery Models	
	High quality Early Education	Full-day Center-based Child Care	Part-day Center-based Child Care	Family Child Care (full-day or overnight)	Home Visitation	Facilities as Physical Nbhd. Revitalization	Co-located Child Care ²²
Enterprise (HIPPI, Baltimore)²³	Yes	No	No	No	Yes	No	No
CAPTC	Yes	Yes	No	No	Yes	Yes	No
Housing Partnership	Yes	No	No	No	Yes	No	No
Beyond Housing	Yes	Yes	No	No	No	No	No
NeighborWorks BSRV	Yes	Yes	No	Yes	No	Yes	No
Foundation Communities	Yes	Yes	Yes	No	No	No	Yes
CommonBond	Yes	No	Yes	No	No	No	Yes
AHC	Yes	Yes	Yes	No	No	No	Yes

²¹ Tenderloin NDC and The Neighborhood Developers are not included in the table because they do not provide child care services.

²² Center-based child care programs that are provided at affordable multifamily housing properties.

²³ Excludes consideration of the other forms of child care that Enterprise supports, for reasons outlined in the Methodology section.

However, community developers must decide which programs to support, and how to implement those programs, based on organizational culture and the difficulties that arise from funding challenges, variable access to child care expertise, and regulatory changes. Such restraints require community developers to make difficult decisions about which of their communities' needs to prioritize: work support, child development, and/or commute reduction. At the same time, these organizations' efforts show early promise that community developer involvement with child care can expand access to ECE opportunities for low-income communities while providing additional unexpected benefits for families and potentially improving the bottom line for property owners and investors. The following case studies highlight these implementation challenges, tradeoffs, and potential benefits, while at the same time showcasing the full range of strategies employed by community developers in this sample to address their communities' child care needs.

Co-located Center-Based Child Care: Program Startup and Evolution

Both Foundation Communities and AHC currently offer part- and full-day child care focused on child development that is co-located with their housing developments. However, they took decidedly different paths to get where they are today. Differences in organizational culture and in access to funding and expertise affected their decisions about whether to provide child care services directly or through a partner. These differences also affected their decisions about what types of ECE programs to implement.

Located in Austin, Texas, Foundation Communities develops affordable housing through which it also delivers human services, the ECE component of which is primarily delivered through in-house expertise. The organization has a single private donor that has provided primary support for its early childhood programs since inception. Although the organization has garnered support from foundations over the years, it currently receives no public dollars. Foundation Communities hosts what it reports to be strong ECE programs, all of which address child development



Figure 2: Foundation Communities' M Station Apartments leasing office (top) and the co-located child care facility (bottom). Images courtesy of Foundation Communities. Photos taken by Allison Cartwright of Twist Art Photography.

and provide at least partial work support. However, an initial funding shortfall contributed to a slow startup of Foundation Communities' ECE programs.

Foundation Communities started offering ECE services in 2002 with a part-day pre-literacy program in which the organization hired and trained its own early educators. The pre-literacy programs were located at Foundation Communities' Community Learning Centers; today there are ten centers, all co-located with the organization's affordable housing. The initial program was small and evolved through trial and error, in part because it was a pilot program,

and in part because funding was limited. Due to an initial lack of funds and a desire for consistency in organizational culture across its services, Foundation Communities at first chose to have existing coordinators at their Community Learning Centers lead their pre-literacy programs. As the programs evolved and grew, the organization hired an experienced preschool teacher to develop a custom curriculum based on Texas pre-K standards. Today, the organization has hired pre-literacy teachers who are not formally credentialed but who have trained by shadowing public pre-K teachers.

Within the past few years, Foundation Communities has expanded its offerings to include a full-day preschool program co-located at its M Station apartments (Figure 2, above). The executive director believed that full-day preschool was beyond the expertise of his staff, so he decided not to provide this program directly. Instead, Foundation Communities contracted with a local organization called Open Door Preschool, which is a licensed child care provider in operation since 1975 that manages nationally accredited preschools.²⁴ At M Station, Open Door can serve up to 75 children and offers a substantial discount to residents of the property. As of summer 2012, one third of the children at the preschool were property residents.

AHC is similar to Foundation Communities in that it is an affordable housing developer that also offers human services through its housing. Based in Arlington, Virginia, AHC invests the returns it receives from housing development into resident



Figure 3: The Frederick, an affordable housing development by AHC that has a co-located child care facility. Image: ahcinc.org.

