Enhancing Municipal Support for Child Care: Policy Options for the City of Surrey

by
Ana Molina
B.A., Simon Fraser University, 2015

Project Submitted in Partial Fulfillment of the Requirements for the Degree of Master of Public Policy in the School of Public Policy Faculty of Arts and Social Sciences

© Ana Molina 2017
SIMON FRASER UNIVERSITY
Spring 2017
## Approval

<table>
<thead>
<tr>
<th>Name:</th>
<th>Ana Molina</th>
</tr>
</thead>
<tbody>
<tr>
<td>Degree:</td>
<td>Master of Public Policy</td>
</tr>
<tr>
<td>Title:</td>
<td>Enhancing Municipal Support for Child Care: Policy Options for the City of Surrey</td>
</tr>
</tbody>
</table>

**Examing Committee:**

<table>
<thead>
<tr>
<th>Chair:</th>
<th>Doug McArthur</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Professor, School of Public Policy, SFU</td>
</tr>
</tbody>
</table>

- **Kora DeBeck**
  - Senior Supervisor
  - Assistant Professor

- **John Richards**
  - Supervisor
  - Professor

- **Marina Adshade**
  - Internal Examiner
  - Visiting Professor

**Date Defended/Approved:** March 20, 2017
Ethics Statement

The author, whose name appears on the title page of this work, has obtained, for the research described in this work, either:

a. human research ethics approval from the Simon Fraser University Office of Research Ethics

or

b. advance approval of the animal care protocol from the University Animal Care Committee of Simon Fraser University

or has conducted the research

c. as a co-investigator, collaborator, or research assistant in a research project approved in advance.

A copy of the approval letter has been filed with the Theses Office of the University Library at the time of submission of this thesis or project.

The original application for approval and letter of approval are filed with the relevant offices. Inquiries may be directed to those authorities.

Simon Fraser University Library
Burnaby, British Columbia, Canada

Update Spring 2016
Abstract

This study explores the role municipalities in British Columbia can play in addressing child care. It focuses on the City of Surrey, investigating what this rapidly growing municipality can do, within its jurisdictional authority, to enable and support the creation of high quality, affordable child care spaces. This study uses a literature review, jurisdictional scan and data gathered through qualitative interviews with municipal elected officials, planners and child care experts to identify and evaluate five policy options. Options are analysed using a standardized criteria and measures approach. This study concludes that the adoption of a non-profit support framework and the integration of child care into the City’s community amenity contributions approach are the most effective policy interventions for increasing the number of child care spaces, while ensuring high quality, affordability and accessibility objectives. Furthermore, it recognizes these interventions can be included within a more comprehensive strategy, maximizing flexibility and nimbleness.

Keywords: child care; early childhood education and care; community planning; municipal child care policy; municipal governance; community amenity contributions
Dedication

I dedicate this work to my daughter Ariel, with all my love. And to all the women in my family across generations, for carrying us here.
Acknowledgements

This work wouldn’t have been possible without the support, love, encouragement and inspiration provided by so many people. First and foremost, I thank my husband and daughter. Dani, thank you for your unshakeable support and encouragement. You have been at the centre of my educational journey, and have shared with me in the ups and downs of this process. Thank you for pushing me forward, and for your unwavering goal-crushing commitment and ambition. We stand stronger together. Ari, thank you for your strength and flexibility when mommy most needed it. You have worked as hard as I have, and without knowing it, you have encouraged me to keep pushing. Just as you have been to me, I hope this work can serve for you as an example and inspiration in the years to come.

To my parents: Papi, thank you for instilling in me a love for learning and studying; Mami, thank you for being a beacon of hard-work and sacrifice, for being the woman who does it all, for inspiring – through your commitment to being a career woman – my feminist worldviews early on. To my brothers, I love you – there is much left to do.

After my family, there is a huge group of people whose support, guidance and generosity with knowledge and time have enabled this work. To my supervisor, Dr. Kora DeBeck – thank you for your insights and encouragement, for your attention to detail, and for helping me avoid ‘scope-creep’ while not sacrificing the quality of this work.

I am grateful to all my interviewees, for sharing so generously, openly and passionately your knowledge, expertise and insights about a complex and increasingly salient issue. I have seen and am inspired by your commitment to child care, children and families, and your contributions to making our cities more socially sustainable and family friendly.

Thanks to all my fellow MPP colleagues, whose comradery and thoughtful policy debates have enriched these past two years, and to the School of Public Policy faculty and staff, for priceless teachings, mentorship and support.

Finally, to all the early childhood educators who have touched our life caring for and educating Ariel during this journey: I thank you. This journey would not have been possible without you.
# Table of Contents

Approval ............................................................................................................................. ii  
Ethics Statement ............................................................................................................... iii  
Abstract ...................................................................................................................................... iv  
Dedication ............................................................................................................................... v  
Acknowledgements ............................................................................................................. vi  
Table of Contents ............................................................................................................. vii  
List of Tables ..................................................................................................................... x  
Glossary ................................................................................................................................... xi  
Executive Summary ........................................................................................................ xiii

## Chapter 1. Introduction ............................................................................................... 1  
1.1. Background .............................................................................................................. 1  
1.1. City of Surrey: Context ............................................................................................. 2  
1.2. Child Care in Surrey ................................................................................................. 3  
1.3. Policy Problem and Objectives ................................................................................. 6  
1.4. Overview of this Study .............................................................................................. 6

## Chapter 2. Benefits of Public Investment in Child Care ........................................... 8  
2.1. Economic Priorities ................................................................................................... 8  
2.1.1. GDP and Employment ................................................................................ 8  
2.1.2. Economic Returns from Investing in Children ............................................. 9  
2.1.3. Poverty and Gender Equity ....................................................................... 10  
2.2. The Importance of Quality ...................................................................................... 11

## Chapter 3. Child Care from a Planning Lens ........................................................... 13  
3.1. Planning for Magnets and Glue .............................................................................. 13

## Chapter 4. Governance Context ............................................................................... 15  
4.1. The Role of Federal and Provincial Governments ......................................................... 15  
4.2. Municipal Levers for Child Care ............................................................................. 15  
4.3. City of Surrey: Policy and Practice ......................................................................... 17

## Chapter 5. Methodology ............................................................................................ 19  
5.1. Research Approach ................................................................................................ 19  
5.1.1. Jurisdictional Scan .................................................................................... 19  
5.1.2. Expert Qualitative Interviews .................................................................... 20  
5.2. Methodological Limitations ..................................................................................... 20

## Chapter 6. Jurisdictional Scan of Municipal Approaches to Child Care:  
Summary .......................................................................................................................... 22  
6.1. Summary of Municipal Approaches: Findings ......................................................... 22
Chapter 7. Expert Interviews: Thematic Results .................................................... 25

7.1. The Role of the City ............................................................................................... 25
7.2. Data and political will.............................................................................................. 29
7.3. Barriers, opportunities and risk............................................................................... 30

