



# Executive Summary: Clearing the Path for New Child Care Supply Solutions for Child-Friendly Planning, Housing, and Community Development

December 2023

Authored By Beth Melton, Melton Strategic Solutions, LLC

The severe shortage of child care in Colorado requires a multi-pronged approach to ensure that parents can make a choice to participate in the workforce and the economy continues to thrive. While acknowledging the critical importance of expanding and supporting the child care workforce, this report focuses on ways to decrease expenses and create regulatory alignment to support the physical infrastructure (commercial and residential facilities) needed for child care in all settings (home-based, center-based, licensed, and license-exempt). There are many opportunities to support the development and sustainability of new child care facilities with policies and programs that recognize the value of child care as community infrastructure.

This report explores opportunities for leveraging new and existing development and spaces, utilizing case studies and informant interviews to understand the process for creating child care facilities. This data revealed a pattern of processes that are confusing, slow, and costly with potential operators facing multiple layers of unnecessary regulatory complexity, lengthy processes, high start-up costs, and a lack of access to capital.

Business and community leaders and policymakers at both the state and local levels can support the development of child care infrastructure by implementing policies and programs that codify its value and importance, remove regulatory barriers, and create additional supports for the expansion of child care infrastructure.

## THERE ARE OPPORTUNITIES TO USE MANY EXISTING SPACES FOR CHILD CARE



HOMES



STANDALONE  
CENTERS



ON-SITE  
EMPLOYER  
BASED



CO-LOCATION  
WITH AFFORDABLE  
HOUSING



MIXED-USE OR  
MIXED-COMMERCIAL  
REAL ESTATE  
DEVELOPMENT



CHURCHES



VACANT  
GOVERNMENT-  
OWNED LAND



OTHER  
SPACES

“ CHURCH FACILITIES ARE ONE OF THE MOST UNDERUTILIZED FACILITIES IN OUR COMMUNITY. OFTEN THERE IS ACTIVITY GOING ON JUST A FEW DAYS A WEEK AND THE REST OF THE TIME THEY ARE LAYING DORMANT. SINCE THEY ALREADY HAVE CLASSROOMS DESIGNED FOR KIDS, THESE FACILITIES SHOULD BE A PART OF ANY STRATEGY THAT AIMS TO PROVIDE MORE SPACE FOR CHILDCARE PROVIDERS. ”

DAVE RUNYON, EXECUTIVE DIRECTOR, CITY UNITED

## RECOMMENDATIONS

### Establish Community Value

Elected officials and communities across Colorado must recognize the importance of child care, explicitly state this value within their comprehensive planning efforts, and commit to the implementation of policies that demonstrate and elevate this value.

### Mitigate Regulatory Barriers

Generally, there are four sets of regulations that a potential provider interacts with: local planning/zoning, building/fire codes, health codes, and state licensing. In some places, a business license may also be required. Each of these brings its own layer of complexity, and at times, the different sets of regulations are misaligned, duplicative, or unclear. Navigating these processes can also be costly and slow, with many operators being forced to abandon their plans along the way. Governments should identify opportunities to align and simplify regulations, streamline processes, remove barriers in zoning, and consider using planning and zoning tools to incentivize the creation of new child care facilities.

### Provide Support

In addition to streamlining regulations and processes, there are several types of support that would be helpful in creating child care facilities. Many different people and organizations - including child care professionals, housing developers, community organizations, local governments, general contractors, and employers - may have the opportunity to support child care if they are given the appropriate supports such as technical assistance, subject matter expertise from experienced professionals, and access to capital. Two specific opportunities that emerged in this report include supporting financing mechanisms and financial incentives for co-location with affordable housing and reducing facility costs with tax incentives.

“ BY FINANCING THE CONSTRUCTION OF EARLY CHILDHOOD EDUCATION CENTERS WITH NON-TRADITIONAL FINANCING SOURCES, CHILDCARE PROVIDERS WILL EXPERIENCE LOWER OPERATING COSTS. WITH LOWER OPERATING COSTS, CHILDCARE PROVIDERS CAN PAY STAFF MORE SUSTAINABLE WAGES AND MAKE AFFORDABLE, QUALITY CHILDCARE AVAILABLE TO MORE FAMILIES. ”

STEVE KUEHNEMAN, EXECUTIVE DIRECTOR CARE HOUSING AND BOARD  
PRESIDENT, EARLY CHILDHOOD COUNCIL OF LARIMER COUNTY

# CALL TO ACTION

The severe shortage of child care in Colorado requires a multi-pronged approach to ensure that parents can go to work and the economy continues to thrive. There are many opportunities to support the development of new child care facilities with policies and programs that recognize the value of child care as community infrastructure.

Leaders and policymakers at both the state and local levels can support the development of child care infrastructure by implementing policies and programs that codify its value and importance, remove regulatory barriers, and create additional supports for the expansion of child care infrastructure.

## COLORADO

- Provide support and incentives for local action
- Create a technical assistance program
- Create funding mechanisms for child care facilities
- Analyze and revise state regulations to create alignment and reduce barriers
- Streamline state processes to reduce confusion, cost, and timeline
- Create specific incentives for the inclusion of child care in affordable housing development

## LOCAL GOVERNMENTS

- Adopt comprehensive plan and other policy documents that reflect the value of child care as community infrastructure
- Create alignment, reduce barriers, and avoid duplication of regulations
- Streamline local processes to reduce confusion, cost, and timeline
- Create local funding mechanisms for child care facilities
- Identify un- and under-utilized government property that may be appropriate for child care
- Include child care as a use by right in appropriate zone districts

## PRIVATE SECTOR

- Advocate for the inclusion of child care in economic development and public community planning processes
- Identify owned real estate that may be suitable for child care
- Invest in child care facilities and capital needs
- Connect with local child care organizations to identify partnership opportunities
- Pursue opportunities to locate child care in existing or new development