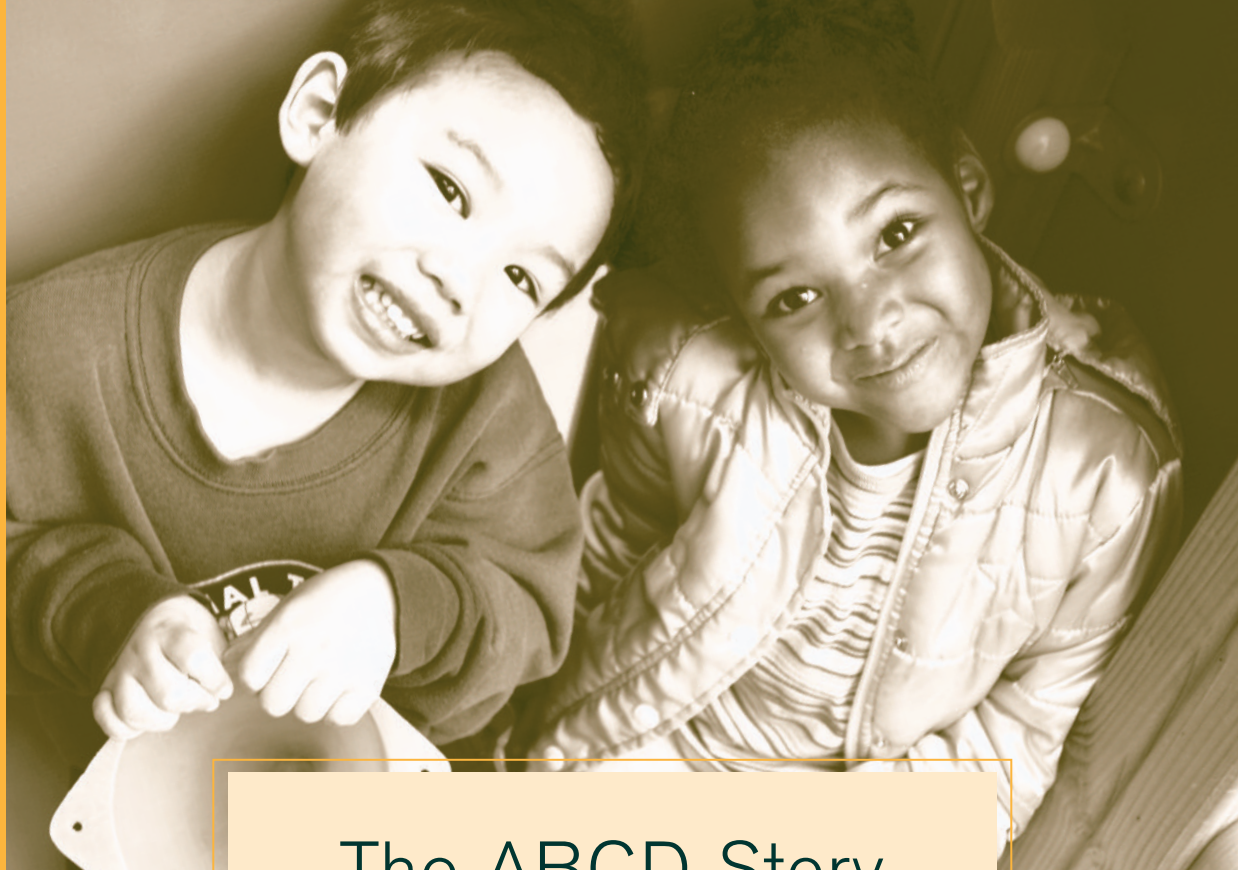


Report to the Community

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The ABCD Story

A Model for Learning

Purpose and Audience

The Affordable Buildings for Children's Development Initiative (ABCD) is a powerful, multifaceted model for supporting child care facilities development.* ABCD uses loans, grants and technical assistance and reaches out to financial institutions to leverage and expand financing for the development of child care facilities across California. Since its origin in 2003, ABCD has delivered \$18.5 million in capital to support 12,600 quality child care spaces and has provided training and technical assistance to more than 200 individuals across the state.