Chapter 8. Policy Objectives, Criteria and Measures ............................................. 33

8.1. Effectiveness: Supply ............................................................................................. 34
8.2. Equity ..................................................................................................................... 34
8.3. Budgetary Cost to Municipal Government.............................................................. 36
8.4. Ease of Implementation.......................................................................................... 37
8.5. Public Acceptability .............................................................................................. 37
8.6. Stakeholder Acceptability ....................................................................................... 37
8.7. Measuring the Criteria ............................................................................................ 38

Chapter 9. Policy Options ......................................................................................... 41

9.1. Option 1: Integrate Child Care into Community Amenity Contributions
    “CAC+” ................................................................................................................... 41
9.2. Option 2: Density Bonus Rezoning+ ...................................................................... 44
9.3. Option 3: Civic Capital Investment ......................................................................... 47
9.4. Option 4: Non-Profit Support Framework ............................................................... 48
9.5. Option 5: Regulatory Streamlining for Child Care Projects .................................... 50

Chapter 10. Analysis and Evaluation of Policy Options .......................................... 52

10.1. Option 1: Integrate Child Care into Community Amenity Contributions
    “CAC+” ................................................................................................................... 52
    10.1.1. Effectiveness: Supply ................................................................................ 52
    10.1.2. Equity: Affordability ................................................................................... 53
    10.1.3. Equity: Geography .................................................................................... 54
    10.1.4. Budgetary Cost to the Municipal Government ........................................ 54
    10.1.5. Ease of Implementation ............................................................................ 55
    10.1.6. Public Acceptability .................................................................................. 56
    10.1.7. Stakeholder Acceptability ......................................................................... 57
    10.1.8. Summary of Option 1 ................................................................................ 57

10.2. Option 2: Density Bonus Rezoning+ ...................................................................... 57
    10.2.1. Effectiveness: Supply ................................................................................ 57
    10.2.2. Equity: Affordability ................................................................................... 58
    10.2.3. Equity: Geography .................................................................................... 58
    10.2.4. Budgetary Cost to Municipal Government ............................................ 59
    10.2.5. Ease of Implementation ............................................................................ 59
    10.2.6. Public Acceptability .................................................................................. 60
    10.2.7. Stakeholder Acceptability ......................................................................... 60
    10.2.8. Summary of Option 2 ................................................................................ 61

10.3. Option 3: Civic Capital Investment ......................................................................... 61
    10.3.1. Effectiveness: Supply ................................................................................ 61
    10.3.2. Equity: Affordability ................................................................................... 62
    10.3.3. Equity: Geography .................................................................................... 62
List of Tables

Table 1  Monthly Average Full Time Child Care Fees in Surrey for Licensed Child Care (Group Child Care Centres and Family Child Care Homes) ...................................................................................................... 5

Table 2  Non-profit and Commercial Monthly Full Time Child Care Fees for Select Child Care Providers in the City of Surrey ......................................................... 35

Table 3  Summary of Criteria and Measures .............................................................................. 39

Table 4  Summary Evaluation for CAC+ ..................................................................................... 57

Table 5  Summary Evaluation for Density Bonus Rezoning + ................................................. 61

Table 6  Summary Evaluation for Civic Capital Investment .................................................... 64

Table 7  Summary Evaluation for Non-Profit Support Framework ........................................... 68

Table 8  Summary Evaluation for Regulatory Streamlining ..................................................... 71

Table 9  Summary of Policy Analysis ......................................................................................... 72
### Glossary

<table>
<thead>
<tr>
<th>Access Rate</th>
<th>The child care access rate refers to the percentage of children within an identified age group for whom there are licensed child care spaces (Papadionissiou, 2011).</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accessibility</td>
<td>Accessible child care is child care in which there is appropriate and adequate capacity for all families and children who require it. This means an integrated continuum of services for children from birth to 12 years of age in developmentally appropriate programs for infants, toddlers, preschoolers and elementary school-aged children; the planning, coordination and delivery of child care services at the neighbourhood level; the provision of culturally and linguistically appropriate services; and the development of physically accessible facilities that promote the full inclusion of all children (City of New Westminster, 2016).</td>
</tr>
<tr>
<td>Affordability</td>
<td>Affordable child care is child care which provides access to quality care for all families regardless of income. It is adequately funded by senior levels of government and offers subsidies to families to make up the difference between their ability to pay and the actual cost of child care (City of New Westminster, 2016).</td>
</tr>
<tr>
<td>Commercial (or for-profit) child care services</td>
<td>Commercial (or for-profit) child care services are private businesses operated by an individual, a partnership or a corporation that may or may not have shareholders, usually incorporated under provincial legislation. Commercial operations are permitted to make profits to be returned to their owners (Doherty, Friendly, &amp; Forer, 2002).</td>
</tr>
<tr>
<td>Licensed child care services</td>
<td>Licensed child care programs must meet and comply with the <em>Community Care and Assisted Living Act</em> (2002) and the Child Care Licensing Regulation (2007). The latter sets out health and safety requirements, license application requirements, staffing qualifications, staff to child ratio, space and equipment, and program standards (British Columbia, 2016a).</td>
</tr>
<tr>
<td>Non-profit child care services</td>
<td>Non-profit child care services are incorporated under provincial legislation that specifies requirements for non-profit operation, for example, having a board of directors. These may be operated by a group of community volunteers who form a board of directors, a group of parents who operate a co-operative centre, an organization with charitable status or a non-profit organization such as the YM/YWCA or a church. They are not technically permitted to make profits (Doherty et al., 2002).</td>
</tr>
<tr>
<td>Publicly operated child care services</td>
<td>Publicly operated child care services are directly operated by a public entity, for example, a city government. They constitute a small minority in Canada; for pre-school-aged children, they are almost all in Ontario where they are operated by municipal/regional governments (Doherty et al., 2002).</td>
</tr>
<tr>
<td>Quality</td>
<td>Quality child care is child care which supports the child’s emotional, intellectual, physical and social development and assists and complements the family in its child-rearing role. Research and experience indicate that the predictors of quality programming include: the existence of and compliance with licensing standards; the provision of specific staff training in child development and early childhood education; the effective administration of the programs; the involvement of parents in the care option of their choice; and the provision of sufficient operating funds and program resources to support care that is developmentally and individually appropriate (City of New Westminster, 2016).</td>
</tr>
</tbody>
</table>
Executive Summary

The City of Surrey is growing at an accelerated pace and stands to become British Columbia and Metro Vancouver’s largest City in less than three decades. This growth will bring abundant economic opportunity, employment and land development. It will also bring challenges, including added pressures on the City’s physical and social infrastructure. Changes in the City’s child and youth demographic, which projections indicate will continue to rise both in numbers and as a share of the City’s overall population, challenge the City to reconsider the services and amenities made available to this group, and their parents.

Policy Problem and Research Objectives

This study contributes to our understanding of the role played by local governments in child care. More specifically, it investigates how the City of Surrey can enable and support the creation of licensed group child care spaces for children 0-5 years of age, given that presently the City has one of the worse child care access rates in Metro Vancouver.

