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April 2022

Nancy Skinner
California State Senate
1021 O Street, Suite 8630
Sacramento, CA 95814

Phil Ting
California State Assembly
1021 O Street, Suite 8230
Sacramento, CA 95814

Sydney Kamlager
California State Senate
1021 O Street, Suite 8530
Sacramento, CA 95814

Wendy Carrillo
California State Assembly
1021 O Street, Suite 4250
Sacramento, CA 95814

Subject: The 2022-23 State Budget and investments in early care and education facilities infrastructure as part of affordable housing projects

On behalf of Build Up California and the undersigned partners, **we urge the legislature to allocate \$10 million as part of the 2022-23 State Budget to support financing for child care centers and family child care units that are located in affordable housing projects.** These funds will be used as start-up resources for a low-interest loan and grant program administered by Department of Housing and Community Development (HCD). Co-locating early care and education (ECE) facilities with affordable and transitional housing developments is a promising strategy to support the economic mobility for low and moderate-income families and the community.

[Build Up California](#) is a statewide network dedicated to the equitable sustainability, improvement, and expansion of early care and education facilities. Launched in 2020, we advocate and promote community education to ensure children can learn and grow in safe and healthy early care and education environments while their parents work. We want to thank Assemblymember Ward for championing this ask in the Assembly and this ask is also supported by our fellow members of the [Early Care and Education \(ECE\) Coalition](#) as part of additional investments to strengthen and expand a comprehensive child care system that is accessible, affordable, equitable, meets families' needs, and pays providers a fair wage.

EARLY LEARNING FACILITIES

Access to high-quality care supports child development during their critical early years. It is also a cornerstone of financial stability for families by allowing parents to participate in the workforce while knowing their children are learning in a safe environment. Governor Newsom's *Master Plan for Early Learning and Care* and the *Final Report of the Assembly Blue Ribbon Commission on Early Childhood Education* emphasize the need for additional ECE facilities and their co-location with housing as an evidence-based approach to equitably expand access to ECE and support families in an impactful way.

Co-location of housing and ECE is the inclusion of a child care facility in affordable housing developments with the goal of improving access to care for families. Projects are usually implemented in three formats: 1) the facility is included on the ground floor of a mixed-use apartment building; 2) the facility is included as a stand-alone building or as part of a stand-alone building in a garden-style housing complex; or 3) the housing project includes units designed for family child care businesses. Families residing in developments enroll their children in co-located care, but the ECE facilities are generally also open to the surrounding community.

Many logistical and financial challenges impede the development of co-location projects in communities where families would benefit from integrating these sources of support. Although no single policy change will result in a sudden surge of co-location developments, **the implementation of a study and a low-interest loan and grant program piloted in San Diego County and Fresno County to support the development of these projects would be the first step to supporting this goal in California.**

HCD would use the funds to finance a study, including an assessment of the field, analysis of incentives for developers, program design recommendations, and other policy recommendations related to co-location. This study, conducted within the first half of the fiscal year, would then help inform the pilot funding for projects in San Diego County and Fresno County, which will bolster the study's analysis and evidence.

Co-location of affordable housing and ECE is a practical strategy to work across two critical community resources that are often exist in silos. The Fact Sheet about this request is enclosed, including background on this issue. Please don't hesitate to contact us at info@buildupca.org for any additional information needed.

Thank you for your consideration, commitment, and collaboration on this critical issue.

Sincerely,

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Build Up California Partners

Cc:

Senate President pro Tempore Toni Atkins

Assembly Speaker Anthony Rendon

Senator Anna Caballero, Senate Budget Subcommittee 4 on State Administration and General Government

Senator Jim Nielsen, Senate Budget Subcommittee 4 on State Administration and General Government

Senator Richard Roth, Senate Budget Subcommittee 4 on State Administration and General Government

Assemblymember Jim Cooper, Assembly Subcommittee 4 on State Administration

Assemblymember Tom Lackey, Assembly Subcommittee 4 on State Administration

Assemblymember Adrin Nazarian, Assembly Subcommittee 4 on State Administration

Assemblymember Buffy Wicks, Assembly Subcommittee 4 on State Administration

Assemblymember Vince Fong, Republican Alternative, Assembly Subcommittee 2 on Education Finance

Anita Lee, General Government Consultant, Senate Budget Committee

James Hacker, Housing and Homelessness Consultant, Senate Budget Committee

Genevieve Morelos, General Government Consultant, Assembly Subcommittee 4 on State Administration