This is the story of ABCD to date, including the role that the Low Income Investment Fund (LIIF) – ABCD's parent organization – plays in support of its success. We include here a summary of ABCD's design, early value and impact; the key ways in which the design has evolved; a vignette that demonstrates the ABCD experience at the community level; and a list of what LIIF's ABCD team believes are the critical factors of the program's success.

*The term "child care" is used in this report to describe preschool and other early care and education programs.

In order to meet the complex challenge of child care facilities development, we must employ a multifaceted approach that links technical assistance with community capacity creation, systems change, good public policy and access to capital.

THE AUDIENCE for this story is community economic development agents: governmental and nongovernmental organizations with missions that involve influencing, planning for, financing and supporting community economic development policies and projects. The story is directed to agents who are deeply interested in positively affecting how child care facilities are planned for, financed and built. These are the organizations and governmental entities that see and fully embrace the connection that exists between the needs of families and individuals and the overall economic health, sustainability and vitality of communities.

We believe sharing ABCD's story provides valuable lessons – primarily that, in order to meet the complex challenge of child care facilities development, we must employ a multifaceted approach that links technical assistance with community capacity creation, systems change, good public policy and access to capital. To our colleagues in the world of community and economic development, this challenge presents an opportunity to extend our wisdom, experience, resources and financial networks to the benefit of our nation's smallest yet very greatest asset: our children.

A MODEL FOR LEARNING – IT'S AS EASY AS ABCD

ABCD GREW OUT of a planning process led by the David and Lucile Packard Foundation (the Foundation) in California. The Foundation, long interested in child care facilities development, understood that the cost of building child care spaces sufficient to meet growing needs was well beyond the financial wherewithal of philanthropy alone, and that a strategy that could produce public commitment and leverage private support was necessary.

The planning process yielded a unique initiative design, the implementation of which was substantially supported as a public/private partnership between First 5 California¹ and the Foundation. ABCD's four strategies – Financing, Development Assistance, Constructing Connections, and Policy and Advocacy – must all be employed in order for ABCD as a whole to be successful.

ABCD STRATEGIES

FINANCING



DEVELOPMENT ASSISTANCE



CONSTRUCTING CONNECTIONS



POLICY AND ADVOCACY



FINANCING

THE ABCD FUND expands financing for the development of child care facilities by providing capital (loans and planning grants) for qualified development projects across California. The ABCD Initiative facilitates relationships between developers and other lending institutions, offers assistance in preparing financial statements required for loan applications and performs preliminary debt-capacity evaluations.

The ABCD Fund is also designed to provide child care operators and developers with technical and strategic advice on everything from assessing their readiness to borrow to finding appropriate financial products for different stages of facilities development. The ABCD Fund is fully integrated with the ABCD Initiative's other strategies deploying capital financing expertise and support into communities and in support of development projects. Since its origin in 2003, the ABCD Fund has delivered \$18.5 million in capital supporting 12,600 child care spaces.



DEVELOPMENT ASSISTANCE

ABCD SUPPORTS community developers, for- and nonprofit developers, and school facility developers in understanding and, in some cases, entering the child care facilities marketplace. ABCD provides trainings, networking opportunities, and one-one-one technical assistance and mentoring to the developer community in order to forge partnerships with program operators, better understand quality design and development strategies, and identify public and philanthropic resources and financing options. In fact, developers involved with ABCD were the first to take advantage of ABCD Fund planning grants. This assistance encourages interest in development and accelerates the learning curve for those developers who are new to the child care facilities world.

