



Building Knowledge & Systems for Lasting Change: A Third Year Evaluation of the ABCD Initiative

Executive Summary



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PREPARED FOR:

LOW INCOME INVESTMENT FUND: ABCD INITIATIVE

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The Affordable Buildings for Children's Development (ABCD) Initiative promotes and supports the development of quality child care facilities throughout the state of California. Launched by the Low Income Investment Fund (LIIF) in 2003, the ABCD Initiative employs four key program components: Capital Financing, Development and Capital Financing Capacity Building, Constructing Connections and Policy. The ABCD Initiative holds a near-term goal of supporting 15,000 child care spaces by the year 2010 but is guided by the longer-term objective of building comprehensive and sustainable financing and support systems for facilities across the state.

To help understand the extent to which the ABCD Initiative is achieving its goals and to provide useful feedback on the Initiative's process, LIIF engaged BTW *informing change* to conduct a multi-year, multi-method evaluation of the ABCD Initiative. The purpose of this evaluation is to identify the extent to which the ABCD strategies are collectively and effectively contributing to the goal of creating and supporting quality child care facilities in the State of California. This summary of the third consecutive evaluation focuses on activities and outcomes in FY 07-08, building upon the previous two evaluations.

ABCD Initiative Advisory Committee Members, FY 07-08

LIIF's ABCD Initiative Advisory Committee, a subcommittee of LIIF's Board of Directors, supports and guides the ABCD Initiative's implementation and other child care facilities programs at LIIF.

Nina Buthee, California Child Development
Administrators Association

Duffy Campbell,
National Women's Law Center

Ed Condon,
California Head Start Association

Moira Kenny,
California First 5 Association

Fran Kipnis,
UC Berkeley

Scott Moore,
Preschool California

Marc Nemanic, Tri County Economic
Development Corporation

Elizabeth Pugh,
Local Initiative Support Corporation

Noni Ramos,
Enterprise Community Loan Fund, Inc.

Carolina Reid,
Federal Reserve Bank of San Francisco

Tom Silva, San Ysidro School District & San
Diego County Office of Education

Dianne Spaulding, Non-Profit Housing
Association of Northern California

Nancy Strohl,
Child Care Law Center

CAPITAL FINANCING

Context: Through the ABCD Fund, LIIF offers repayable planning grants and short- and long-term loans, with a combined goal of supporting 6,000 child care spaces and leveraging \$86 million. The Initiative also aims to ensure that \$10 million in new or improved statewide funds are available for child care facilities development.

- Projects receiving ABCD Loans have enhanced or preserved 1,748 child care spaces and leveraged at least \$21.5 million in other funding. ABCD did not close any loans in FY 07-08. The ABCD Fund has loan and grant capital available; however, the funds were not being fully utilized during this reporting period. LIIF staff notes that limits on operating dollars for providers have been the real barrier to distributing grant and loan funds.
- ABCD Fund Planning Grants are enabling the creation or enhancement of 905 child care spaces and are leveraging at least \$11.9 million in other funding. The number of spaces is lower than expected at this point in the Initiative and yet over 3,000 more spaces are in the planning or predevelopment stages. While the progress of many of these projects is being monitored, it is difficult to predict when and how many of these projects will be successfully completed.
- In FY 07-08, LIIF secured New Markets Tax Credits (NMTC) from the U.S. Department of the Treasury, of which \$10 million will be utilized for child care loans. During this reporting period LIIF also secured a \$3 million program-related investment (PRI) from the California Community Foundation for capital improvement projects in Los Angeles County.

DEVELOPMENT & CAPITAL FINANCING CAPACITY BUILDING

Context: ABCD offers trainings and one-on-one technical assistance to child care operators, developers and financial institutions to facilitate learning about child care capital financing and about developing child care facilities.

- Operators and developers receive training and technical assistance on the start-to-finish process of developing child care facilities; LIIF/ABCD provided 16 trainings engaging over 235 individuals in FY 07-08. All training attendees surveyed say that the information provided by LIIF met or exceeded their expectations. The vast majority (85%) also report that they increased their understanding of how to position themselves to access capital—the area with which they cite most frequently needing help.

“[LIIF/ABCD staff] understood our goals and how to attain them and the importance of quality child care. There were good ideas for all my questions. I wasn’t aware of the consulting and took full advantage and loved it.”

—Child Care Operator

- More extensive and individualized interactions with LIIF yield greater satisfaction among training and technical assistance recipients. Operators, developers and financial institutions in the eleven counties hosting one of ABCD’s local projects, called Constructing Connections, have opportunities for ongoing support.
- ABCD is reaching developers by providing its training curriculum through professional affordable housing and public school associations—at the California Association of School Business Officials and Housing California conferences. LIIF has also partnered with some of these associations to promote its housing and child care training institute. Partnerships with these associations help establish LIIF as a reputable and go-to resource for developers on child care facilities.
- Lenders participating in ABCD financial trainings report gaining knowledge about the child care field and increasing their awareness that LIIF is a resource for them on child care facilities development lending.

