

NATIONAL CHILDREN'S FACILITIES NETWORK

Child Care Facilities Financing Act of 2009

Summary

The federal government has never provided a dedicated source of capital to help early care and education providers develop well-designed and appropriately located facilities, nor have providers had access to federally-supported resources for technical assistance to ensure that they create facilities that are viable, cost-effective and of the highest possible quality. Without a consistent and effective financing system or capital subsidies, providers are left to pursue piecemeal approaches, cobbling together small donations and grants from a variety of sources. This prevents the early childhood field from addressing its physical capital needs and creating the kind of environments that support quality programs.

To address this need, H.R.1685 / S.1002, the Child Care Facilities Financing Act of 2009, would create a flexible pool of capital for early childhood facilities development in low-income communities across the country.

Specifically, H.R.1685 / S.1002 would allow the Secretary of the US Department of Health and Human Services to award competitive grants to experienced community development financing institutions (CDFIs) and additional non-profit lenders to create capital funds for early childhood facilities development in low-income communities. With these grants, CDFIs can leverage private resources for the acquisition, improvement, renovation or construction of early care and education facilities and related technical assistance. Facilities entities would provide low-cost loans and grants to early care and education providers to develop facilities, and specialized technical assistance on facility project planning, budgeting, fundraising and design.

- **Funding:** \$50 million for 5 years (FY2010 - FY2014) – a total of \$250 million.
- **Eligible Uses:** For the acquisition, improvement, renovation or construction of early care and education facilities and related technical assistance.
- **Authorizer:** The Secretary of the U.S. Department of Health and Human Services.
- **Eligible Facilities Entities:** CDFIs and non-profits with experience and prior success in child care facility financing and real estate planning.
- **Eligible Recipients of Capital Funds from Facilities Entities:** Child care, early learning and Head Start providers that serve low-income communities and families.