

# LOCAL GOVERNMENT ROLE IN FACILITATING, SECURING AND FINANCING CHILD CARE

**Guide #2 provides insight into the multiple actions local governments can take to facilitate, secure and finance child care in their community. This guide includes the following:**

- Funding Child Care Through the Childcare BC New Spaces Fund
- Laying the Groundwork: Zoning and Land Use Regulation
- Reducing Barriers to Local Government Development, Zoning, Permitting and Business Licensing Programs
- Using Land Use Authority to Encourage and Fund Child Care Development
- Local Government Capital Allocations and Grants
- Other In-Kind Contributions by Local Government to Create Child Care Spaces
- Local Government Role as Owner-Landlord, Owner-Operator, Or Grantor
- Identifying Suitable Sites for New Child Care Spaces/Facilities
- Other Roles and Activities for Local Governments in Supporting Child Care

## 2.1 Introduction

Many local governments in BC have taken strong leadership roles in facilitating the development of new child care spaces in their communities. They have done this in recognition of the key role that child care plays in economic development and stability, as well as the benefits to healthy child development.

Local governments do not need to bear the total financial burden of creating child care spaces and facilities alone. They can partner with others to facilitate new child care in their communities or collaborate with public institutions and non-profits to greatly increase the impact of their combined efforts.

## 2.2 Creating Spaces Through Childcare BC's Space Creation Programs

The Province has created the [Childcare BC New Spaces Fund](#) to support the creation of licensed child care spaces in communities across the province. Eligibility for provincial capital funding is open to public sector organizations, Indigenous governments, and non-profit societies, as well as businesses and corporate companies. Having local child care plans in place will support the case for needed spaces, however, the New Spaces Fund currently has a funding cap for maximum amount per licensed space that may not cover all project costs.

When applying for the New Spaces Fund, local governments may:

- apply directly for a project of their own;
- partner with another public partner, e.g., school district, housing agency, etc., as part of another social infrastructure project;
- partner with other local community investors i.e., Northern Development Initiative Trust, Columbia Basin Trust, community foundations, etc.) to share the capital costs of creating spaces and facilities;
- partner with other local governments/First Nations.



### District of Vanderhoof

Developed a child care hub with 72 spaces ( infant -school age) as part of their recreation centre with funding from the Province; partnered with the YMCA to operate; received funding from the Province, Integrus Credit Union (sold land at half its value), the District of Vanderhoof & Northern Development Initiative.

### District of Lake Country

Developed 60 spaces (infant – school age) as part of a multi-generational activity centre with funding from the Province; partnered with YMCA.

### City of Port Alberni and Port Alberni Friendship Centre

Developed 50 spaces (infant to school age) with the Province providing funding and the city donating a vacant parcel of land.

### City of Vancouver

A three-year funding partnership with the Province to create 2,300 new spaces, located in schools, community centres and other public facilities.

Maximum impact is achieved by working with other partners and ensuring child care goals and policies are recommended in other strategic plans (e.g.: housing strategies, health authority plans, school district plans, etc.).

## 2.3 Laying the Groundwork: Zoning and Land Use Regulation

Local governments seeking to expand the supply of child care in their jurisdictions should first ensure there are no barriers to child care in their zoning bylaws, related guidelines and policies.

As a first step, the definition(s) of child care within the zoning bylaw must be up-to-date and consistent with the Child Care Licensing Regulation under the Community Care and Assisted Living Act.

Listing child care as an Outright Approval Use wherever it is deemed compatible with the other outright approval, and where it does not impact other uses, provides the least complicated approval path for prospective applicants.

However, where a closer examination of compatibility, design for quality care, or other impacts (such as managing pressures on public parks) is sought, and where there are no potential or anticipated health and safety conflicts with other uses, child care should be listed as a Conditional Approval Use and should reference the BC Child Care Licensing Regulations.

## 2.4 Reducing Barriers to Local Government Development, Zoning, Permitting and Business Licensing Programs

Child care operators are typically unfamiliar with the array of regulatory approval processes required to open new facilities. It can be very helpful to have local governments develop and implement policies and practices that streamline and prioritize the processing of applications.

Examples of ways to streamline this process include:

- Consider assigning one or more staff as the regular contact for child care applications and enquiries. This facilitates the development of expertise and familiarity with child care requirements, including the need for strong coordination with the local health authority.
- Waiving fees outright or charging a nominal fee for all child care applications and related processes.
- Coordinating inspections across departments (in larger jurisdictions) for child care applications to avoid unnecessary disruption of child care programming, minimize confusion, and enhance safety of children in existing facilities.
- Prioritizing child care applications when assigning projects and workloads.

