

Safeguarding & Strengthening Housing Access for Family Child Care

5 Policy Principles to Improve Housing for Home-based Family Child Care Educators

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Executive Summary

In today's rapidly evolving world, the significance of accessible and high-quality child care cannot be overstated. Family Child Care (FCC), also referred to as home-based child care, plays a vital role in the child care ecosystem. While every community needs access to care for children, [research](#) supports the positive impact of having more intimate settings for early learning like those found in home-based child care programs.

Housing security is crucial for family child care educators' well-being and their ability to provide child care to families in their community. In 2024, NAFCC embarked on a process to develop a comprehensive position statement on housing policies that support family child care (FCC), updating its 2008 paper titled "[Zoning and Restrictive Covenants Prohibiting Family Child Care.](#)"

Our five-pronged framework— (1) Eliminate Zoning & Other Municipal Barriers; (2) Promote Landlord & HOA Cooperation; (3) Leverage Tax Policies; (4) Increase Funding for FCC Housing & Improvements; and (5) Explore Innovative Solutions — serves as the foundation for our research and exploration into housing policies supporting FCC. We provide examples of supportive policies for each part of the framework.

Through our research and discussions with a cohort of educators and policy advocates from across the country, we refined our recommendations and have developed a comprehensive approach to support the sustainability and growth of FCC programs. NAFCC's overall position is that affordable housing and child care are inextricably linked, and that supporting family child care educators' access to housing that is both affordable and compatible with child care operations is crucial for the well-being of children, families, and communities.

The Issue & Background

Prior to the global health pandemic, the child care industry and its workforce peaked at [1.05 million employees](#) between 2013 and early 2020. [In Child Care Aware of America's Demanding Change: Repairing our Child Care System, their analysis](#) of the national supply crisis pre- and mid-pandemic highlighted signs of decline starting prior to the pandemic. **Notably, family child care programs declines were reported in 79% of states. Between December 2019 and March 2021, nearly 7,000 family child care programs reported closures.** The pandemic highlighted the national child care crisis, particularly the undervalued work of home-based FCC educators, who are disproportionately women of color. Access to public funding varied widely; and even when funding was¹ available, knowledge of these programs was limited, often leaving FCC educators out of the loop.

In some instances, the lack of support has led to increases in rent or mortgage, evictions and even [loss of homeownership among FCC educators](#). This only exacerbated the systemic inequities rooted in the devaluation of care work, particularly for Black and brown women.

The National Women’s Law Center’s issue brief, [Housing is Foundational to Women, LGBTQIA+ People, and Families](#), reiterates that **“housing insecurity among home-based child care educators threatens both their place to live and their workplace”** (Grossman, et al., 2024, p.7). Between March 2021 and December 2022, [one in four educators](#) that were surveyed in the national RAPID ECE survey reported that they had difficulty paying for housing expenses, regardless of being a homeowner or renter. These numbers are even higher for Latinx (36%) and Black (25%) educators, compared to educators that are white (21%). Furthermore, between [June 2021 and December 2022](#), 38% of Family, Friend, and Neighbor (FFN) caregivers and 28% of home-based educators were somewhat or very worried about it.

Additionally, despite being state-regulated and compliant, FCC face threats from landlords, local authorities, developers, and homeowners' associations. For nearly two decades, these restrictive practices have violated guidelines offered in the [Policy Guide on the Provision of Child Care issued in 1997 by the American Planning Association](#).

FCC educators are facing impossible choices: attempt to operate in communities with restrictive zoning or landlords charging them a premium for operating, relocate to a neighborhood with inclusive zoning, or close their businesses – ultimately jeopardizing their income and housing security, leaving families with fewer child care options. Without adequately addressing these concerns, educators may continue to face displacement, financial hardship, and closure, resulting in:

- Loss of quality, affordable child care for families
- Increased poverty and economic instability for educators
- Perpetuation of systemic inequalities in housing and child care
- Decreased access to early childhood education and development opportunities



¹ Throughout this paper, we will use the terms “family child care,” “home-based child care” and “child care in a residential setting” interchangeably. Additionally, we will use “educators,” “educators” and “business owners interchangeably” to the same aim. We do this to broaden the narrative on how child care educators (and their families) who operate in these settings are viewed by the general public, public officials, and private interests.

The National Association for Family Child Care advocates for housing justice to protect educators' rights and promote a sustainable child care ecosystem. We uphold the following definition of housing justice, adapted from Urban Institute in our work:

Increasing access to safe, affordable housing and promoting wealth-building by confronting historical and ongoing harms and disparities caused by structural racism.

The Role of Family Child Care in Strengthening Communities

Family Child Care (FCC) plays a vital role in the child care ecosystem. While every community needs access to care for children, [research supports the positive impact of having more intimate settings for early learning](#). Such impacts include lower child-adult ratios for more individualized care, having a consistent primary caregiver that promotes deeper social bonding, and mixed-age interactions that naturally aid in scaffolding a child's development. By providing reliable, high-quality child care, [FCC enables parents to work, contributing to local economies and attracting businesses that value family-friendly infrastructure](#). This support for the local workforce has a ripple effect, enhancing the overall economic well-being vitality of the community.

FCC settings are inherently located in residential areas that make it easier to build relationships among families, caregivers, and neighbors building a sense of community and social cohesion. This fosters a nurturing environment that extends beyond the child care setting, creating a supportive network of connections among community members.



