



BRION & ASSOCIATES

Final Draft:

Executive Summary
**Kern County
Child Care Policy Analysis
and Strategy Study**

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Community Connections for Child Care,
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Prepared By
Brion & Associates
With Nilsson Consulting

Executive Summary

This study reviews the current state of child care in Kern County by determining what gaps and needs in child care currently exist in communities throughout the County and what the future demand for child care will be, based upon projected growth and development. Community Connection for Child Care (CCCC) of Kern County, a child development and family services agency dedicated to providing options, education and support to children, families, child development professionals and the community, is interested in developing policies and strategies to promote the development of additional child care facilities in the County commensurate with need. CCCC is considered the sponsor of this study, and the Constructing Connections Kern LINCC Project (Kern LINCC), the “project manager” of the study. Kern LINCC is one of ten Constructing Connections sites funded by the Affordable Building for Children’s Development (ABCD) project in California.

The study evaluates population, employment, and labor force participation rates, as well as projected growth, in order to:

- Determine the current shortage or surplus of child care in each study area
- Estimate the future demand for child care in five-year increments from 2005 to 2010 and 2015.

This report also looks at what other cities, counties, and communities have done to successfully provide an adequate supply of licensed child care in their communities. Based on these findings, Brion & Associates evaluates the potential for such strategies, to be implemented in Kern County and the identified study areas. CCCC would not be the legal entity that implements any of the proposed policies or strategies for particular communities discussed in this study. Therefore, the CCCC offers this report and its findings in order to promote child care and support children throughout the County.

Kern County is one of the fastest-growing counties in California due to its abundance of land, central location, transportation network, and affordable housing prices. By 2025, the population of Kern County is expected to double, growing by over 160,000 dwelling units.¹ The average income for Kern County is \$41,500, 34% less than the overall California average of \$55,700 for 2005, and a significant portion of the population lives in poverty. However, on the positive side, Kern County also offers a lower cost of living than many other counties in California. Unfortunately, Kern County has some of California’s worst child well-being statistics, with significantly higher rates of child abuse than the State average.² Given these facts, CCCC, the Kern LINCC Project, and other organizations are dedicated to improving the lives of children and their families in Kern County.

¹ According to KernCOG data (available at www.kerncog.org).

² From *Report Card 2004*, put together by the Kern County Network for Children.

This study reviews twelve community areas, which as a whole account for all of Kern County. The community planning areas and population and employment projections used in this report are those prepared by the Kern Council of Governments (KernCOG). Other projections are based on data from the 2000 U.S. Census. The twelve study areas are:

- City of Bakersfield
- Greater Arvin
- Greater Cal City/Mojave
- Greater Delano/McFarland
- Greater Frazier Park
- Greater Lake Isabella
- Greater Ridgecrest
- Greater Rosamond
- Greater Shafter
- Greater Taft/Maricopa
- Greater Tehachapi
- Greater Wasco

Kern County currently has a population of approximately 730,200, of which 177,700 (or 24%) are children between the ages of 0 to 13 years old. The City of Bakersfield is home to the majority of Kern County residents (60%) and is also the major employment center of the County, with 60% of the total jobs in the County. For the entire County, there are about 29,400 licensed child care spaces, comprising 192 licensed child care centers and 1,114 family child care homes and 51 license-exempt programs. The majority (49%) of these spaces are for preschool age, followed by school age (39%) and infant (13%) spaces. There are also a number of license-exempt child care facilities in the County.

Summary of Findings

- 1. Currently, the County has 29,411 child care spaces which means about 66% of child care demand is met in the County, although school age spaces are in least supply relative to demand.***

At this time in Kern County, approximately 66% of child care demand is met, although this varies by community area and age group. This means that about two out of three children needing licensed care have a potential space, although this does not address the issue of whether that child care space is affordable or in the right location and accessible. This study and analysis show that currently there is more unmet demand than expected future demand for child care over the next ten years. Presently, 93% of preschool demand countywide is being met, followed by 81% of infant demand. School age children have the greatest shortages in licensed child care spaces, with 52% of demand being met for 6 to 9 year olds, and only 34% of demand being met for 10 to 13 year olds being met.