ABCD proactively seeks out developers through networks and referrals in order to inspire their interest and support them in the quest to develop

successful child care facilities. In a recent program evaluation one developer responded that, “[t]he assistance I received was phenomenal. I met with [staff] on one occasion, and attended trainings and a development meeting... [staff’s] ability to collect information or find information that I requested was very helpful...”²



CONSTRUCTING CONNECTIONS

CONSTRUCTING CONNECTIONS is the community capacity-building component of ABCD. Its mission is to achieve local systems change, document successes and lessons, and replicate the model statewide. Each local Constructing Connections project employs a collaborative approach to accomplish three key objectives:

1. Build local capacity of child care operators, child care intermediaries and the community to construct and finance child care facilities;
2. Increase local public/private financial investment in child care projects; and
3. Improve the local regulatory environment to increase the pace of facility development.

Through a competitive RFP process, financed primarily by First 5 California, ABCD provided five years of funding to the initial ten Constructing Connections lead agencies (site leads) in 11 counties (one site lead administers bi-county work) across California.³ With financial resources as an incentive to secure commitment and support for the practical work necessary to accomplish the Constructing Connections objectives, each site lead hires a staff member who is responsible for organizing and convening a local collaborative cohort that includes child care operators, developers, civic leaders, small- business leaders, educators, children’s advocates and other stakeholders. During the five-year project, the site lead and the multidisciplinary collaborative cohort work to achieve Constructing Connections objectives and develop a sustainability plan that will guide the system-change work well into the future.

ABCD depends not only on the implementation of each strategy; its success requires the integration and synergy between strategies to maximize impact beyond the sum of the individual components.

Each site lead has a tool kit that guides day-to-day work. The kit includes an evolving facilities needs assessment, a regularly updated catalogue of resources for facility development and financing, a game plan for overcoming development barriers, a land use and community development capital assessment, and a Constructing Connections sustainability plan.

Over the last four years, each of the ten sites has engaged more than 230 multi-disciplinary community partners from local government, real estate sales and development, capital financing, small business development, legal assistance, child care resource and policy, and economic development. Constructing Connections sites have supported the development of nearly 7,900 child care spaces across California and negotiated the inclusion of child care land use policies in 43 city and/or county general plans. The site leads have also leveraged First 5 California's investment with an additional \$2.3 million in local resources.

To promote success, the ABCD Initiative provides each local Constructing Connections project with intensive technical assistance and support. To ensure cross-site learning, ABCD convenes a quarterly "Learning Community" event for lead staff from each local project. ABCD also sponsors child care intermediary trainings to share the lessons of local Constructing Connections sites as well as showcase the project model and promote replication.



POLICY AND ADVOCACY

ABCD'S STRATEGY is to monitor and inform state-wide policies to promote strategies that improve the delivery of capital resources and technical support for child care facilities. LIIF executes this strategy by convening the Children's Facilities Policy Workgroup, which is made up of child care advocates working at the state and local level to improve access to quality child care. The workgroup sets an annual agenda, develops strategies for achieving policy education and suggests to LIIF the most effective way to employ these strategies.

While child care spaces are created in local communities and are subject to local regulations and policies, statewide policy, regulatory and budget issues also have an impact on facilities development. The workgroup incorporates a state-level policy focus that uses ABCD's development and financing experiences at the statewide level and insights gleaned from the Constructing Connections sites to inform the state policy agenda.



The Whole is Greater than the Sum of Its Parts

The ABCD model is a creative and integrated approach to developing high-quality child care spaces for California's children. It is neither a child care delivery system nor a facilities development delivery system. Rather, ABCD is a model for developing the capacity at the state and local levels to work on policy, regulations, development assistance and finance, drawing upon the experience and lessons gleaned from local work to inform strategy delivery statewide and vice versa. ABCD depends not only on the implementation of each strategy; its success requires the integration and synergy between strategies to maximize impact beyond the sum of the individual components.