The policy problem identified in this study is: there is a significant shortage of licensed group child care spaces for children 0-5 years of age in the City of Surrey. This gap negatively impacts the well-being of families and children, the local economy, and the attractiveness and liveability of this rapidly growing City.

The primary policy objective is to increase the number of licensed group child care spaces available in the City for children 0-5 years of age. The second policy objective is to create spaces that are affordable to a diversity of families and of high quality. This framing aligns with the three pillars of an adequate child care system: accessibility, affordability and quality.
Methodology

The research methodology is comprised of a literature review, jurisdictional scan and expert qualitative interviews with municipal elected officials, planners and child care experts.

First, an extensive literature review presents scholarly evidence on the impacts of high quality, accessible and affordable child care on a range of government priorities, including GDP and employment. It also explores the contributions of child care to cities from a planning lens, presenting evidence of increasing planning interest in social policy interventions to advance social sustainability objectives including the development of inclusive and family-friendly communities. Furthermore, the literature review explores the governance context and policy levers available to municipalities in regard to child care, delineating a jurisdictionally appropriate context for the policy alternatives developed and analyzed in this study. These are further informed by a review of the City of Surrey’s existing child and family policy context. Finally, the literature review also includes demographic and child care data on the City of Surrey contributing to an understanding of current trends of relevance to child care in the City.

Secondly, a jurisdictional scan provides an overview of existing child care approaches in four Metro Vancouver cities: Burnaby, New Westminster, Richmond and Vancouver. It informs the development and assessment of policy options with relevance for the City of Surrey.

Finally, ten semi-structured qualitative interviews conducted with municipal elected officials, planners and child care experts explore interviewees’ understandings of child care needs and gaps in the City of Surrey, and the scope and realm of policy interventions available to local governments and the City of Surrey, including challenges and opportunities.

Data gathered through this three-pronged methodology informs the development and assessment of the relative merits and drawbacks of policy options.
Research Findings

Most interviewees concurred that local government participation in child care is discretionary but of significant benefit to local communities. They reflect an understanding of local government as primarily a facilitator in partnerships, though one with significant influence to leverage resources. Political will is identified as a crucial element in achieving municipal policy and practice changes in regard to child care; in turn, data is identified as a key driver with the potential to influence and change decision-makers’ child care positions.

Interviewees note that a central realm of opportunity for child care, from a municipal perspective, is local government oversight of land use planning and development. Interview and jurisdictional scan data show that, though municipal approaches to child care vary in the region, municipalities’ role in land use planning and development presents a key area of opportunity for leveraging impacts on child care supply in our cities.

Nonetheless, the most significant barriers identified by interviewees are financial constraints, resulting from limited senior government funding for social services – including child care, and limited municipal sources of revenue. Overall, interviewees agreed that municipalities seeking to intervene on child care must proceed judiciously, equipped with data on community child care needs, and the political support needed to adopt and implement sustainable child care interventions.

Policy Options and Evaluative Criteria

This study develops and evaluates five policy options for the City of Surrey to enable and support the creation of licensed group child care spaces for children 0-5 years of age. These are:

- Integrating child care into the City’s community amenity contributions approach;
- Utilizing the City’s density bonus rezoning approach for the creation of child care spaces;
- Adopting a civic capital investment approach for child care;
• Adopting a non-profit support framework for child care; and
• Undertaking regulatory streamlining for child care projects.

These options are evaluated through select evaluative criteria: 1) effectiveness of the policy on increasing child care supply; 2) equity, measured by impacts on child care affordability and the geographical distribution of child care spaces; 3) budgetary cost to the municipal government; 4) ease of implementation; 5) public acceptability; and 6) stakeholder acceptability.

Recommendations

The analysis indicates that a two-pronged approach which integrates child care into the City’s community amenity contributions approach, and adopts a non-profit support framework are the most effective policy interventions for increasing the number of child care spaces in the City of Surrey, while demonstrating strengths across several of the evaluative criteria examined.

The first component harnesses development to achieve community amenities in the form of monetary contributions and in-kind child care facilities, giving the City flexibility in funding allocation decisions and integrating child care facilities into an increasingly urban built environment. Additionally, it achieves significant impacts on child care supply whilst maintaining budgetary prudence, having comparably low impact on the City’s budgets. The second component expands child care supply with welcome impacts on child care quality and affordability. It builds on the City’s strong record of collaboration with non-profit partners, leveraging cost-sharing opportunities. It also holds potential for supporting Surrey residents facing exacerbated access and affordability barriers to licensed child care, including special needs, Aboriginal and refugee children.

Notably, both approaches present prominent drawbacks to be addressed and mitigated through implementation. These include a high degree of implementation complexity characterized by substantial collaborative effort with the development community and child care partners, and a need for municipal capacity development. They also present risks of stakeholder opposition to shifts in municipal planning and development policy. Nonetheless, the recommended approaches present important
synergies for addressing the policy problem in question: CAC monetary contributions can support the implementation of a non-profit support framework, creating a funding stream for child care grants, including for capital expansion. Furthermore, this study recognizes these interventions can be included within a more comprehensive approach, as reflected in various child care policies and strategies in the region, maximizing flexibility and nimbleness to activating opportunities for child care in the City of Surrey.
Chapter 1. Introduction

1.1. Background

There is growing consensus on the economic and social benefits of quality\(^1\) child care. Quality child care supports the child’s emotional, intellectual, physical and social development and assists and complements the family in its child-rearing role (Child Care Resource and Research Unit, 2016; Friendly, Doherty, & Beach, 2006).

Accessible\(^2\) and affordable\(^3\) child care also supports adult human development by enabling parents\(^4\) employment, education and training, while also contributing to gender equity objectives both at work and in the home. The benefits obtained from accessible and affordable child care, including higher labour force participation, worker productivity and economic growth (G. Cleveland & Krashinsky, 1998; Lefebvre & Merrigan, 2008) suggest child care is a worthwhile investment for economic and social reasons.

At the same time, accessibility and affordability of quality child care – the three key pillars of an adequate child care system - are central in creating child and family friendly cities that are attractive to, inclusive and supportive of a diversity of families. Evidence from economic development and planning studies increasingly demonstrate that adequate child care can make a city more attractive to business and labour, spur innovation and job creation, and support economic development (Reese, 2012; M. E. Warner, 2006a, 2007).

\(^1\) In this study, the term “quality child care” refers specifically to child care that is of high quality. The word “high” is excluded for brevity.

\(^2\) Accessibility generally refers to child care in which there is appropriate and adequate capacity for all families and children who require it. For a more detailed definition, please refer to the Glossary, and City of New Westminster (2016).

\(^3\) Affordable child care is child care which provides access to quality care for all families regardless of income. For a more detailed definition, please refer to the Glossary.