It is important to remember that these statistics do not address quality, affordability, and accessibility of care for many families. Thus, while there may be a perfect balance of supply and demand statistically, there may still be families that cannot find care in their area, or care that meets their quality standards, or care that they can afford. In addition, the estimated shortage of school age spaces may be overstated. We know with school age care that there may be many “licensed-exempt” after school programs that are not in the County’s data base of providers because they are not “required” to report their programs to the State.³ In addition, many children use after-school sports and other enrichment programs for care, particularly after age 10. And finally, many families leave children alone or with friends and family.

It should be noted that this study does not assume every child with working parents needs licensed care either, which is a typical method of forecasting child care demand. Demand estimates assume that some children receive care from friends, relatives, nannies, etc. Thus, these estimates of unmet demand and future demand can be considered conservative.

- 2. Between 2005 and 2015 or over the next ten years there will be a need for about 8,400 additional child care spaces of which about 74% will be required by growth in Bakersfield.***

Given the substantial population growth expected throughout Kern County between 2005 and 2015, additional child care spaces will be needed to meet this demand. It is estimated that a total of 4,103 licensed child care spaces will be needed to meet the demand generated between 2005 and 2010 and an additional 4,257 spaces will be in demand between 2010 and 2015, generating a total demand of 8,361 new spaces between 2005 and 2015 (this number does not include the existing shortfall). The majority of demand by 2015 will be in the City of Bakersfield, with 74% of the total projected need. This is because Bakersfield is where most of the development in the County is expected to occur.

- 3. There is currently a shortage of about 15,100 child care spaces countywide as of 2005 and an expected demand for another 8,400 spaces by 2015, for a combined need for about 23,500 spaces.***

This study finds that the current shortfall of child care spaces is almost twice that of expected future demand over the next ten years. Currently, there is a shortage of 15,100 spaces, the majority of which (87%) are school age. The current shortage of preschool

³ Exempt programs include those offered by public schools, for instance. This study revealed that the County’s data on these programs was lacking and one of the outcomes is to start a more formal data collection process to identify exempt programs.

and infant spaces equals about 13% of total unmet demand across the county. Over the next ten years, the distribution of demand is even greater, with 56% school age, 33% preschool, and 11% infants. If new development of child care facilities follows the current pattern of distribution by facility type, by 2015 there will be a need for an additional:

- 55 Child Care centers
- 315 FCCBs (assuming a mix of small and large)
- 35 License-Exempt Programs

If existing deficiencies are combined with future demand over the next ten years, there will be a need for:

- 153 Child Care centers
- 883 FCCBs (assuming a mix of small and large)
- 100 License-Exempt Programs

It should be noted that the “existing” distribution of child care facilities in the County may not be the ideal range of facilities with which to distribute future need but it does provide a starting point. Issues such as affordability and quality must also be considered.

4. Kern County has been addressing child care needs and over the last five years a total of 9,230 spaces countywide have been developed, or a 46% increase in supply, which is significant.

Importantly, Kern County has seen a significant increase in child care spaces over the last five years. Based on data collected by the CCCC and the Kern LINCC project, the County has added an additional 9,230 spaces countywide, or a 46% increase in supply since 2001. Child care centers added the most spaces, with a net increase of about 8,000 or 72%. The increase in FCCBs spaces was 14%. On an annual basis, about 2,300 new child care spaces were added per year. If the combined current shortfall and future demand were addressed at this level of activity, it would take about 10.5 years to provide all the child care spaces needed throughout the County. This level of growth in child care facilities may be ambitious and some areas will be more likely to add new facilities than others depending on funding availability, residential development activity and the density of development. If the County were to keep up with future demand on an annual basis, an additional 836 new licensed or license-exempt spaces would be needed per year over the next 10 years. For this reason, the function of dedicated child care intermediaries that the Kern LINCC project now provides should continue in some form through 2015.

Based on existing patterns of child care, this would imply 5 new centers, 31 new FCCBs and 4 new license-exempt programs annually. As mentioned above, this distribution

reflects the “lack” of school age facilities currently. An ideal distribution might yield a different pattern.