A HOME FOR THE ABCD INITIATIVE

ONCE CONCEPTUALLY FRAMED by the Foundation, ABCD needed a home. Rather than starting a new organization, the Foundation sought to embed ABCD in an existing entity, one with compatible values and intentions and, most importantly, one capable of making a unique contribution to the accomplishment of ABCD's ambition: to cultivate statewide capacity and deliver financial and technical resources and support. Ideally, this "parenting" organization would be able to generate public commitment, understand zoning and building regulations, have access to both public and private financing, and possess relevant lending expertise and capacity.

The search ended with LIIF, a Community Development Financial Institution (CDFI) with significant experience in lending and finance for community economic development and low income and affordable housing. Its credibility in the public and private lending markets, understanding of public policy and significant network of nonprofit community developers made LIIF a perfectly suited home for ABCD. In 2003, LIIF's board of directors voted to incorporate the ABCD Initiative into its organizational and operational priorities, officially launching ABCD.

EXPANDING A MISSION AND EMBRACING A RESPONSIBILITY

IN ADOPTING ABCD as a primary endeavor, LIIF continued to expand its focus and programmatic reach beyond low income and affordable housing to include child care facilities development. ABCD amplified LIIF's early foray into child care facilities funding. With the implementation of ABCD, LIIF dramatically expanded the scope of its work, its understanding of California child care facilities development and the level of its commitment. Child care and child care facilities development are now central to LIIF's policy, advocacy and capital investment agenda. Going forward, LIIF is positioned

to apply the lessons it has learned about the nature of barriers and resources related to child care facilities development to its work in more communities across the state and nation.

Prior to ABCD, LIIF operated the San Francisco Child Care Facilities Fund and the emergent New York Child Care Seed Fund, both of which primarily functioned as grant-making and localized training and technical assistance support groups. In launching ABCD, LIIF significantly extended its programmatic commitment well beyond finance to include the cultivation of a deep capacity to provide technical assistance and financial guidance statewide as well as locally. This embrace of a broader set of community child care needs required LIIF to develop new skills that complemented its core competencies in economic development, finance and lending.

Through ABCD, LIIF has learned that there is power in combining its knowledge of finance and policy with a strategy to develop local community capacity, and to use that combination to achieve statewide and systems-level improvements. LIIF is now poised to share the ABCD story and to offer insight and direction to those business and philanthropic leaders who are ready to tackle the nation's critical need for high-quality child care spaces. Most important, LIIF is ready to advocate for and support Community Development Financial Institutions (CDFI) and other agents of community economic development in their efforts to advance child care facilities development in large and small jurisdictions across the country.



To date, ABCD has leveraged \$86.4 million in financing for child care facilities construction in California – \$53.4 million from planning grants and \$33 million from loans.

STATUS AND IMPACT

FIVE YEARS INTO THE ABCD JOURNEY, LIIF has important lessons to share with other community development agents considering following in its footsteps. To date, ABCD has accomplished the following:

- Leveraged \$86.4 million⁴ in financing for child care facilities construction in California – \$53.4 million from planning grants and \$33 million from loans;
- Supported the generation, creation, renovation or preservation of more than 18,000 child care spaces, exceeding its initial goal to support 15,000 spaces by 2010;⁵
- Supported the improvement of local land use policies to facilitate the development of child care facilities in 11 counties; and
- Fostered the creation of local technical assistance support systems for facility development in 11 California counties.

Additionally, ABCD has helped to foster interest in child care facilities development through the following efforts:

- Introducing new investors to the child care facilities arena;
- Inspiring financial institutions to consider investing in child care facilities development projects;
- Encouraging affordable housing and public school developers to co-locate child care with their projects; and
- Influencing state legislation and programs that improve access to capital and technical support for building new child care facilities.

As ABCD continues, LIIF will actively seek answers to important questions about its impact:

- Does LIIF's work with developers and their associations generate new or improved capacity to build child care facilities?
- Will projects that are now in the development pipeline be completed, and how long will that process take?