NAFCC's 5 Point Framework for Housing Support

This position paper aims to promote policy principles for federal, state, and local governments related to child care operations in residential settings. We urge policy makers to act now to prevent further harms and ensure that home-based child care educators can continue to carry out essential services to their communities.

Building on the insights from a community of practice with FCC leaders, review of recent legislation, and the broader public conversation around family child care, we call on state and federal lawmakers to take a comprehensive approach that tackles the diverse challenges faced by FCC. To safeguard and support FCC educators, NAFCC recommends a comprehensive five-pronged framework:



Eliminate Zoning & Other Municipal Barriers

Empowering FCC educators through local flexibility, by limiting unnecessary zoning restrictions, permits and fees, prohibiting restrictive covenants, and encouraging child care-inclusive zoning ordinances and housing development plans. To support home-based child care and affordable housing, we need to update zoning laws and land-use regulations. This requires collaboration with state and local governments, zoning boards, and housing authorities. By allowing home-based child care in residential areas and defining clear guidelines for operations, we can increase access to child care for families and support educators' ability to operate legally and safely. This reform also encourages mixed-use development and community engagement, fostering vibrant neighborhoods where educators and children can thrive. Examples of passed legislation: [Oregon](#), [Colorado](#), [Oklahoma](#), [California](#), [Montana](#).



Promote Landlord & HOA Cooperation

Foster positive relationships between landlords, homeowner's associations and FCC educators, by promoting respect for educators' rights to live and operate in their community and encouraging cooperative agreements. To ensure that family child care educators can operate their businesses without fear of displacement, financial burden, or closure, we need to require private entities to respect their rights. This includes landlords, homeowners associations, property management companies, and real estate developers. By mandating that these entities allow family child care in residential areas, respect educators' privacy and personal space, and permit business investments in home improvements, we can protect educators' interests and support their ability to maintain their homes and businesses. This continuity of care is essential for the well-being of educators and development of children. Examples of passed legislation: [California](#), [Washington](#), [Connecticut](#), [Montana](#).



Increase Funding for FCC Housing & Improvements

Supporting FCC educators to improve their child care environments by including them in any child care facility funds and local grant programs offering financial assistance and incentives for FCC businesses. To enable home-based child care educators to create safe and nurturing environments for children, we need to provide sustainable financial assistance to subsidize the cost of renting or owning residences. Government agencies, foundations, and philanthropic organizations can offer grants, zero or low-interest loans, subsidies, and incentives to support purchasing homes, home improvements, modifications for running a child care program, and repairs. Additionally, housing vouchers and subsidies can help educators access affordable housing.

NAFCC captured examples of family child care facility improvements made in this memo: [Lessons from Family Child Care Educators in Rural Communities Transforming Their Homes & Learning Spaces](#). Examples include: Child Care Facility Funds, Paths to Housing Access & Ownership ([Mission Driven Finance](#)). Examples of FCC educators leveraging public funds to improve their homes & child care programs in [North Carolina](#), [Utah](#) & [Wisconsin](#).



Tax Relief

Reducing financial burdens on FCC educators through tax relief, including property tax credits, deductions, or exemptions and increasing access to capital and credit. Examples of passed or proposed legislation: [Alabama](#), [Missouri \(the proposed ballot initiative was rejected by 54% of voters in Aug 2024\)](#).



Innovative Solutions

Encouraging innovative approaches, such as allowing hybrid or multi-site FCC programs, zoning variances in commercial spaces, offering temporary or permanent licensing waivers and permitting flexible use of space to support FCC educators. Additionally, state licensing agencies can revisit their FCC regulations to eliminate housing related barriers that do not impact the health or safety of care provided. For example, research surfaced examples where someone can not become licensed if they do not own their house (New Hampshire) or if they reside in an apartment building (North Carolina). Reforming these child care licensing regulations, would promote access to home-based child care in more types of housing.

By developing this framework, NAFCC aims to ensure that FCC educators receive the support they need to continue providing high-quality care and education to young children, while also securing a stable and equitable future for themselves and their families.

Conclusion: Supporting Family Child Care Educators

NAFCC believes that FCC educators have the right to run their businesses without fear of displacement, financial burden, or closure, and that they should receive the support they need to provide high-quality care and education to children.

Our key principles focus on supporting Family Child Care (FCC) educators in the ways: (1) Eliminating Zoning & Other Municipal Barriers; (2) Promoting Landlord & HOA Cooperation; (3) Leveraging Tax Policies; (4) Increasing Funding for FCC Housing & Improvements; and (5) Exploring Innovative Solutions. By addressing these essential needs, we can create a supportive environment that enables FCC educators to deliver high-quality care, sustain their businesses, and ultimately benefit the families and communities they serve.

Housing security is crucial for home-based child care educators' well-being, however surfacing challenges have made the quest for fair, stable and affordable housing less feasible due to restrictive zoning laws, and punitive policies threaten their stability and ability to operate. Facing such disparities present a two-fold impact on FCC educators personally – income insecurity and housing insecurity. We recognized the critical importance of stable housing as the foundation of family child care (FCC) and deemed it essential to address. By doing so, policymakers can ensure that FCC educators have a solid base to operate from, ultimately benefiting the children and families they serve, while also ensuring their personal stability, financial futures, and success.

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