- 5. Current unmet demand is expected to cost about \$89 million to address and future child care demand will cost about \$49 million for a total of \$138 million, assuming an average cost per space of \$6,000, which is optimistic.**

According to the Kern LINCC project, the average cost of child care is about \$8,000 per space although CCCC believes that the average cost in Kern County is lower because of lower land costs. The use of long-term vacant commercial space can be a cost-effective way to provide child care, assuming the outdoor space requirements can be provided for on the site. Current existing unmet demand would cost about \$88.7 million, while future demand for the next ten years would cost about \$49 million. The total cost of providing for all needed child care spaces is estimated at \$138 million. These estimates assume average costs per space of about \$6,000 per space, which may be higher or lower in different parts of the County. Future child care costs over the next ten years could average about \$5.0 million per year, countywide. While these figures are very general, they provide an indication of the potential costs required to mitigate existing and future child care needs in the County.

The County is expected to add about 45,000 new housing units by 2015. The required child care facilities cost of about \$50 million would imply a countywide impact fee of about \$1,136 per unit to mitigate the impacts of group. However, to adapt a countywide child care impact fee is probably not feasible but this figure provides an “order of magnitude” estimate of what an impact fee might look like. An actual fee in each city or area would be based on the unique supply and demand conditions in that area and could be higher or lower. It should be noted that impact fees can not be used to remedy existing shortfalls of child care facilities.

Potential Policies and Programs and Recommendations

Given the varying demographics of the study areas and the fact that some of these areas have higher child care demand than others, the policies discussed in this report will be more relevant and useful for some areas versus others. The listed policies and programs are offered as a menu of potential policies that local jurisdictions can choose from. Many policies can be adopted together to create a blanket of policies to potentially address child care needs. Having such programs in place create a child care-friendly environment for growth and development and sends a message to the larger community that child care is important. Policies and strategies described and reviewed in the report include:

1. Child Care in General Plan and Other Planning Documents
2. Municipal Zoning, Permit Streamlining, Planning Support
3. AB 1600 Child Care Impact Fees
4. Provision of Child Care Facilities in Affordable Rental Housing Developments

5. Child Care Density Bonus
6. Child Care through Development Agreements and Other Zoning Requirements
7. Use of Public Surplus Land
8. Child Care Inclusionary Ordinances
9. Financial Assistance and Cost Offsets
10. Public Education

A summary of these policies and their pros and cons is provided in **Table S-1** at the end of this executive summary. Other potential policy ideas such as congestion management tools, child care mitigation through EIRs or the CEQA process, and others are also discussed in the report but are not deemed as important as the above ten.

Each city in Kern County has unique child care needs, growth potential, and development or redevelopment opportunities. For some communities, issues such as affordability and accessibility may be more important than lack of facilities. Many of the policies discussed can be adopted as part of a Child Care Development Strategy without requiring extensive or expensive efforts. Some policies, such as development agreements, are already allowed by existing State legislation and can be immediately utilized. Still other policies do not require new ordinances, such as the use of surplus land for child care facilities; rather this policy option simply requires a jurisdiction with surplus land to decide to dedicate it to child care.

6. The most important finding of this study is that most cities and the County General Plan do not have policies to encourage and support child care and in addition, most cities are either understaffed or have limited staff to address planning needs such as child care.

The most important findings of this study include the fact that most cities **do not** have policies in their General Plan to support child care. While the Bakersfield Comprehensive Plan does address child care, this document is not a “local” document that could allow a city to adopt child care impact fee for instance. The policies in the Comprehensive Plan will work, however, for a General Plan and could easily be incorporated into the City’s General Plan during the next update.

In addition, many cities and smaller communities are understaffed in terms of planning and community development. This is a significant finding. It means that many communities do not have adequate staff to address general planning issues, and that child care could easily be overlooked. It is therefore even more important for these communities to leverage the resources and expertise of the CCCC and the Kern LINCC Project to assist them in addressing child care. And because so many communities are

understaffed having the Kern LINCC project is an important resource that should be continued into the future.

One of the first steps in addressing child care in communities is to adopt General Plan policies that include child care. It is best to have child care policies spread throughout most elements of a general plan to ensure that child care is not overlooked during the planning process. Child care policies are appropriate for the transportation, park and recreation, housing, public facilities, and communities services elements of general plans.