The provincial government has published a useful handbook on local government requirements for child care providers. It covers all regulatory topics related to land use, including: official community plans, zoning, building permits, signage, parking, and business licenses. It can be downloaded here: [A Handbook for Local Child Care Providers](#).

Due to the specific characteristics of some communities, such as the size, economy, limited numbers of Early Childhood Educators, capacity of local non-profits and other providers, the only existing options for child care may be care in a providers' own home. While Family Care Providers and In-home Child Care are an important part of the service delivery, there can be high turnover of providers of this type, so careful consideration of the long term impact of any financial investments must be made.

## 2.5 Using Land Use Authority to Encourage and Fund Child Care Development

In areas with robust development activity, the use of negotiated Community Amenity Contributions (CACs) or Density Bonus Zoning (See 2.5.1) can be very effective in raising funds for new child care spaces, either alone or in combination with other funding sources. Both CACs and Density Bonusing can be used to cover all or a portion of the capital costs of creating new facilities.

**Note:** Capital costs include both 'soft' and 'hard' costs like the design, construction, fit, furnishing, and equipping of the facility.

### 2.5.1 Community Amenity Contributions (CACs) Through Rezoning

CACs are in-kind and/or cash contributions provided by property developers on a negotiated, case-by-case basis as part of the approval process for a rezoning application. The premise of CACs is that growth through development creates increased demand on local infrastructure, including child care.

Local governments without up-to-date CAC policies are encouraged to become familiar with the [provincial government guide on use of the CACs](#). Prepared in 2014, it includes important and useful advice on general principles and approaches to negotiating, securing, and allocating CACs, as well as important context for local government officials considering the use of CACs for child care.

Several municipalities in BC have defined child care as a Community Amenity, including: Burnaby, Delta, New Westminster, North Vancouver (City & District), Port Coquitlam, Vancouver and West Vancouver.

Vancouver has a history of also providing funding from annual operating budgets to cover operational start-up costs for non-profit child care operators in City-owned child care centres, and to address ongoing affordability of child care provided in certain developments. A discussion of Development Cost Charges, CACs and Density Bonusing in the City of Vancouver, including context and background information on benefits, examples, and uses of each, can be found here: [Community Benefits From Developments](#).

### TIP

In both situations, if the CAC or Bonused space is provided 'in-kind', it is important that design and technical standards for the child care facility be provided to the developer, referenced throughout the permitting and construction processes, and included as conditions or subjects of approval to be signed off at every regulatory milestone in the process. A legal agreement, registered on title, is an important tool to ensure that everyone understands exactly what is to be provided, and that obligations are met.

- [City of Richmond Child Care Design Guidelines](#)
- [City of Vancouver Child Care Design Guidelines](#)

## 2.5.2 Density Bonus Zoning

Density Bonus Zoning is another way of achieving amenities, such as child care, through the rezoning/development process. Different from a CAC scenario where a rezoning is negotiated with a CAC, Density Bonus Zoning identifies specific areas in the Official Community Plan as eligible for bonusing, and the conditions that need to be met to qualify. Developers are awarded a higher level of density in those areas in exchange for providing an 'in-kind' amenity such as child care on the development site.

As with CACs, the value of the amenity must be calculated and agree with the value of the additional density.

The advantage of Density Bonusing over negotiated CACs is that it offers more predictability for developers, staff, and communities because of the certainty afforded by the provisions in the OCP and zoning bylaw.

## 2.6 Local Government Capital Allocations and Grants

Although the majority of child care spaces in BC are built through capital funding provided by the Province, or through the land use development provisions described above, many municipalities and other local government entities are able to financially contribute to the capital costs of new facilities, or adaptation of existing assets.

Strong child care infrastructure contributes to economic vitality, just as streets, water, and sanitation do. Including child care as a capital budget item in local government capital plans ensures that funds are set aside for this purpose. These funds can be used by local governments to build child care spaces or provided to non-profit child care operators as grants.