\(^4\) In this study, the term ‘parent(s)’ is understood more broadly to cover a child’s parent(s) as well as any caregiver(s) tasked with primary child care responsibilities.
Local investment in the social support infrastructure essential to a productive and diverse workforce not only attracts business, but shapes family friendly cities that are economically and socially sustainable (M. Warner, Anderson, & Haddow, 2007; M. E. Warner, 2007; M. E. Warner & Rukus, 2013).

On the other hand, a lack of affordable, accessible quality child care can result in lower labour force participation, suppressed workforce productivity, and overall higher stress and economic hardship for families. Limited options for high quality child care can also increase safety risks for children whose parents may have little choice but to make use of unlicensed care arrangements of uncertain quality. Finally, unmet demand for sought-after licensed child care contributes to escalating fees, exacerbating affordability issues for families (Macdonald & Klinger, 2015).

The positive outcomes supported by quality child care, as well as increasing evidence of accessibility and affordability constraints indicate overwhelmingly that all levels of government must look to opportunities for creating, enabling and supporting the creation of affordable, accessible, quality child care spaces.

Yet, why should local governments act on child care, when child care in Canada is a provincial and federal responsibility? And how can they respond in the context of limited fiscal capacity to address social issues (Torjman & Leviten-Reid, 2003)? Given child care’s function as a “critical community infrastructure important for economic development and family wellbeing” (M. E. Warner, 2007, p. 111), many municipalities have enhanced their support for child care to attain both economic and social objectives. This study explores policy options for the City of Surrey.

1.1. City of Surrey: Context

The City of Surrey is the second largest city in British Columbia, with 543,940 residents in 2016 (BC Stats, 2017a). It has one of B.C.’s highest birth rates and the highest birth rate in the region at 13.5 births per 1,000 people (United Way, 2015); it is home to approximately 35,000 children ages 0-5 (Surrey Community Child Care Task Force, 2016). Between July 2015 and June 2016 the City welcomed over 16,000 new residents,
growing by 3.2 per cent (BC Stats, 2017a). It is projected to increase by 250,000 residents over the next 30 years, reaching close to 800,000 residents, and likely outgrowing Vancouver. It will likely absorb over 27% of Metro Vancouver’s population growth by 2041 (Metro Vancouver, 2011).

This accelerated growth is fueled by several factors, including immigration, high birth rates, and a comparatively affordable housing market in a region with declining housing affordability. The latter makes Surrey particularly attractive to young and growing families. Metro Vancouver’s Regional Growth Strategy (2011) points out that Surrey has “by far the largest residential land base, as well as the largest potential for residential intensification” (p. 13). As housing markets in the region tighten, Surrey’s land pull will continue to drive population growth, and with it the share of residents who are children. This will have implications for the City’s infrastructure; it also demands attention to the City’s social infrastructure, including community amenities such as child care.

Another contributing factor to Surrey’s child care needs is the City’s female labour force participation which has risen in response to changes in economic, employment and family structures, declining family incomes, and rising costs of living. Among Surrey women with children under age six, the labour force participation rate is 69.4% (Cleathero, 2009) – up from 28 per cent in the 1970s (Surrey Community Child Care Task Force, 2016). Increasingly, working parents must find ways to balance employment and child care responsibilities. This presents an opportunity to proactively consider and prepare for how best to support the needs of the City’s families and children – many of whom are and will be part of the workforce.

### 1.2. Child Care in Surrey

The City of Surrey reflects a province-wide child care crisis – characterized by a shortage of quality, accessible and affordable licensed child care spaces (Ivanova, 2015).

---

5 See Glossary for definition.
The most recent Surrey *Child Care Needs Assessment* determined the City has a “gap”\(^6\) of approximately 30,000 spaces for children 0-12 years of age, highlighting a 13% child care access rate\(^7\) for children 0-12 years of age in the City (Papadionissiou, 2011). A more recent study by Metro Vancouver (Spicer, 2015) corroborated this figure, finding that Surrey has 12.2 child care spaces per 100 children ages 12 and under. Surrey’s access rate is the lowest across 17 Metro Vancouver municipalities examined, including Vancouver, Burnaby, New Westminster, Richmond, the Tri-Cities, North Vancouver City and North Vancouver District. It is also lower than the British Columbia and national averages, which are respectively 18 and 20.5 spaces per 100 children (Spicer, 2015).

Regarding children 0-5 years of age – the focus of this study – the gap is an estimated 12,000 spaces or 40 percent of the overall gap. However, the precise figure by child care type\(^8\) for this age group is unclear due to limited data\(^9\). The literature and interview data suggest that Surrey parents satisfice the need for licensed child care with preschool, family arrangements such as grandparent and relative caregivers, and unlicensed or suboptimal options. Similarly, the Surrey *Child Care Needs Assessment* (2011) and interview informants indicate that for children 0-5 years of age, the gap is most severe for children under 3 (i.e. infant and toddler care). This coincides with a study by Macdonald and Friendly (2014) which finds that infant and toddler child care spaces are not only the most difficult to access but also the most expensive, given that labour costs to care for younger children are higher, as reflected by higher children to early childhood educator (ECE) ratios.

---

\(^6\) The “gap” refers to the additional number of spaces that are required in the City to meet child care demand.

\(^7\) The child care “access rate” refers to the percentage of children within an identified age group for whom there are licensed child care spaces (Papadionissiou, 2011).

\(^8\) Please refer to *Parents’ Guide to Selecting and Monitoring Child Care in BC* (British Columbia, 2016a) for a detailed breakdown of child care types, requirements and legislative provisions governing child care in BC.

\(^9\) The *Child Care Needs Assessment* relies on 2006 Census data adjusted using population growth projections to estimated 2011 levels. Surrey’s rapid population growth in recent years means it is likely that access rate and child care gap indicators have worsened. Therefore, these indicators are likely to not reflect the extent of existing gaps in child care service provision across Surrey communities. For methodology details, please refer to Papadionissiou (2011).
In addition to the challenge of finding a space, Surrey families also face child care affordability issues. Child care comprises the second largest expense for Surrey families utilizing child care service (City of Surrey, 2015a). Data from Surrey’s Child Care Options Resource and Referral (CCRR)^10 indicates City-wide monthly average fees are as follows:

**Table 1 Monthly Average Full Time Child Care Fees in Surrey for Licensed Child Care (Group Child Care Centres and Family Child Care Homes)**

<table>
<thead>
<tr>
<th>Type of Child Care</th>
<th>Child Ages</th>
<th>Full Time Average Fees ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Licensed Group Child Care Centres</td>
<td>Infant - 18 months</td>
<td>950 - 1,200</td>
</tr>
<tr>
<td></td>
<td>19 months - 36 months</td>
<td>850 - 1,000</td>
</tr>
<tr>
<td></td>
<td>3 - 5 years</td>
<td>725 - 900</td>
</tr>
<tr>
<td>Family Child Care Homes [Inclusive of Licensed and Registered License-Not-Required]</td>
<td>0 - 36 months</td>
<td>800 - 900</td>
</tr>
<tr>
<td></td>
<td>3 - 5 years</td>
<td>725 - 850</td>
</tr>
</tbody>
</table>

These averages obscure the fact that fees for licensed group child care provided by the City’s commercial sector^11 can be as high as $1850 for children under age 3 and $1550 per month for 3-5 year olds (Surrey Community Child Care Task Force, 2016).