7. The County would be a good candidate for a child care impact fee which could benefit a wide geographic area of need in the County.

Given the nature of Kern County, which has many small communities spread throughout the unincorporated area, the County would be a good candidate for the creation of a child care impact fee. This revenue could be used to assist local areas in developing child care. The County can lend its expertise to cities throughout the County as well as through CCCC and the Kern LINCC Project. This study is one step towards developing an overall strategy to addressing child care countywide.

The City of Delano does have a general governmental buildings facility impact fee that includes child care facilities. No other community to our knowledge has a child care impact fee in the County.

8. The findings of this report suggest that General Plan policies and Public Education should be an immediate focus of planning efforts to increase the supply of child care, followed by consideration of other policies discussed in this report.

Based on the findings in this study, the consultants recommend that the two policies that would be most helpful to implement first countywide are Policy #1, General Plans and Specific Plans, and Policy #10, Public Education. And in fact, public education could come first as a means of educating the public to ensure that new General Plans include child care. However, we believe both policies should be implemented together. Public education could raise the awareness of the community, including the development community, of the need for child care and the potential economic development benefits of making child care a key objective of addressing the impacts of growth along with such facilities as roads and parks.

Other policies should be considered as well. Many of these policies can be implemented together to create a menu of options to address child care. Only the impact fee and inclusionary zoning options would require additional studies to implement. Impact fees and development agreements can be used to mitigate future child care demand, while some of the other policy options can be engaged to address the existing shortage.

Table S-1
Summary of Policies Pros and Cons and Recommendations

Policy/Program	Type of Policy and Implementation Authority	Concept	Pros and Cons	Recommendations
1. General Plan and Other Planning Documents	Planning policy that can be implemented locally.	Include policies and programs in General Plans, including the land use, housing, transportation, parks and recreation, and public facilities elements, and specific plans that call for and support the provision of child care.	Pro: Creates general policies that support specific policies fostering child care, such as impact fees and inclusionary zoning. General Plan policies can establish a positive framework for the development of child care facilities. Con: General plans are not updated often. Requires support of city councils and planning commissions.	This is a highly recommended approach for County and all cities. This policy enables all other programs and policies and provides legal justification for impact fees.
2. Zoning, Permit Streamlining, and Planning Support	Local planning policies that benefit development.	Focus is on removing barriers. These include providing child care as of right in more zoning districts; creating an easier and quicker permit process for child care providers; and providing start up guides.	Pro: These policies are key to increasing child care at minimal costs. Con: Some communities or neighborhoods may want child care to be regulated.	These are good policies to increase the supply of child care, since they directly benefit and help providers at minimal costs. Start-up guides for providers help simplify the process and reduce processing time.

Policy/Program	Type of Policy and Implementation Authority	Concept	Pros and Cons	Recommendations
<p>3. Impact Fees</p>	<p>Development and financial policy. Implemented locally. Places standard requirement on all new development.</p>	<p>Charges new development for share of new child care facilities. Fee varies by land use tied to demand factors. Fees are becoming more common for child care.</p>	<p>Pro: Common method of funding public facilities. Provides certainty to development community. Con: Requires cities to quantify existing gaps or shortfalls. If city fees are already high, adopting a child care fee can be difficult and may make a city less competitive for new development.</p>	<p>Good for cities with development/growth potential. Easy to implement but requires nexus study and public process/review. Not as useful for cities with limited growth potential or cities that want to address service quality rather than expand facilities.</p>
<p>4. Child Care in Affordable Housing Development</p>	<p>Development planning policy. Implemented locally but on a project-by-project basis.</p>	<p>Cities work with affordable housing developers to provide on-site child care centers or units for Family Child Care Home (FCCHs). Developer or non-profit owns space/units, outside operators or tenants operate child care.</p>	<p>Pro: Many examples can serve project residents as amenity but it requires early planning and consideration of other needs of residents. Con: Difficult to implement on small and/or expensive sites. Can create competition with other land uses. Financing can be difficult.</p>	<p>There is great need for more affordable child care integrated in affordable housing projects. It requires special planning and sometimes outside financing; sharing child care space with other uses is a challenge but shared parking and open space can work. This policy applies to both growing and built out cities.</p>
<p>5. Density Bonus</p>	<p>Development planning policy. Implemented locally based on State legislation.</p>	<p>Allows additional density for projects that provide child care facilities on or off-site, similar to affordable housing density bonus ordinances.</p>	<p>Pro: Beneficial for communities that accept higher densities. Con: Does not work in locations where residents do not want higher densities.</p>	<p>Adopting this policy does not guarantee that child care space will be provided, since this is an incentive, not a mandatory policy.</p>