- Can more affordable and flexible public and private resources be tapped to adequately finance the development of needed child care facilities?
- Does LIIF's five-year financial commitment to local Constructing Connections sites enable those communities to build capacity that is sustainable without continuing financial support?⁶

ABCD is moving in a positive direction. Early evidence indicates that there is power in a vertical strategy that connects state-level capital delivery, capacity building and policy/advocacy with local community-based strategies. Functionally, CDFIs and other agents of community economic development are well positioned to contribute to, if not lead, such an effort.

DEVELOPMENT OF THE ABCD MODEL

AS ITS FOUNDERS BELIEVED, the secret to ABCD's success is that it integrates what had previously been stand-alone child care facilities development efforts. In order to generate high-quality child care spaces, there must not only be community commitment but also dedicated funding, not only technical assistance in the development process but also child care-friendly public policy at the local and state levels. Following is a brief description of key aspects of the growth and development of the model's components, together with lessons learned and questions for the future.





FINANCING

AS A RESULT OF ABCD, LIIF has broadened and deepened its reputation as an expert in child care lending, bringing its accumulated insight and understanding of child care business models and associated risk assessment to a statewide level.⁷ LIIF's strong relationships with financial institutions and its credibility as a lender allow LIIF to involve financial institutions and introduce them to child care facilities lending, which in turn helps generate new sources of financing and increases the total amount of funding available for child care facilities development.

Lessons Learned: Most importantly, LIIF found that child care operators generally require intensive pre-financing support before they are ready to be borrowers. Additionally, lending institutions are more apt to consider investing in child care deals when they have a relationship with potential borrowers' local technical assistance providers. Outreach to financial institutions is more effective when undertaken by another financial institution such as LIIF. Finally, lenders are more confident about financing child care deals in local Constructing Connections sites because these sites are perceived as a local technical assistance resource for the borrower.

A Continuing Story: The ongoing challenge in child care lending involves the economics of the industry itself. Subsidies for state and federal child care operations have been flat and in some cases, have even declined. Until greater public commitment to financing child care operations exists, it will be difficult to scale facilities lending. Capital projects require a combination of subsidized equity and debt. There must be political will to improve existing funding sources, re-invest in dormant funding sources and create new public sources of capital for child care facilities. As a leading California child care financial intermediary, LIIF is well positioned to move this political agenda forward.



DEVELOPMENT ASSISTANCE

THE ABCD INITIATIVE PROVIDES the sole centralized statewide source of child care facilities development technical support for developers of various types. LIIF has designed and delivers trainings for nonprofit and public developers and provides intensive and customized assistance to individual public and nonprofit developers. LIIF works with and through associations of nonprofit and public developers, including affordable housing and public school development associations. By working at the association level, LIIF is able to raise the visibility of child care facilities development among a broad range of publicly minded development associations and individuals.

Lesson Learned: ABCD's approach to developers evolved over time. Initially, the Foundation provided a financial incentive to a limited number of nonprofit developers to create a peer network for child care facilities development. Through this network, the Foundation hoped to encourage developers to collaborate on projects, learn from each other and support one another. Developers were quick to take advantage of ABCD Fund planning grants; each (Mercy Housing, BRIDGE Housing and Los Angeles Community Design Center)⁸ also received a participation grant, which enabled and obligated them to work with LIIF to generate tools for other developers. However, when the funding ended and ABCD reached out to a broader range of developers, few were interested in participating in a peer network specifically about child care facilities. ABCD was unsuccessful in its attempts to reach market-rate developers, who generally do not participate in child care facilities development unless they are required to do so or financial incentives are available to promote their engagement. This lesson highlights the value of having local policies that encourage developers (of all types) to build facilities, or require them to address the impact their projects may have on a community's need for new child care spaces.

Constructing Connections sites have supported the development of nearly 7,900 child care spaces across California and negotiated the inclusion of child care land use policies in 43 city and/or county general plans.

A Continuing Story: The development of child care spaces requires a delicate balance of community demand, good public policy, sources of capital, developer interest and a reasonable business model. ABCD is working diligently on most of these fronts, but the question of how to structure the development deals to be financially attractive depends not only on the cost of capital for construction but also on issues of program operations and subsidies: Can a child care facilities development strategy work over time without being more closely tied to child care program operations, policy and finance?