Furthermore, family composition, gender and income levels relative to child care fees influence families’ ability to pay for child care and thus affordability. Macdonald and Friendly’s (2014) child care affordability index, which compares median child care fees for children under school age to the median pre-tax market income for women between 25-34 years of age, indicates the City of Surrey ranks among the top three least affordable cities for child care in Canada: in Surrey child care fees absorb 34-35 per cent of a

^10 Data is presented for both licensed group child care and family child care for comparison purposes. Fees for unregistered ‘license not required’ LNR spaces are not known.

^11 Child care auspice – that is, who runs or operates the service – has notable implications on child care quality and affordability. Furthermore, for clarity it is important to note in Canada child care programs operate under three types of auspice: non-profit child care services, commercial (or for-profit) child care services, and publicly operated child care services (Doherty, Friendly, & Forer, 2002). As is the case across British Columbia, the commercial child care sector in Surrey is comprised of individual owner-operated centres, family child care providers, small local chains, and larger provincial or national chains (Canadian Union of Public Employees, 2009).
woman’s pre-tax income. This suggests licensed child care remains largely unaffordable for many Surrey families.

1.3. Policy Problem and Objectives

This study seeks to contribute to our understanding of the role local governments can play, within their jurisdictional authority, to address child care needs identified in their communities. More specifically, it seeks to identify how the City of Surrey can enable and support the creation of licensed group child care spaces for children 0-5 years of age.¹²

The identified policy problem in this study is: there is a significant shortage of licensed group child care spaces for children 0-5 years of age in the City of Surrey. This gap negatively impacts the well-being of families and children, the local economy, and the attractiveness and liveability of this rapidly growing City.

The primary policy objective is to increase the number of licensed group child care spaces available in the City for children 0-5 years of age. The second policy objective is to create spaces that are affordable to a diversity of families and of high quality. This framing aligns with the three pillars of an adequate child care system: accessibility, affordability and quality.

1.4. Overview of this Study

Chapters 2 provides a review of the literature on the impacts of high quality, accessible and affordable child care. Chapter 3 explores the contributions of child care from a planning lens. Chapter 4 briefly sets outs the child care governance context in British Columbia. The research methodology is described in Chapter 5. A summary of the

¹² Why the focus on licensed group child care? Licensed child care programs must meet and comply with the Community Care and Assisted Living Act (2002) and the Child Care Licensing Regulation (2007). The latter sets out health and safety requirements, license application requirements, staffing qualifications, staff to child ratio, space and equipment, and program standards (British Columbia, 2016a). Licensed child care programs thus meet a minimum standard of child-development appropriate quality.
jurisdictional scan which informs the development and analysis of policy options is presented in Chapter 6. Chapter 7 provides the results of the qualitative data collection. Chapter 8 presents the criteria and measures utilized to evaluate the policy options presented in Chapter 9. Finally, Chapter 10 presents the analysis and evaluation of policy options followed by recommendations and conclusions in Chapter 11.
Chapter 2. Benefits of Public Investment in Child Care

Accessible, affordable child care of high quality is linked to economic priorities and improved child outcomes. This chapter provides an overview of the available evidence in this area.

2.1. Economic Priorities

2.1.1. GDP and Employment

Child care functions as a critical work support which enables parents to obtain and maintain employment, develop the skills and education needed to succeed in the workforce, and support overall economic growth (G. Cleveland & Krashinsky, 1998). Evidence from Quebec’s universal, low-fee child care program suggests that the introduction of accessible and affordable child care was associated with a 1.78% increase in total Quebec employment in 2008 (Fortin, Godbout, & St-Cerny, 2013).

Moreover, research on the Quebec program also demonstrates child care’s notable gendered employment impacts. Fortin et al. (2013) show the program induced over 69,000 more women into employment in 2008 than would otherwise have been the case under the province’s previous policies, raising total women employment by 3.79%, with pronounced impacts on single women with preschool-aged children. The labour force participation rate of women aged 15-64 increased from 63% in 1996 before the adoption of the program to 75% in 2011, outpacing the growth in the labour force participation rate of women in other parts of Canada (Fortin et al., 2013).

Child care impacts GDP and job creation. Alexander and Ignjatovic (2012) note the sector’s GDP multiplier at 0.90, is among the highest of all industries. Similarly, the

\[^{13}\text{The GDP multiplier of child care services exchanged in the market (outside the home) measures the change in overall output in Canada from a change in output in the sector.}\]
sector’s employment multiplier, at 36.92, is the highest across all industries\textsuperscript{14}. These figures suggest the child care sector is a strong engine of economic growth and job creation.

On the flip side, a lack of child care has detrimental effects on economic objectives, exacerbating work/life conflicts with costly effects on the business sector and bottom line. These include decreased worker productivity, absenteeism, stress and turnover (Kershaw, 2011a, 2011b). Kershaw & Anderson (2011) estimate that work-life conflict among employees with preschool-aged children, exacerbated by a lack of child care, costs the B.C. business community more than $600 million annually.

2.1.2. **Economic Returns from Investing in Children**

A vast body of literature demonstrates high-quality, centre-based care produces superior developmental outcomes for children, resulting in lasting effects on IQ, academic achievement, economic, employment and productivity performance and improved health outcomes, with early and preventative early childhood interventions reaping the most social and economic returns to society and governments (Elango, Heckman, Garcia, & Hojman, 2015; J. J. Heckman, 2016; J. J. Heckman, Moon, Pinto, Savelyev, & Yavitz, 2010; J. Heckman, Pinto, & Savelyev, 2013). Heckman (2016) highlights such investments lead to better educated children, resulting in economy-wide productivity gains that also produce government savings from reductions in violent crime, lifetime arrests, unemployment and social spending. Similarly, Alexander and Ignjatovic (2012) posit that by supporting children’s essential skills development and making it “more likely that children will complete high school, go on to post-secondary education and succeed in that education” (p. 2), investments in high quality early childhood programs support future workforce productivity and innovation.

A fulsome review of the economic literature on cost-benefit and rate of return analyses of investing in high quality early education and child care is beyond the scope of this study. However, several studies have found the benefits range from $1.49 to $2.78

\textsuperscript{14} The employment multiplier of child care services exchanged in the market (outside the home) measures the number of jobs created per million dollars of increased output in the sector.
for every dollar invested (Alexander & Ignjatovic, 2012). The annual rate of return per dollar invested has been estimated at 7.7% (Elango, Garcia, et al., 2015). Benefit-cost ratio analyses suggest a benefit-cost ratio of 3.2:1 (Elango, Heckman, et al., 2015) and 8.6:1 (J. J. Heckman et al., 2010). Variability in rate of returns and benefit-cost ratios depends on the characteristics of the program, the characteristics of the children attending the program, and the broader educational, social and economic context of the program (W. S. Barnett & Masse, 2007).