²⁴ Preschools accredited by NAEYC—the National Association for the Education of Young Children—are among the highest quality preschools in the country.

services. However, in contrast to Foundation Communities, AHC has always contracted out its ECE services.

AHC started offering ECE in 1999 thanks to a fortuitous meeting of its director of resident services and a public school principal. The principal lamented that she had the human resources to run a preschool but no preschool facility; AHC explained that it had the space and the inclination to run a preschool but lacked human capital. Though AHC already offered in-house, out-of-school-time programming for grades K-12, it had neither the funding nor the expertise for a preschool. AHC thus partnered with the public school. In this case, the school was part of a strong public school system that, unlike most in the US, already offered pre-Kindergarten.

The partnership between AHC and the school ended after several years because the public school obtained additional facilities and moved its program. However, from this point forward, AHC sought and found new private community partners to offer subsidized preschool at its properties. The organization helped its partners grow their programs over time, and while the details of this process are currently confidential, AHC has learned that partnering with a child care provider does not eliminate a community developer's exposure to the risk of child care funding challenges. Indeed, a lesson from their experience is that it is important to understand the business model of a child care partner. This recommendation is similar to the requirement for retail real estate lessors to understand their lessees' business models. However, it differs because child care businesses operate in a difficult environment where the supply of funding from private sources is low, and the supply of funding from public sources is both low and inconsistent.

Today AHC hosts three preschools. Two preschools, located at the properties called Virginia Gardens and Gates Ballston, are offered through one partner and serve sixteen children

from low-income families. The third preschool is a mixed-income Montessori school that serves twenty-four children. It is part of an affordable housing development called The Frederick and is offered through another community partner (Figure 3, above). At least eight of the preschool children in the mixed-income program typically receive a full scholarship, while the remaining families pay full tuition.

Stand-Alone Child Care Facilities: Redevelopment and Regulations

Less conventionally for the child care industry and for the housing-centric community development field, NeighborWorks Blackstone River Valley (BSRV) demonstrates the extent to which one organization can use its real estate expertise and community partnerships both to improve the physical conditions of a neighborhood through stand-alone child care facilities development and to facilitate the provision of overnight child care²⁵ through family child care apartments. Despite vulnerability to child care regulatory changes, these physical interventions can pave the way for



Figure 4: Hope Street Family Center, before renovation (top) and after renovation (bottom). Images courtesy of NeighborWorks Blackstone River Valley.

²⁵ Overnight child care is a highly specialized form of non-parental care and is not commonly offered.

continued physical neighborhood revitalization while supporting the child care businesses necessary to provide for the needs of working parents.

In the Constitution Hill Neighborhood of Woonsocket, Rhode Island, there was a century-old brick school building with a gross floor area of approximately 14,000 square feet that had been vacant since the 1970s (Figure 4, above). Large and prominently situated, this vacant, dilapidated structure cast a pall over the neighborhood. BSRV acquired the property in the early 2000s; the organization's executive director knew that, given the right vision, a renovation of the property could substantially benefit the neighborhood.

That vision was of a child care center. BSRV owns and manages scattered-site affordable housing, the majority of which consists of three-bedroom units. BSRV's properties and Constitution Hill more generally are home to a large number of working families, with parents who work multiple jobs at all hours of the day and night. BSRV already supported family child care businesses, which addressed the need for both day care and overnight care. In fact, the organization designed and developed specialized apartments for family child care providers, and through its partners it offered both training and technical assistance to these businesses. However, there remained a significant lack of child care in the city and the neighborhood as a whole. The city's waiting list for subsidized child care, for instance, was reportedly 300 to 400 families deep.

In response, BSRV collaborated with LISC on a \$6.2 million renovation of the property, financed in part through the New Market Tax Credit program and a Community Reinvestment Act loan. The crumbling, boarded-up school building was replaced with a preschool facility called the Hope Street Family



Figure 5: Children learning at the Hope Street Family Center. Image courtesy of NeighborWorks Blackstone River Valley.

Center (Figure 5, above). Today, BSRV's long-time partner, Connecting for Children and Families, operates Hope Street (Figure 6, above). The organization, which will end up owning the building, runs its program with a licensed capacity of 101 children and operating hours of 6:30am to 6:00pm, Monday through Friday. Since Hope Street opened in 2007, the presence of the facility and the quality of the services provided have reportedly become a selling point for the Constitution Hill neighborhood.