CONSTRUCTING CONNECTIONS

SUCCESSFUL CHILD CARE FACILITIES development relies on local factors, including land use policies, public and private sources of local capital, and community and governmental support. Therefore, it is imperative that a local strategy exists to organize and support child care facilities resources and development support. Constructing Connections is a community-based project that takes an incremental approach to ABCD's statewide objectives by beginning its work in a limited number of communities to test, document and then replicate the Constructing Connections model in other regions. The goal of the Constructing Connections component is to build a local community's commitment and capacity so that, within a limited time period, LIIF is able to reduce its investment (both financial and staff-related) and the local community is able to carry on its work with near independence. By virtue of its mission, LIIF will remain an ongoing resource on issues of finance and development and a source of capital for project development as well.

With this said, replicating Constructing Connections in more California communities is a priority. Replication planning, including research to determine which communities in California are ideal for implementation, is complete. Additional planning is currently in progress to design a replication strategy for the Constructing Connections model.

Lesson Learned: There is benefit to having a cohort of communities working simultaneously. A multi-site approach achieves efficiency in cross-community learning and support. It also provides a foundation for generating lessons and insights on issues of policy and practice that can be transferred easily to others outside of the cohort.

A Continuing Story: While implementation of the Constructing Connections model has proven successful in 11 California counties, questions remain about the ongoing success of these sites, which LIIF will address as it strives to achieve scale through replication. Will the local work of the initial Constructing Connections sites endure in the absence of LIIF's dedicated staff and financial support? With what leadership and to what effect? To what extent will LIIF be able maintain its relationship with each of the sites? How will LIIF use the lessons of the initial Constructing Connections sites to replicate the model in other California communities?



POLICY AND ADVOCACY

ABCD IS UNIQUELY POSITIONED TO exchange policy-related information across sectors and communities, as well as aggregate community-based policy and financing challenges upward to the state and national level. ABCD has proven the importance of attending to regulatory and legislative issues that can impede (or encourage) project development. LIIF's knowledge of policy issues related to housing and community economic development bolsters its credibility and capacity to address child care facilities development issues.

Over the last four years, the ABCD Initiative has become a catalyst for the implementation of a statewide financing and support system for child care facilities. This system fills a void that previously existed. ABCD's experiences inform its policy/advocacy work, which has included intensive education and relationship-building with government agencies and the California legislature regarding the need for more and better public sources of capital and technical support for child care facilities.

Lesson Learned: In order for families to have access to quality child care, adequate sources of public and private capital for facilities must exist, and technical support must accompany capital so it is accessible and responsibly utilized.

A Continuing Story: Through ABCD's policy/advocacy work, LIIF has gained recognition with the legislature and public agencies as California's preeminent child care facilities expert. It is time to accelerate the pace of child care facilities systems change. LIIF believes that change can happen, and it must sustain the urgency for more and better quality facilities for California's children so they are prepared for kindergarten and to be successful in school and in life. Using its credibility and status, and in collaboration with its partners in the Children's Facilities Policy Workgroup, LIIF is ready to lead the charge and champion policy that creates the public infrastructure necessary to support child care facilities in California.

FACTORS OF SUCCESS – DEVELOPING QUALITY CHILD CARE FACILITIES

WHETHER YOU ARE AN AGENT of community economic development interested in increasing your commitment to child care facilities development as a programmatic focus; a public official deeply committed to child care facilities development; or a private funder who wants to encourage a community, state or region to make this issue a high priority and pursue an aggressive facilities development agenda, ABCD has identified key factors for a successful effort. These factors are in addition to – and are intended to reinforce – the issues discussed earlier in the story.

- This is a long-term effort that includes at least five years for each local capacity-building effort, with intensive technical assistance.
- It requires public/private financial support.
- Building relationships with and engaging partners from multiple disciplines (capital financing, real estate development, land use, government, policy/advocacy) are critical for long-term system change.