Additionally, McCain, Mustard, & McCuaig (2011) suggest the benefits of investing in disadvantaged children in particular are in the double digits. This view is consistent with research findings which suggest targeted high quality early childhood programs for disadvantaged children may serve as a protective factor for children lacking a home environment that promotes child development (Elango, Garcia, et al., 2015), compensate for limited resources and opportunities for learning at home (NICHD Early Child Care Research Network, 2000), and reduce developmental gaps between children from low-income and high-income backgrounds (Gialamas, Mittinty, Sawyer, Zubrick, & Lynch, 2015).

### 2.1.3. Poverty and Gender Equity

Child care also helps families improve standards of living, maintain economic security and stave off poverty through employment. Kershaw, Anderson, Warburton, & Hertzman (2009) note that an absence of accessible and affordable child care places families in difficult trade-offs between work/income and caregiving decisions, with disproportionate negative effects on women. For example, Madowitz, Rowell, & Hamm (2016) examine the hidden costs of interrupting a career for child care in the United States. They find that each year out of work can cost a family more than three times a parent’s annual salary in lifetime income, noting that “a woman earning the median salary for younger full-time, full-year workers – $30,253 annually in 2014 – who takes five years

---

15 Their economic analysis of child care affordability looks at the opportunity costs of inaccessible and unaffordable child care, the effect this has on parents’ choices to leave the workforce, and the resulting impacts of these decisions on lost wages, lifelong earnings and retirement savings.
off at age 26 for caregiving would lose $467,000 over her working career, reducing her lifetime earnings by 19 percent” (p. 3). This impact on earnings affects a family’s finances, but given that women are more likely to take time off work to fulfill caregiving roles, it has additional impacts on gender-based wage-differences and women’s economic security.

In the case of lone-parent families, the accessibility and affordability of child care becomes an even more critical work-support and poverty fighting measure. The adoption of Quebec’s universal child care program coincides with a decline in the relative poverty rate of single-mother families from 36% to 22% (Fortin, Godbout, & St-Cerny, 2012). The 2015 First Call BC Child Poverty Report Card notes that: “for many lone mothers the difficulty of finding affordable child care so they can sustain employment is one of the most common obstacles that leaves them raising their children in poverty. Many women are forced to work part time due to the lack of child care, when they want and need a full-time income to support their families” (p. 16). This is particularly salient given that in BC half of all children living in lone parent families live in poverty (over 81,000 children) and 83% of lone parent families are female-led (Statistics Canada, 2016b, 2016a).

2.2. The Importance of Quality

Child care quality is a pivotal variable in child development outcomes. While it is beyond the scope of this study to provide a fulsome account of the debates on the effects of child care on early childhood development, there is widespread consensus on the importance of the early years on human development (Kershaw et al., 2009). This brief period offers opportunities for nurturing children’s cognitive and social abilities in ways that have lasting impact, and child care quality can impact outcomes.

High quality child care experiences are linked to improved cognitive and socioemotional competence during the early years and over time as children transition through the formal education years (G. Cleveland & Krashinsky, 1998; Hayes, Palmer, & Zaslow, 1990; S. Barnett & Frede, 2010). High quality child care programs result in positive

---

16 See Belsky (2011) for an overview of the debate on the impact of child care on child development.
impacts on cognitive-linguistic functioning (NICHD1998, 2000, 2002a, 2002b, 2005), higher competency in areas including peer relationships, classroom and language skills (Bilbrey & Hofer, 2012; NICHD 2003, 2005), and higher academic functioning and achievement (Doherty, 1996; Vandell et al., 2010).

Nonetheless, research also cautions against the detrimental outcomes of low-quality child care arrangements (Belsky, 2011). Baker, Gruber, and Milligan (2015) demonstrate that Quebec’s universal child care policy had a lasting negative impact on the non-cognitive skills of exposed children, with cohorts with increased child care access demonstrating worse health, lower life satisfaction and higher crime rates later in life.

Across disciplines, researchers and practitioners emphasize that government interventions on child care need to account for and indeed prioritize the level of quality in child care programs given that quality “is the key element that determines whether a child’s experience in that program will have a positive or negative influence on long term human development” (Flanagan & Beach, 2016, p. 60). Moreover, quality is consistently framed as one of three pillars essential in a “system” of early learning and care – all of which are inter-related and inter-dependent. The three pillars: quality, accessibility and affordability frame this study, informing the criteria and analysis of policy alternatives that follow in later chapters.
Chapter 3. Child Care from a Planning Lens

There is growing interest and evidence of the expanding role of local governments in the realms of social service provision in line with economic, social and community planning objectives. This context has important fiscal, social, and practical implications for local governments and child care.

3.1. Planning for Magnets and Glue

Torjman & Leviten-Reid (2003) argue that the social role of local governments has expanded well beyond their traditional responsibilities over physical infrastructure and the ‘nuts and bolts’ of city operations such as roads and sewers, to increasingly the provision of social services and programs. They posit this expansion of roles has on the one hand occurred as a response to changing economic, social and political contexts – including offloading of responsibilities and funding cutbacks by provincial and federal governments. On the other hand, it has also been a response to a growing recognition of the links between economic, social and environmental factors on sustainable development and quality of life, and calls for action at the community level. Citing Kanter (1997), Torjman & Leviten-Reid (2003) suggest that in order to achieve economic success and social sustainability, communities need both ‘magnets’ and ‘glue’, as explained below:

‘magnets’ refer to the factors that attract a flow of external resources – such as new companies and new people – to renew and expand skills, and contribute to the economic health of the region…[they] include a healthy and well-educated workforce, clean environment, vibrant business climate, and a solid social and cultural infrastructure. But communities also need ‘glue’ to hold them together. In addition to the physical infrastructure that supports daily life and work…communities require a social infrastructure to solve problems and promote the economic and social well-being of all their members. Interestingly, many factors that comprise the magnets of a local region – especially the solid social and cultural infrastructure – also effectively comprise its glue (p. 4).

Child care is fitting as both ‘magnet’ and ‘glue’ – functioning as a critical social infrastructure for economic development (Warner, 2006a, 2006b, 2007); while also supporting child and family well-being. These functions are closely intertwined through
impacts on labour force participation, work force productivity, and outcomes for children, as discussed in Chapter 2. Indeed, Reese (2012) finds that communities with the healthiest economies are those that focus on and invest in basic urban services and quality of life for residents...investments in policies and activities that make the community a better place to live, and a better place for families (of any type or form) ... [for example] good local schools, safe streets, parks, libraries, public buildings and spaces (p. 23).