CONSTRUCTING CONNECTIONS: INITIATIVE LEVEL

Context: LIIF provides five-year grants to Constructing Connections site lead agencies to enable each community to develop a local, sustainable centralized resource for child care facilities development. LIIF staff provides customized technical assistance and resources to each site, convenes a facilitated Learning Community of all Constructing Connections site leads and offers trainings to intermediary organizations.

“The trainings are incredibly valuable...All that learning will live on once the projects aren’t funded anymore.”

—Constructing Connections Site Lead

- LIIF staff is building Constructing Connections site leads’ knowledge about child care facilities development. Learning Community meetings connect site leads to needed resources and engage them with the other participating site representatives to enhance and accelerate the learning process. While the Learning Communities address content issues that are generalized across counties, technical assistance from LIIF staff supports sites in their locally-specific work and with unique and emerging local issues.
- LIIF staff develops tools and resources on issues ranging from child care friendly land use policies to needs assessment frameworks to guides on composing development agreements. These tools effectively support local work and help Constructing Connections site leads establish credibility with new partners and clients.
- LIIF staff extends support to communities that are not part of Constructing Connections through intermediary trainings. In FY 07-08, the ABCD Initiative provided trainings to the Resource and Referral Network’s

Central Regional Training and Northern California Regional Training, the Redevelopment Agency Annual Conference and the First 5 Association Conference.

CONSTRUCTING CONNECTIONS: SITE LEVEL

Context: Constructing Connections sites are leading the development of centralized child care facilities financing and development resources in their community. They are accomplishing this in partnership with local stakeholders and address local child care facilities development barriers and resource needs. Their work focuses on four areas of systems change.

1. Increasing Local Capacity

- Constructing Connections sites are developing strategic partnerships with other local intermediaries to strengthen the capacity of operators working on child care facility development projects that are at various stages of development. The sites' trainings, one-on-one technical assistance and resources provided through ABCD's Expert Pool have helped site leads and their partners become "go-to" organizations for capacity efforts that support child care facilities development.
- Constructing Connections partners and collaborative members agree that they have increased their knowledge of child care facilities development and improved their ability to provide technical assistance and access tools and resources.
- The Constructing Connections sites have cumulatively supported the completion of 81 projects, resulting in a total of 4,240 completed child care spaces. The number of pipeline child care spaces in Constructing Connections counties decreased in the last year, from 11,000 spaces in FY 06-07 to almost 8,500 spaces in FY 07-08. The recent economic downturn has resulted in numerous consequences that reduce the number of projects in the pipeline. At the same time, sites report being better able to determine if an operator is ready and able to engage in the pipeline process.
- Approximately half of the sites hosted planners' summits, which are proving to be effective ways to spread knowledge and awareness among local city and county planners and other participants on the process of opening child care facilities and how land use regulations affect the process.

Constructing Connections Sites
First Cohort 2004 - Present
<ul style="list-style-type: none">• Kern County• Los Angeles County• Riverside County• Santa Barbara County• Solano County• Ventura County
Second Cohort 2005 - Present
<ul style="list-style-type: none">• Merced County• Orange County• Sacramento County• Amador/Calaveras Counties

“The best way to affect change is to try not to do it yourself. You engage people who can be champions and who can be more influential than we can... When a supervisor takes on child care at a [community] meeting, people will listen to him because he has the leadership and is a champion [for child care].”

—Constructing
Connections Site Lead

2. Improving the Local Regulatory Environments

- Several Constructing Connections sites have successfully positioned child care as a priority within city and county general plans; all sites are working on including child care policies and programs in general plan updates and amendments. Collaborative members report being more aware of the current status and intricacies of general plan elements, zoning ordinances, permit requirements and regulatory processes.
- Collaboratives have worked with government officials to reduce and waive fees for some individual development projects. While they are still working hard on this, they have had very limited success encouraging local governments to approve permanent fee reductions. Sites report that they are developing relationships with local government staff and are optimistic that individual concessions may set a precedent for broader and lasting regulatory changes in the future.

3. Increasing Local Financial Investment in Child Care Facilities Development

- Increasing public and private financing for facilities development has been the most difficult area of systems change for Constructing Connections sites. In FY 07-08, sites concentrated on building knowledge and awareness of child care issues among financial institutions and positioning child care facilities development for future investments.
- A few sites are working with private lenders to encourage investment in child care projects. However, sites realize they must balance the desire of lenders to invest and the readiness of child care operators to borrow. Sites can be a catalyst for more investment in child care facilities over time as they make referrals to banks for finance-ready projects. This progress will occur as relationships with banks grow stronger and the capital markets begin to recover from the economic downturn.
- Many sites are informing local businesses about the benefits of investing and partnering with the child care community to provide child care options for employees.

4. Enlisting New & Expanded Support of Community Development Partners

- Increasingly, Constructing Connections sites are identifying individuals and organizations with influence in systems-building areas

(e.g., regulatory system, public financing) and engaging them in specific projects such as land use assessments, planners' summits and financial summits.