Policy/Program	Type of Policy and Implementation Authority	Concept	Pros and Cons	Recommendations
<p>6. Development Agreements</p>	<p>Development/entitlement policy that is implemented at the local and project level.</p>	<p>Requires child care in exchange for other entitlements or financial assistance. Applies to larger projects that require development agreements for other reasons like vested rights and financial commitments.</p>	<p>Pro: Good tool for larger projects where on-site child care can work or is needed. Does not preempt other policies per se citywide and can work in tandem with impact fees; although project with DA child care would have impact fees waived. Con: Does not work with smaller projects or in-fill. Often provides market rate child care only.</p>	<p>This policy can be used when circumstances warrant or developer requests a DA for other reasons. Does not require special ordinance or adoption of new local policy. If a DA were used, impact or in-lieu fees would be waived.</p>
<p>7. Use of Public Surplus Land</p>	<p>Development/financial policy that is implemented at the local project level.</p>	<p>Cities or County provide surplus land at low cost, through a long-term ground lease, or sell land and donate proceeds. Helps offset high land costs. Joint use of public land with parks can also be considered.</p>	<p>Pro: When surplus land is available, this is a good tool. It does not preempt other policies and can reduce project development costs; sites can be small or of odd configuration. Con: There is competition for surplus land. Cities may want to sell it and use the funds for other purposes. Also, the land may not be well located for child care.</p>	<p>All jurisdictions can include this policy and it can complement other policies and programs. It can assist in making child care projects more feasible but does not systematically provide for new child care facilities. Good for both growing and built out cities/areas.</p>

Policy/Program	Type of Policy and Implementation Authority	Concept	Pros and Cons	Recommendations
8. Inclusionary Ordinances	Development planning policy. Implemented locally. Similar to impact fee but requires on-site facility or in-lieu fee.	Similar to programs for affordable housing. Requires provision of child care space and/or in-lieu fee. In-lieu fees are an option if providing space is not feasible or too burdensome.	Pro: Useful in acquiring on-site facilities for larger projects. Use can be dedicated for 20 years or more. Con: May not work for smaller projects. Requires threshold estimate of need if facility is build on-site but in-lieu fee can be used for small projects.	New policy concept. May be opportunities for cities with affordable inclusionary ordinances to expand ordinances to include child care. Like impact fees, may be useful for cities that are growing. Requires nexus study for in-lieu fee portion.
9. Financial Assistance and Cost Offsets	Financial policy. This can be a local policy, but it is primarily under the control of the State or financial institutions.	Cities can adopt financial programs to assist child care development; there are many existing financial assistance programs available to child care providers by non-profits, state agencies, or foundations.	Pro: Many loan programs are available to help providers build child care. Con: New programs targeted for child care are needed. Many loan funds are not being used, since child care does not generate sufficient operating income to support loans. Cost offsets to developers may trigger prevailing wage requirements.	Providing cost offsets can augment low-cost financing and grant programs available to developers. These offsets complement other policies. Financial challenges of industry are not easily addressed through local policy.
10. Public Education	Planning policy that can be implemented locally but would be best at the County or regional level.	Develop public education campaign targeted at neighbors, landlord/tenants, real estate industry, and planners.	Pro: The provision of information on available child care programs, legal issues, and providers' rights will help promote FCCs and child care as a public policy issue in general. Con: Does not directly create new child care spaces and requires some funding but sets the stage for other new programs and policies.	Good policy/program to fund at the county level and to target specific groups over time. Requires funding and strategic planning with public relations support. Can have long-term benefit but does not directly increase supply in short term.