Social infrastructure like civic amenities and child care help to attract the labour force needed by the business sector, retain workers as they transition through the life cycle (Anderson & Dektar, 2010), contribute to diverse communities with people of all ages and support long-term economic stability (Warner, 2006a, 2006b, 2007). For example, Reese (2012) and Warner & Baran-Rees (2012) find that retaining families with children is advantageous to local businesses as this demographic segment spends the most in the local economy, leading to stronger economic performance in family-friendly communities. These benefits are captured by Warner (2009a, 2009b), whose research suggests the output and employment multipliers of the child care sector are respectively 2 and 1.5 for most US states.

Finally, the literature demonstrates that demographically diverse, inclusive and family-friendly communities fare better in the long-term across key elements of social sustainability, including ‘sustainability of community’ and ‘social equity’ (Anderson & Dektar, 2010; Bramley, Dempsey, Power, & Brown, 2006; Dempsey, Brown, & Bramley, 2012; Hamiduddin, 2015). Together, these findings suggest tangible benefits to municipalities of enhancing support for child care. Nonetheless, there are potential costs, including the costs associated with expanding the physical and social infrastructure needed by a growing population.

17 Each new dollar spent in the child care sector leads to a state-wide economic impact of two dollars, while each new job created in the child care sector has a state-wide impact of 1.5 jobs (Liu, Ribeiro, & Warner, 2004; M. Warner, 2009b, 2009a).
Chapter 4. Governance Context

Exploring the potential for municipal support of child care is timely as evidence continues to build around a lack of child care spaces, declining affordability, longer waitlists and families struggling to cope, and public attention shifts to child care issues (Lopes, 2016; Press, 2016; Racco, 2016; Reid, 2015). However, understanding the governance context and policy levers available to municipalities in regard to child care is critical given child care is primarily the responsibility of senior governments and municipal intervention is discretionary (Ferns & Friendly, 2014).

4.1. The Role of Federal and Provincial Governments

Child care in Canada is primarily a provincial responsibility, overseen by the Ministry of Children and Family Development (MCFD), the Ministry of Health and the Ministry of Education. The Community Care and Assisted Living Act and the Child Care Licensing Regulation (British Columbia, 2007) form the central legislative frameworks guiding provincial regulation and oversight of child care facility operators. MCFD is responsible for the development and administration of legislation, regulations, policies and guidelines around child care funding, making resource allocation decisions that impact affordability\(^\text{18}\). The Federal government supports child care through direct support and tax measures for families, and through funding allocations to the provinces and territories (Government of Canada, 2009; Parliament of Canada, 2007).

4.2. Municipal Levers for Child Care

Municipalities can play a role in child care through their responsibility over land use planning and zoning regulations, local taxation and decisions that affect the local supply

---

\(^{18}\) MCFD administers child care transfer programs to families and child care operators, including the Child Care Subsidy Program, Child Care Operating Funding Program (CCOF), the Early Childhood Educator Registry, Child Care Capital Grant Program(s), and the Child Care Resource and Referral Program (British Columbia, n.d.-b, n.d.-a, n.d.-c).
of child care (British Columbia, n.d.-d). The Community Charter (2003) recognizes municipalities as an independent order of government with broad service authority to provide core responsibilities reflective of their community’s needs. These include responsibilities over: protection including police and fire; environment, including water treatment and supply; recreation and culture, including recreation centres, parks and libraries; land use planning and regulation, building regulation, zoning; and the regulation of business licensing and municipal services (Ministry of Community, Sport & Cultural Development, 2017b).

In addition, municipalities may provide any service that council considers necessary or desirable in response to local needs, but they must directly generate the revenues necessary to fund these.\(^{19}\) Property taxes and user fees and charges\(^{20}\) comprise municipalities’ main revenue sources, although some may access grants from senior governments.

Child care is not a core mandate or service for local governments, and indeed many local governments fear that participation in child care may invite further downloading of responsibility from the Province. These long-standing concerns were voiced during the 2016 UBCM convention. However, despite anxieties and limitations, municipalities are able to influence, enable and support the creation of child care spaces through their purview over land use planning and zoning, including for example the inclusion of child care provisions in official community plans\(^{21}\) (Ministry of Community, Sport & Cultural Development, 2017a, 2017c).

OCPs get translated into zoning bylaws and other regulatory tools which guide development. These have direct bearing on the location of key economic drivers, such as businesses and housing, community amenities, such as parks and libraries, and social infrastructure, such as child care. Municipalities may also use fiscal tools at their discretion, including property taxes and financial incentives to leverage child care.

\(^{19}\) Financing is limited under the provisions of the Municipal Finance Authority (MFA).

\(^{20}\) For example, these include business license fees, parking tickets, development cost charges, building permits and facilities’ rentals.

\(^{21}\) OCPs serve as broad policy frameworks defining the economic, social and environmental vision and goals of a community while setting out the mechanisms for land use regulation.
Finally, municipalities can play an additional role: as the level of government closest to the people, they can choose to keep a close assessment of local challenges and needs faced by their community and advocate to senior governments to address local needs. Furthermore, Torjman & Leviten-Reid (2003) suggest that municipalities can act as champions, interveners, leaders and partners in undertaking initiatives and interventions on key challenges.

4.3. City of Surrey: Policy and Practice

At a policy level, the City of Surrey has taken significant steps in setting a foundation for intervention on child care, starting with leadership championing children and youth in its Social Plan (2006), and developing a roadmap for the development of a City that is environmentally, economically and socially sustainable. In 2010 the City adopted a Child and Youth Friendly City Strategy which outlines a vision for a city where children and youth are engaged, valued and supported through civic services. It identifies actions for the City to promote the healthy development of young people from early childhood to adolescence. Several of its goals hold relevance to child care, including: Goal 6: provide services and programs that promote the developmental needs of early years children, middle years children and youth and Goal 8: increase access to affordable and quality child care.

Similarly, in 2016 the City adopted a revamped and more ambitious Sustainability Charter 2.0, setting a 40-year vision for a “thriving, green and inclusive City.” Child care is a reoccurring consideration across the Charter’s hierarchy of goals, desired outcomes and strategic directions. For example, achieving ‘inclusion’ includes “ensuring sufficient high quality child care spaces are available in the City”, with a key indicator being the number of “licensed daycare spaces” (p. 21). Moreover, achieving ‘health and wellness’ includes “support[ing] access to high quality childcare services and facilities” (p. 44).
In practice, the City is Surrey’s largest child care provider, offering licensed preschool for children ages 3-5 (City of Surrey, n.d.-c)\textsuperscript{22}. The City has received provincial recognition for the quality of its services, including a 2014 Child Care Award of Excellence (City of Surrey, 2014a).

Additionally, the City has demonstrated interest in innovative approaches to addressing the needs of children in the community. For example, the expansion of the MyZone program addresses the learning and recreation needs of school-aged children during the critical after-school hours (City of Surrey, 2016f)\textsuperscript{23}. It has also demonstrated willingness to collaborate and partner with community organizations to achieve the expansion of family and children’s services, including the 2011 expansion of the early years focused Kensington Prairie Community Centre\textsuperscript{24} and partnerships with the YMCA. In the latter case, the YMCA operates the child care facility located in City Hall (City of Surrey, 2012a). More recently, the City has partnered with the YMCA in the development of a new family YMCA facility in City Centre (City of Surrey, 2016e).