- Constructing Connections sites are utilizing the process designed by LIIF of creating sustainability plans to ensure their local, centralized child care facility development resources are sustainable over time. LIIF staff is supporting sites institutionalizing elements of their Constructing Connections work within their own and within partnering organizations.

STATEWIDE SYSTEMS REFORM

Context: LIIF staff convenes the Children's Facilities Policy Workgroup to gain input and ideas that promote effective state-level strategies for improving the delivery of capital resources and technical support for child care facilities.

- LIIF staff responded in a timely fashion to proposed legislation, providing education on how legislation would impact the development of child care facilities. In particular, staff provided information on potential solutions for the Child Care Facilities Revolving Fund, AB 100 Preschool Augmentation, the Child Care Advocate program and various preschool bills.
- The ABCD Initiative solidified relationships with key legislative staff who report that LIIF staff helps them to better understand the impact of existing policies and proposed legislation and provide a level of expertise that is not available elsewhere. Legislative staff believe a broader audience of policy-makers would benefit from knowing about LIIF's resources.
- In FY 07-08, LIIF staff worked first with state agency staff and then with legislative staff to align the statutory intent of the Child Care Facilities Revolving Fund with how capital is deployed. This work brought attention to the need to expand this program.
- One partner organization—the Child Care Law Center—added facilities development policies to its formal systems reform agenda; two others—the California Child Development Coalition and the California Child Care Coordinators Association—incorporated facilities development into their organization's work.

SYSTEMATIC LEARNING

Context: LIIF is committed to learning from its efforts for the purposes of continuous program improvement and possible replication of the ABCD Initiative program elements in other locations. The Initiative dedicates time and resources into documenting, sharing and reflecting on its lessons learned.

- ABCD develops and collects tools, guides and other resource materials about child care facilities development and makes them available to others on its Web site.
- ABCD is accelerating the dissemination of best practices, resources and tools beyond the Initiative through presentations at conferences and trainings of regional and statewide child care and development-related associations and through the Constructing Connections Learning Community.
- ABCD demonstrates its commitment to continuous learning and program improvements through staff members' active participation in the Initiative's evaluation. In addition, production of "The ABCD Story," a tool for stimulating interest in replication of the Initiative, is underway.

THE SUM OF THE INITIATIVE

Context: The ABCD Initiative was designed as an interconnected web of components that work together to synergistically achieve greater impact than the individual elements. The Initiative aims to incorporate all—not just some—of the primary activities necessary to build ongoing capacity to support the development of child care facilities in California.

"It has been very helpful to have the on-the-ground experiences of the sites informing the policy work and then, in turn, having people who can advocate for the statewide changes that need to be made."

—LIIF Staff Member

- The local-level/state-level interplay of the ABCD model is effectively advancing child care facilities development knowledge and practice.
- The sharing of knowledge, outreach activities and contacts between LIIF staff with different areas of expertise creates a strong, comprehensive resource for those seeking technical assistance and support for child care facilities development.
- The ABCD Fund continues to be an important resource for Constructing Connections sites.
- Across the Initiative's components, ABCD is projected to support the development of 19,873 child care spaces in California. If most of these

“We Americans can be so impatient. We want to do something and be done with it right away. But this [systems change work] is a 15 to 20 year project.”

—County Planner &
Constructing Connections
Collaborative Member

spaces come to fruition, ABCD will exceed its goal of supporting the creation of 15,000 child care spaces by 2010.

- The benefits of the ABCD programmatic interactions deepen with time as participants become more knowledgeable, more comfortable and more connected. The ABCD experience aligns with the common assertion that systems change work is complex and slow. Informants across the Initiative shared the perspective that it will take decades to streamline and reform systems and develop ingrained capacity to support adequate child care facilities development across the state.

IN CONCLUSION

This evaluation documents that, over the years, ABCD has evolved from a concept to a series of activities to an interwoven tapestry of knowledge and capacity that undergirds the child care facilities development system across California. The ABCD components continue to evolve, as LIIF staff and the Constructing Connections sites learn from challenges and successes. The components also continue to increase their interconnectivity and reliance upon one another, furthering the Initiative’s overall aims. ABCD is well on its way to realizing the vast majority of the outcome benchmarks articulated in the ABCD Theory of Change.

ABCD’s systems change and capacity building work is a long, slow endeavor and there are obstacles along the way. In particular, the economic recession that began in FY 07-08 slowed ABCD’s progress with financing, which has ripple effects throughout the rest of the Initiative’s work. However, ABCD has always positioned itself as a long-term Initiative. This evaluation illustrates that, even as external factors slow some progress, ABCD is making important strides in developing and sharing knowledge about the facilities development process among developers, lenders, policy-makers and community stakeholders. In addition, the Initiative is supporting the development of networks of individuals and organizations that are committed to and have the tools and support they need to make child care facilities development a priority. ABCD is well positioned to meet its long-term objectives of systems change, capacity building and developing a network of resources to support child care facilities development in California.