Indeed, the opening of Hope Street was especially fortuitous because a challenging turn of events caused the neighborhood's family child care businesses to close their doors. According to BSRV, the State of Rhode Island decreased its child care voucher reimbursement rates and introduced other child care regulations that made it impossible for the family child care businesses in Constitution Hill, many of whose clients relied on the vouchers, to stay open.²⁶ Strikingly, however, Hope Street has weathered the difficulties. Even though its families also depend on vouchers, Connecting for Children and Families has the capacity to fundraise to cover

²⁶ State child care vouchers are notoriously underfunded across the country. See Pardee (2012) for more information.

revenue shortfalls. Despite the above difficulties, BSRV has demonstrated that community developers can use child care as a vehicle to drive both physical and education-centric neighborhood change.

Home Visitation: No Facilities Required

Unlike the last two approaches, the third approach requires no real estate-related capital outlays or gap financing expertise, but it can still provide high quality ECE to residents of a given property or neighborhood. Since 1996, Enterprise has sponsored the home visiting program Home Instruction for Parents of Preschool Youngsters (HIPPY) in Baltimore, Maryland. Unlike the previous three approaches, which focus on non-parental care arrangements, Enterprise's approach demonstrates how community developers can improve parents' ability to be their children's first teachers within their own homes, regardless of who owns or manages those homes.

HIPPY is a federally recognized, evidence-based program in which paraprofessionals from the community deliver a curriculum to parents.²⁷ Parents apply this curriculum for twenty minutes per day in one-on-one time with their children. The program is specifically designed for parents who did not do well in school, who have limited literacy, or who are English language learners. According to HIPPY USA, parents in these situations are less likely than their better-educated peers to engage in education-oriented play with their children because such parents have fewer resources that enable them to do so. In particular, they may lack the confidence to teach their children, and they may have difficulty setting aside one-on-one time with their children because of the demands of work and running a household. After completing the

²⁷ HIPPY is one of the home visiting programs that the federal government supports in its Maternal, Infant, and Early Childhood Home Visiting Program (MIECHV) (US Department of Health and Human Services 2012).

program, parents may opt to become trained as a paraprofessional who will then train other parents how to deliver the HIPPY curriculum. As a home visiting program, HIPPY does not provide work support, but it takes place in families' homes and does not require additional child care-specific real estate.

In Baltimore, Enterprise started out operating its own HIPPY program, hiring employees for it through a combination of private fundraising and HUD Section 4 dollars.²⁸ However, the organization has since shifted to a support role, which involves providing finance, technical assistance, and capacity building support to a community partner that runs the program. This shift appears to have happened for two reasons. First, in 2008, Enterprise's leadership reassessed the organization's overall strategy. As a result, the leadership decided to re-focus on Enterprise's core strengths in housing while pulling away from human services. Second, Enterprise found that partnering was more efficient than maintaining their own program. There were community partners who already had this expertise but who could benefit from support with funding and the business side of child care. Rather than try to replicate human capital that already existed in the community, Enterprise decided to complement it.

The home visitation approach appears to be working. From 2003 through 2011, Enterprise's HIPPY implementation served an estimated 100 low-income families annually. Each parent spent an average of 400 hours per year with his or her children in educational activities. Of the children who participated in HIPPY and stayed in the nearby public schools, 100 percent of them tested fully ready for kindergarten. Although Enterprise has not directly affected the built environment through its HIPPY program, the organization has effectively delivered high quality

²⁸ The full title of HUD Section 4 is "Capacity Building for Community Development and Affordable Housing Grants." Enterprise, LISC, and Habitat for Humanity receive federal dollars through this program and can distribute them in accordance with the rules established in Section 4 (US Department of Housing and Urban Development 2013a).

ECE through existing housing and avoided the need for the large capital outlays required for child care facilities.

Unexpected Benefits of Housing-centric Child Care

As the four cases above demonstrate, community developers collectively deliver the full spectrum of child care services, and they are doing so in ways that are deeply tied both to real estate development and to community developers' unique position relative to the homes and neighborhoods they serve. Both AHC and Foundation Communities deliver child care as part of a housing-plus-services model, while BSRV delivers child care in a neighborhood-centric, comprehensive community development approach. Additionally, Enterprise has demonstrated that community developers do not need to use real estate development to drive ECE provision. Evidence-based home visitation services such as HIPPI can effectively prepare young, underprivileged children for school. Ultimately, each community developer must navigate the challenges of funding and regulatory uncertainties while establishing a strong program vision aligned with its organizational mission and capacities. At the same time, community developers can and do deliver child care in path breaking new ways that strengthen the ties between home, neighborhood, and education.