Some examples of jurisdictions in BC that offer capital grants include:

- City of New Westminster
- City of North Vancouver
- District of North Vancouver
- City Richmond
- University of British Columbia – Electoral Area A
- City of Vancouver

In most cases, the grant is relatively small and limited in scope, (e.g., Focused on equipment and furnishing rather than land acquisition and construction). Nevertheless, these funds can help with the costs of finishing or renovating assets to make them suitable for child care. In all cases, only non-profit societies and registered charities are eligible for grants as Section 25 of the [BC Community Charter](#) prohibits local governments from providing a grant, benefit, advantage or other assistance to a business. (i.e., individuals and for-profit businesses are not eligible).

## 2.7 Other In-Kind Contributions by Local Government to Create Child Care Spaces

While the financial resources of most local government entities are limited, by partnering with health authorities, school boards, non-profits, and family child care operators, local governments can combine and lever resources to achieve new spaces.

For example, land assets of local governments that are not required for other priority uses, can be developed directly or leased out to provide new child care facilities as stand-alone facilities, or in shared space or co-location situations. Partnerships with school districts, BC Housing, non-profits, and other local social infrastructure investors can maximize the impact of each party in achieving new spaces.

Co-location with other compatible uses, e.g., community centres, schools, health centres, non-market housing, etc., reduces the cost of land for each, can result in more energy efficient construction, and in some cases can reduce ongoing building operation costs through shared services. For families, co-location of child care in service hubs can increase convenience and accessibility of services.

The [Social Purpose Real Estate Collaborative \(SPRE\) website](#) offers many useful resources to “enhance and increase the capacity of not-for-profits and social enterprises to find, develop and operate real estate assets to better serve their communities”.

Tip: Strong, clear leases that spell out responsibilities for maintenance, replacement, recapitalization, and allowable uses ensure long-lasting collaborative relationships.

## 2.8 Local Government Role as Owner-Landlord, Owner-Operator, Or Grantor

Local governments can act as either the owner-operator, owner-landlord, or the grantor, and therefore need to determine their preferred role in providing for child care. This role may also change on a case by case basis. The greater the role taken on by local government, the greater the degree of control, but also the greater degree of responsibility and risk. The least amount of control and lowest degree of risk is with the role of grantor.

### 2.8.1 Local Government as Owner-Operator of Child Care

This role provides the greatest degree of control, accountability, and flexibility in terms of meeting evolving needs of the community.

**COWICHAN VALLEY REGIONAL DISTRICT** owns and has been operating child care at the Shawnigan Lake Community Centre for over 23 years.

**DISTRICT OF TOFINO** operates the only group care for children ages 3-5 and school age children in the District out of a shared building with Island Health.

**DISTRICT OF OAK BAY**, through its recreation department operates a licensed group care for 3 –5 year olds.

## 2.8.2 Local Government as Landlord to non-profit operators

Where local government entities do not have the capacity or interest in operating child care, they may choose to partner with another public entity (school board, health authority, post-secondary institution, etc.) or non-profit organization who will operate the facility. Instead, local governments can contribute to the stability, affordability and quality of child care spaces it creates and leases to other public and non-profit operators by:



- upholding quality standards for these facilities' design and construction
- carefully selecting operators
- offering nominal or below-market child care leases.

As with any landlord-tenant relationship, a strong lease with a clear description of responsibilities is key to ongoing successful partnerships. Particular consideration should be given to how ongoing maintenance and recapitalization responsibilities will be shared, with thought given to lifecycles of various categories of capital assets.

## 2.8.3 Local Government as (At-Arms-Length) Grantor

When local government entities do not have the capacity or interest in owning-operating, or partnering in the operation of child care facilities, local governments may opt to support new spaces by providing capital funding to experienced not-for-profit organizations for the development of new spaces. This approach would typically be considered the lowest risk approach.

Partnering with school districts, non-profits, health facilities, etc., can result in efficient use of limited capital funds while also increasing accessibility. Where this is the preferred approach, the same considerations regarding clarity in expectations, accountabilities, and ultimate disposal or renewal of the asset is important. If the financial contribution is considered substantial, a funding agreement may be negotiated to secure ongoing operation of the new child care spaces, and the local government may require provisions in the non-profit's constitution and bylaws for how the asset will be disposed of in the event of dissolution of the society.

## 2.9 Identifying Potential Sites for New Child Care Spaces/Facilities

As local governments begin to identify locations for new child care facilities, the planning process should include an inventory and analysis of possible sites. These sites must then be reviewed for suitability. (See [GUIDE #3: LOCAL GOVERNMENT'S ROLES IN DESIGNING AND BUILDING CHILD CARE SPACES](#).) This process is best performed collaboratively with potential community partners, including school districts, health authorities, non-profits, etc. (See [GUIDE #1: DEVELOPING A CHILD CARE STRATEGY AND PLAN](#)).