- Success depends on the availability of affordable, flexible capital (loans and grants) dedicated to pre-development and construction lending as well as long-term financing.
- Communities need financial resources in order to realize short-term capacity-building goals and achieve long-term child care facilities system change objectives.
- True benefit and efficiency are achieved by working across multiple communities and incorporating a deliberate learning agenda to extract and rapidly assimilate and share lessons learned.

Finally, we offer the following as reminders of the core qualities, characteristics, assets and capacities that position this work for success. Together with the above, these points represent the child care facilities development equivalent of “don't leave home without it” advice.

- **Employ strong financial acumen and capacity in community economic development.** As a CDFI, LIIF has an understanding of the broader issues of community economic development and specific experience and capacity to lend to mission-based and community-minded real estate projects. This is a must-have!
- **Develop a resourceful staff with a range of skills and backgrounds.** The “dream team” for a child care facilities initiative has experience and credibility in child care operations, collaboration building, real estate development, community and economic development, land use planning, and public policy.
- **Collaborate and build lasting relationships.** Because child care facilities development cuts across so many public- and private-sector issues and governing institutions, it is essential to approach the work with a commitment to strong partnerships that are interdisciplinary, interagency and cross-sectoral. Though LIIF plays a leadership role, its work – as well as that of its community level partners – requires partnerships and collaborations that leverage the knowledge, experience, resources and contributions of a multitude of organizations and agencies.

Community Capacity and Commitment Grow: A True Story

Bright Start is a child care center in downtown Santa Barbara, which was originally licensed for 35 children. An appropriately zoned property came on the market next door to Bright Start, and the operator was able to acquire the property in

order to accommodate 65 children. The operator sought the assistance of the Santa Barbara Constructing Connections collaborative to help navigate the planning and zoning requirements associated with renovating the facility, which they did by:



Creating Productive Common Connections

First, the Santa Barbara Planning Department required Bright Start to develop or acquire 11 additional parking spaces to accommodate its increased capacity. The church across the street from the new building had parking spaces that seemed to fit the bill, but church leadership was reluctant to make those spaces available to Bright Start. Because the local Constructing Connections collaborative involved many key community members, the collaborative staff was able to approach a member of the City Council for help and advice. This individual facilitated introductions, which led the church board to agree to allow Bright Start to use its parking spaces.

Creating Common Community Interests and Advocates

Second, community understanding and support are critical to successful community development. The Santa Barbara Constructing Connections collaborative participated in several meetings between community residents, the Bright Start operator and the project's architect. These conversations both educated the community about the importance of quality child care and provided it with an opportunity to review and comment on the facility design. This process not only mitigated community concerns, it also created new advocates for child care facilities development. Some neighbors were so pleased with what they had come to understand about the project and with the relationships they had developed in the process that they spoke in favor of the project at Planning Commission meetings.

Providing Good Advice on Business, Finance and Policy Matters

Third, it isn't easy to find financing for public projects, and Bright Start was no exception. While the Bright Start operator had resources to leverage, she found it difficult to obtain the additional funding needed to cover the total cost of her project. The Constructing Connections collaborative, with support from LIIF, worked with the operator to secure necessary funding; the operator received both an ABCD Fund loan and a planning grant and applied to the local First 5 Commission for financing. Because the Commission had no policy for funding this type of activity, it established criteria for doing so in the future.

Having a community collaborative with professional staff that includes representatives from a broad cross section of the community brings visibility to child care as a critical community concern and establishes a basis and resource for good practice and good public policy.