In fact, anecdotal evidence from the interviews for this study indicates that these new approaches may indirectly alleviate poverty more powerfully and more broadly than is currently recognized. Easy access to affordable child care appears to help low-income families stay current on rent and to help them stabilize in one place. Foundation Communities has found that families stay longer at their properties because of the free and discounted services they offer, including child care. Additionally, BSRV has found that the Hope Street Family Center has become a selling point for the neighborhood. Low-income families actively seek to live in the Constitution

Hill neighborhood, which used to be known for being an unsafe part of town, according to BSRV. Should these findings prove to be replicable, the provision of affordable child care could benefit more than the families it is intended to serve; it could directly contribute to the bottom line of property owners and investors, which could fuel sustained capital investment into neighborhoods that have otherwise experienced substantial divestment.

Furthermore, AHC has offered anecdotal evidence suggesting that co-located child care can benefit families and property owners in three additional ways. First, parents are anecdotally “more comfortable and less intimidated in the housing environment” than in a school setting when it comes to being involved with their children’s education. This tentative finding is incredibly important, because it is widely recognized among educators that parental engagement is one of the most important determinants of a child’s educational success. Second, AHC has found that co-located child care acts as a gateway for parents to access other beneficial social services. And third, AHC has found that property maintenance becomes easier when children are engaged in positive ways. This is especially true for older children in summer camp, who might otherwise run loose and accidentally damage the property out of boredom. Co-located child care may prove to be an investment that positively affects families, investors, and property owners. Additional research can help to confirm these tentative findings.

Recommendations

In summary, community developers face a host of questions and challenges that shape and complicate the decision to offer child care. These questions and challenges inform the five principal recommendations of this study.

*Recommendation 1: Community Developers Should Develop Well-Researched ECE**Project Plans*

In determining the child care needs of their communities, community developers should develop project plans to guide their evaluation of whether and how to become involved in child care, and to guide the implementation of any programs they choose to sponsor.

These plans should draw on direct observation to account for the unique needs of the population(s) to be served, but they should also allocate resources for research into the literature on child care. For the organizations interviewed, these sources of information provided the initial motivation to become involved in child care. More than half stated or implied that they conducted research into the literature on ECE; the promise of high quality, evidence-based ECE as an antipoverty tool was a significant draw for these organizations. On the other hand, for just under half of the organizations interviewed, the primary motivation came from direct observation of community needs. The need for child care was obvious because the organizations' tenants have low incomes, low levels of education, and are sometimes new to the United States. Furthermore, positive relationships between community developers' staff members and residents helped to clarify residents' specific child care needs.

A balance between these two preliminary sources of information about child care—direct observation of the community and research into the literature—will lead to better decisions about whether and how to become involved with child care. As discussed in depth above, each approach has strengths that counterbalance the weaknesses of the other. Because the resources available to support child care initiatives are so limited, it is especially important for organizations to be conscious of the value of this balance in the early stages of planning.

Potential questions for community developers to ask in this planning process include:

- 1) How many low-income families does my organization serve? How many of them have children age five and under?
- 2) Does my organization's mission or vision statement support crossing over into ECE?
- 3) What are my organization's unique strengths?
- 4) To what extent might the populations my organization serves benefit from programs that provide work support, reduce the commute required to drop children off at day care, or simply support child development?
- 5) What are the public and private funding sources available to my organization?
- 6) Might any of these funds be usable for testing an ECE pilot program or a full-scale initiative?
- 7) What ECE organizations already exist in my organization's service area?
- 8) Should my organization proceed? If so, how should we proceed based on the answers to the above questions?

Ultimately though, given resource constraints, community developers may have difficulty funding and executing this research on their own. Additional resources are needed in order to facilitate this recommendation.

Recommendation 2: Provide Capacity Building Support to Community Developers

A combination of seed funding, technical assistance, and knowledge sharing will help to spread the existing research on community developer child care implementation efforts, and it will help to provide community developers with the funding and personnel support needed to build on that research and implement high quality ECE initiatives. This combination of services could help both community developers already involved in child care and those not yet involved because they do not know how to proceed.