Possibilities include:

- Existing municipal or other government (i.e., school board-owned property) or non-profit-owned facilities already in use by the public;

### TIP

The City of Surrey, through its most recent Child Care Planning activities, worked with their partners to develop a Child Care Space Prioritization-Calculator: [City of Surrey Child Care Space Prioritization Calculator](#). The Calculator uses a set of quality criteria to identify spaces and places that are worth further and more detailed assessment.



- Vacant land or existing structures in public ownership, but not currently used by the public;
- Public land or facilities with pending redevelopment
- Suitable sites that might be acquired for the purpose of building a new facility.

These are discussed in more detail below.

### 2.9.1 Expansion or Redevelopment of Existing Facilities

Existing facilities already in the public domain are ideal candidates for new or expanded child care facilities and should be given priority consideration for new spaces. These facilities already in the public domain offer the most control over the development or expansion process, and have the potential convenience to families of having more than one program or service offered in the same “hub” location.

Considerations for assessing this category of site include:

- Does the current zoning of the site allow for this use? And added density?
- Is there enough parking for the added use? Or capacity on the site to add required parking/drop-off?
- Are the existing building systems and municipal services (HVAC, structural, code, sewer, water, etc.) adequate to support new spaces?
- Is there unmet demand in the neighbourhood where the land/facility is located? For school age care, is the location easily accessible from the local elementary school?
- Is there enough outdoor space on site that can be designated for child care use?
- Is facility renovation, upgrading or redevelopment planned? Could the scope expand to include child care?
- Does the facility meet the needs of children within the community (wheel chair access, toileting modification, areas for movement)?

### 2.9.2 Vacant land in public ownership

This category of asset is slightly lower in priority than adapting or expanding existing public facilities. Vacant sites, whether publicly owned or not, require various regulatory processes, possibly including rezoning, to develop. These processes require time and capital investments, making them less attractive for “quick wins”. Nevertheless, they are worth considering in the event there are no suitable sites already in use by the public, suitable for expansion in your community.

Consideration for assessing the suitability of sites in this category include:

- Will the site require rezoning to accommodate the use and density?
- Is there demand in the neighbourhood?
- Are there any adjacent or nearby uses that might be a cause for concern from a health and safety perspective? (e.g., land fill, waste transfer station, heavy manufacturing or industrial use, gravel pit, log sorting site, etc.)

#### TIP

Facilities that are already magnets or hubs for the public (e.g., community centres, recreation facilities, schools, etc.) are ideal for expansion to include child care because they are likely to already have the building systems and parking required to support the additional use.

#### TIP

Working with local school districts in planning for new schools in growing areas can benefit everyone. Planning for inclusion of child care from the earliest stages will result in better facilities and a more efficient design.

### 2.9.3 Sites that can be purchased or leased for new facility

This category of site or location is third in terms of priority for consideration due mainly to the additional time and effort required to acquire or secure. Beyond that, the same considerations for vacant sites in the public domain apply:

- Will the site require rezoning to accommodate the use and density?
- Is there demand in the neighbourhood?
- Are there any adjacent or nearby uses that might be a cause for concern from a health and safety perspective? (e.g., land fill, waste transfer station, heavy manufacturing or industrial use, gravel pit, log sorting site, etc.)
- Does the facility trigger building code upgrade requirements?
- Is there appropriate access (i.e. parking or public transit)?

## 2.10 Other Roles and Actions for Local Governments to Facilitate and Support Child Care

Local governments are encouraged to identify other ways to facilitate and support the creation of quality child care facilities and spaces in their communities. Public support for child care is generally strong among families with young children, but often the importance that child care plays in economic and population health, school readiness, and lifelong learning is less understood.

Local governments can play an influential role in building support for child care by educating, promoting and informing members of their community.

Specific activities include:

- Providing statements and descriptions of the importance of child care within publications, presentations, and web pages to help create understanding of how child care supports healthy communities.
- Ensuring that newly elected officials are briefed and kept updated regarding the status of child care in the community and any outstanding needs and deficiencies.
- Advise and inform Provincial and Federal officials on local needs, gaps, and priorities, including accessible education and training for Early Childhood Educators and other Early Care and Learning professionals.

### TIP

Property tax notices and recreation brochures are ideal for including updates on the status of child care in local communities.