- **Understand state-level regulations, policies and finances.** State policies, regulations and financial conditions influence the capacity of local communities to meet their facility needs. It is essential to pay attention to state-level policies on oversight of capital delivery, child care subsidies and facility licensing. No matter how much need, commitment, or vocal and local leadership is present, state regulations, policies and financial practices may slow down, or even bring down, the most well-intentioned effort.
- **Consider and define community readiness.** In order to achieve traction and position a local effort for success, it is important that the community is ready to manage the challenges it is likely to face. A “ready” community has the following characteristics:
 - Experience organizing on child care or educational issues;
 - A sense of urgency or priority regarding the need for child care and child care facilities;
 - A track record of successful interagency collaboration;
 - Political or strong civic leadership on this issue;
 - Philanthropic and public interest and resources available to support the work.
- **Have an exit strategy with residual value.** While ABCD’s state-level capacity building and capital delivery elements are intended to have longevity, local Constructing Connections intensive support is intended to be time-limited and to build lasting community capacity that forever changes the local landscape. It is important to define the exit strategy from the beginning so that the community is clear both about the level and term of financial and technical support it will receive and the expectations for transformation, which must be both realistic and mutual.

THE STORY CONTINUES

AS ABCD ENTERS ITS FIFTH YEAR, LIIF has identified several longer-term goals for the initiative: free up additional public and private capital to support child care facilities development and operations; continue to deepen and generate new opportunities and partnerships from the relationships currently established with financial, developer and political stakeholders; sustain and grow the capacity created in local communities; seek opportunities to launch additional Constructing Connections cohorts; and share and leverage the lessons that LIIF has learned from ABCD.

LIIF considers ABCD to be an incredible success and a model that can help other CDFIs and community economic development organizations advance child care facilities development. ABCD is an organized and strategic framework that leverages a CDFI’s capacities, skills, resources and knowledge. It also encourages community economic development organizations to become permanent sources of support and assistance to local communities in their ongoing quest to meet the facilities needs of their children. Like the alphabet its acronym references, ABCD really is just the beginning.





References

1. First 5 California is a state agency created as a result of Proposition 10, a tobacco tax initiative passed by California voters in 1998. First 5 California's objective is to promote, support and improve the development of children from the prenatal stage to five years of age.
2. Quote from evaluation respondent, "*Building Momentum for Change: A Second Year Evaluation of the ABCD Initiative*," BTW Informing Change, January 2008.
3. ABCD has two Constructing Connections collaborative cohorts: the first includes six sites and is in its fourth year of support; the second is in its third year of support. The initial Constructing Connections site leads are Child Action, Inc. (Sacramento County), Child Development Resources of Ventura County, Inc., Children's Network of Solano County, First 5 Riverside, First 5 Santa Barbara County, Human Resources Council, Inc. (Amador/Calaveras County), Kern County Superintendent of Schools, Merced County Office of Education, Pacific Health Foundation Enterprises (Orange County) and Public Counsel (Los Angeles County).
4. This figure is based on projected construction costs, when available; when construction costs are not available, the figure is based on a multiplier of \$20,000 per child care space. Only projects currently considered to be progressing are included in this figure.
5. These spaces are at different stages in the development pipeline. Some overlap may exist in the number of spaces reported by Constructing Connections sites and those supported by planning grants and loans.
6. Each Constructing Connections site is responsible for developing a sustainability plan to ensure that Constructing Connections work continues beyond the grant.
7. LIIF got started in the child care lending business by making loans in San Francisco using \$10 million of HUD funds provided by the city.
8. Though not a developer, Child Development Incorporated was part of this network and received a Foundation grant to participate and provide a child care operator's perspective.

This story was prepared by BTW *informing change*, a Berkeley, CA-based consulting firm that works exclusively with nonprofits and philanthropy on issues of organizational effectiveness and community impact. For more information about the range of service and skills available at BTW *informing change*, visit their website at www.btw.informingchange.com.

THE LOW INCOME INVESTMENT FUND (LIIF) is a nonprofit community development financial institution (CDFI) dedicated to serving low income people and communities. At the core of LIIF's work is a commitment to alleviating poverty and helping families attain economic self-sufficiency. LIIF is a steward for capital invested in housing, child care, education and other community-building initiatives. LIIF provides a bridge between private capital markets and low income neighborhoods.

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