Centralized leadership will be an important next step to bring together organizations involved in child care. Indeed, combining community development and child care appears to be, in practice, a largely ad hoc phenomenon. There was no indication in the interviews that there is a network of organizations where community developers can regularly share ideas or confer about child care. Additionally, aside from limited and competitive federal grants like Choice Neighborhoods, community developers draw child care-related funding from sources unique to their organizations. The creation of a central organization to facilitate funding, technical assistance, and knowledge sharing would help to advance this nascent, important work.

In practice, such a centralized organization could be created through the collaboration of existing national organizations. On the community development side, organizations such as NeighborWorks, LISC, and Enterprise have a national reach and the potential to marshal substantial resources in support of this cause. In particular, NeighborWorks has shown an interest in pursuing the topic, and LISC has already established itself as a leader in the community development-child care nexus. On the child care side, potential partners include influential groups such as the Harvard Center on the Developing Child, the National Institute for Early Education Research, and the National Association for the Education of Young Children. It is possible to imagine corporations and foundations also joining in once the initial partnerships are formed. Collaboration among the above organizations is a practical means of implementing an essential next step for advancing the child care aspects of comprehensive community development.

Recommendation 3: Community Developers Should Use Existing Strengths

Community developers interested in becoming involved with child care should do so in ways that draw on their existing organizational strengths. This will help to ensure quick execution, and it will spare community developers from having to learn a new, highly complex line of business.

Community developers have three general options for becoming involved with child care: 1) start child care as a line of business within one's organization; 2) partner with an existing child care business to provide child care; or 3) assume a role that is otherwise supportive of child care delivery, such as building child care facilities. The first option requires a substantial investment of time and resources. As demonstrated by Foundation Communities, it can take years to learn how to run and obtain funding for affordable, high quality programs. Furthermore, such investment requirements can be an insurmountable barrier to entry. The experience of organizations such as The Neighborhood Developers and TNDC indicate that community developers may continue to focus on aspects of community development *other than* child care if they perceive the barriers to entry into child care to be insurmountable. Fortunately, there is a middle ground.

For most types of community developers, supporting child care delivery or providing it through community partnership appear to be more viable options than providing it directly (Table 6, below). These options allow community developers to draw on their existing strengths to improve child care. For instance, the CDCs and housing enterprises in this study have demonstrated that they can employ their real estate expertise to develop child care facilities while partnering with diverse constituencies, bringing together community leaders, businesses, and nonprofits around the same table. These strengths could lead to productive partnerships between community developers and child care businesses that share the goal of educating the next

generation in order to break the cycle of poverty. Ultimately, community developers have the potential to become increasingly important allies in the business side of child care.

Table 6: Suggested Roles for Community Developers in the Child Care Industry²⁹

Org. Type	Finance	Technical Assistance and Capacity Building	Regional Facilitator	Policy Advocacy	Facilities Development	Direct ECE Provision	ECE through Partner(s)
CAP	Yes	Yes	Yes	Yes	Yes	Yes	No
CCI	Yes	Yes	Yes	Yes	Yes	No	No
CDC	No	No	No	Limited	Yes	No	Yes
Housing enterprise	No	No	No	Limited	Yes	No	Yes
Intermediary	Yes	Yes	Yes	Yes	No	No	Yes
CDFI	Yes	Yes	No	Yes	No	No	No

Recommendation 4: Research Further the Appropriate Roles for Community Developers in Child Care

The above findings suggest future directions for research. First, CDFIs and community development intermediaries were not investigated in this study, so future research can help to define their roles more clearly.³⁰ Given the strengths of these types of organizations, CDFIs and

²⁹ Potential roles for CAPs, CCIs, CDCs, and housing enterprises are recommended based on the subject organizations studied. Because this study examined only a limited aspect of an intermediary’s involvement with child care, and did not include a CDFI among its subject organizations, potential roles for these types of organization are recommended on the basis of organizational strengths as discussed in the literature review.

³⁰ Singh (2013) has started the research on the role of CDFIs in child care finance.

community development intermediaries involved with child care appear likely to provide financing and technical assistance in support of child care businesses and facilities development. They also appear likely to advocate for policies that support their work in these realms. Second, additional research is necessary to confirm and refine the present study's understanding of the ways in which CAPs, CCIs, CDCs, and housing enterprises can best use their strengths in support of child care. Table 6 (above) provides a starting point for thinking about the ways in which community developers can best support child care, and thus can be used as a basis for future research.

Recommendation 5: Research the (Unexpected) Benefits of Home- and Neighborhood-Centric Child Care

Additional research should be conducted not only on the direct benefits of home- and neighborhood-centric child care for children's educational outcomes, but also on the indirect benefits for families, neighborhoods, property owners, and investors. Anecdotal evidence from the subject organizations in this study suggests that easy access to affordable child care may have several unexpected positive effects, about which much remains to be discovered.

Family-oriented research questions suggested by the present study include:

- 1) To what extent does affordable, co-located, or readily accessible child care help low-income families meet their other financial obligations, especially rent?
- 2) How does co-located child care affect parents' level of engagement with their children's education in the short run and the long run?
- 3) How effective is child care as a gateway for families to obtain access to other potentially helpful social services?

Other research questions are oriented to understanding effects on properties and neighborhoods:

- 1) To what extent can the presence of home- and neighborhood-oriented child care help to turn around the image and actual conditions, such as safety and property values, of a neighborhood?
- 2) Can the presence of home- and neighborhood-oriented child care improve the financial returns or property values of buildings that have child care or are near the child care facility? To what extent and under what conditions?
- 3) In what ways can co-located child care help to lower property maintenance costs?

Child care appears to be more than just an element of comprehensive community development, to be included because working families require it. It appears that community developers may be able to use child care itself in order to *drive* comprehensive community development. Future research can help to validate and refine this hypothesis.

Conclusion

In conclusion, community developers have played—and can continue to play—a vital role in expanding access to child care for low- and moderate-income families. Community developers bring resources and expertise to bear that complement weaknesses in the current child care delivery system. While they do so in ways that vary depending on their type of organization, the population served, and the nuances of implementation, each organization is strengthening the connections between home, neighborhood, and education in their communities. Ultimately, community developer involvement in child care is not a silver bullet for ending intergenerational poverty or for curing all that ails the child care delivery system. However, such involvement

holds substantial promise as one strategy among many that can mitigate intergenerational poverty and improve the availability and quality of early education opportunities nationwide.

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Appendix A: Interviewees

Organization	Name	Initial Interview Date
AHC, Inc.	Jennifer Endo	8/6/2012
Beyond Housing	Chris Krehmeyer	8/7/2012
CAP Tulsa County	Steven Dow	7/31/2012
CommonBond	Kelly Matter	7/23/2012
Enterprise Community Partners	Ali Solis	7/31/2012
Enterprise Community Partners	Tina Hike-Hubbard	8/28/2012
Foundation Communities	Walter Moreau and Marisela Montoya	7/20/2012
HIPPY USA	Lia Lent	7/27/2012
Housing Partnership, Inc.	Patrick McNamara	8/2/2012
Local Initiatives Support Corporation	Tina Brooks	8/10/2012
Low Income Investment Fund	Candace Wong	11/30/2012
NeighborWorks America	Francie Ferguson	3/30/2012
NeighborWorks Blackstone River Valley	Joe Garlick	4/2/2013
NeighborWorks Blackstone River Valley	Margaux Morisseau	7/30/2012
Tenderloin NDC	Yvette Robinson	7/27/2012
The Neighborhood Developers	Ann Houston	8/1/2012
The Neighborhood Developers	Phoebe Mayor	8/3/2012

Appendix B: Initial Research Presentation Attendees

Name	Organization
Peter Beard	United Way Worldwide
Eric S. Belsky	Harvard Joint Center for Housing Studies
Conrad Egan	National Housing Conference
Eileen Fitzgerald	NeighborWorks America
Toby Halliday	Stewards of Affordable Housing for the Future
Chris Herbert	Harvard Joint Center for Housing Studies
Paul Kealey	NeighborWorks America
Anne Segrest McCulloch	Fannie Mae
Alan Mallach	The Brookings Institution
Danilo Pelletiere	U.S. Department of Housing and Urban Development
Charles Rutheiser	Casey Foundation
Matthew Singh	Harvard Graduate School of Design
Luke Tate	The White House Domestic Policy Council
Marge Turner	Urban Institute
Chris Walker	Local Initiatives Support Corporation
Paul Weech	Housing Partnership Network
Xueyi Yang	Harvard Graduate School of Design