The City’s policies weave together a vision for a city that is committed to children and youth, and that sees itself taking some role in supporting and enabling accessible, affordable, high quality child care. Its foray into interventions through service delivery and partnerships seems to indicate a growing interest and expertise in addressing child development and care issues.

\textsuperscript{22} Licensed preschool is not the same as licensed group child care, with differences in hours of care and staff/child ratios (British Columbia, 2016a; Child Care Resource and Referral, 2016).

\textsuperscript{23} The MyZone program, launched in 2012, is not a licensed child care program. However, its innovate and recreation-centred approach to providing high quality, safe activities for children ages 8-12 during the critical afterschool hours addresses a key gap identified in the City’s 2011 Child Care Needs Assessment (City of Surrey, 2016f).

\textsuperscript{24} This project included public partners such as the Surrey School District 36, and the Fraser Health Authority. It also included several non-profit community partners such as Alexandra Neighbourhood House, Options Community Services and The Centre for Child Development. Licensed preschool is delivered by the City, and licensed child care for 0-5 year old children is delivered by Alexandra Neighbourhood House (City of Surrey, n.d.-a; -b).
Chapter 5. Methodology

5.1. Research Approach

This study draws on primary and secondary data to develop and evaluate policy options for the City of Surrey that enable and support the creation of licensed group child care spaces for children 0-5 years of age. The literature includes academic journal articles, government publications, think tank studies, and media reports. For economic and demographic data, this study utilizes quantitative data from public domains, including municipal government reports, Metro Vancouver, BC Stats and Statistics Canada. Additionally, data on the child care sector in Surrey was obtained from Surrey’s Child Care Options Resource and Referral (CCRR). A jurisdictional scan and data collected through expert qualitative interviews comprise an integral piece of the development and analysis of policy options.

5.1.1. Jurisdictional Scan

The jurisdictional scan provides an overview of existing child care approaches in four Metro Vancouver cities: Burnaby, New Westminster, Richmond and Vancouver. This review is not intended to be exhaustive or comprehensive; indeed, a compendium of municipal interventions on child care does not exist to date. Instead, the purpose of this scan is to identify municipal approaches, policies and interventions to inform the development and assessment of options with practical relevance for the City of Surrey.

The municipalities selected share – with the exception of the City of Vancouver which is unique in its governance under the Vancouver Charter (British Columbia, 1953) – a crucial commonality to understanding the realm of policy tools at their disposal: they are all governed by BC’s Local Government Act (British Columbia, 2015) and Community Charter (British Columbia, 2003). Recognition of this is important in grounding policy alternatives for the City of Surrey in the governance and legislative context facing municipalities in British Columbia, despite innovative approaches existing outside British Columbia and Canada (Anderson, 2006; Beach & Bertrand, 2000; Jenson & Mahon, 2001; The Muttart Foundation, 2011).
5.1.2. Expert Qualitative Interviews

Ten semi-structured qualitative interviews were conducted with municipal elected officials, planners and child care experts to: understand child care needs and gaps in the City of Surrey; identify the scope and realm of policy interventions available to local governments and to the City of Surrey; and evaluate the relative merits and drawbacks of potential policy interventions.

Semi-structured interviews offer the benefit of versatility in exploring data grounded in participants' experience, allowing “for considerable reciprocity between the participant and the researcher, [offering] space for the researcher to probe a participant’s responses for clarification, meaning making, and critical reflection” (Galletta & Cross, 2013, p. 24). A thematic analysis of the transcribed interview data was conducted. This method for identifying, analysing and reporting themes within data provided a “flexible and useful research tool… [enabling the collection of] a rich and detailed, yet complex, account of data” (Braun & Clarke, 2006, p. 78; Vaismoradi, Turunen, & Bondas, 2013). In tandem with a semi-structured interview approach, they proved a strength in the evaluation of policy options.

Interviews were conducted in person and over the phone, and were recorded and transcribed. Interviewees were asked to provide their views on decision makers’ perceptions around child care, barriers to action on child care, including political considerations, and potential opportunities for intervention. Planners were asked to comment on lessons and their opinions on effectiveness for different interventions.

5.2. Methodological Limitations

This study faces several limitations related to qualitative research, data collection and analysis approach, and assumptions made in the policy evaluation.

First, an important limitation of the jurisdictional scan pertains to a lack of data around the independent effect of different interventions on child care outcomes. Across the jurisdictions examined, outcomes in terms of child care supply are often reported at
an aggregate level for a suite of interventions, making it difficult to assess the effectiveness of options independently. Additionally, differences in municipal contexts may have a bearing on the relevance, for Surrey, of approaches adopted elsewhere. These limitations are mitigated through expert interview data.

Secondly, it is possible that participants agreed to participate because they “believe” in a municipal role in child care. This study does not explicitly question participants’ “hopes, fears, reasons, intentions, and values” influencing their participation and responses (Magnusson & Marecek, 2015, p. 1). Instead, the qualitative data analysis was conducted using a realist/essentialist epistemological approach, where the researcher has “theorized motivations, experience and meaning in a straightforward way [assuming a] largely unidirectional relationship …between meaning and experience and language”, as opposed to a constructionist approach that accounts for the social construction and production of meaning and experience (Braun & Clarke, 2006, p. 85). Despite this potential limitation, the data suggest participants were not keen to advocate for an expanded municipal role or approach to child care. Instead, they demonstrate a concern with providing the researcher an even account of the complexities, strengths and weakness of an expanded municipal role.
Chapter 6. Jurisdictional Scan of Municipal Approaches to Child Care: Summary

This section presents a summary of municipal approaches and interventions on child care, informed by a jurisdictional scan of four Metro Vancouver municipalities, and data gathered by Metro Vancouver (Spicer 2015). For a more detailed overview, please refer to Appendix A: Approaches to Child Care in Burnaby, New Westminster, Richmond, and Vancouver.

6.1. Summary of Municipal Approaches: Findings

The jurisdictional scan conducted of Burnaby, New Westminster, Richmond and Vancouver, in addition to a review of policies and practices of 17 Metro Vancouver jurisdictions conducted by Spicer (2015), suggest that local municipalities are very engaged in supporting and enabling the creation of child care spaces in their communities. However, the extent of municipal intervention on child care varies significantly: municipal approaches range from indirect to more direct measures, with varying degrees of financial involvement. There are clear leaders in our region employing an array of innovative approaches. There are also municipalities lagging in the adoption of interventions but nonetheless interested in responding to increasingly common issues. Many share a common element: a facilitative role through planning and land use functions.

Examples of low-involvement interventions include the development of information guides for parents and child care providers. More financial involvement is required in cases where a municipality choses to provide financial assistance through grants and/or employ the use of financial incentives and exemptions. A more ambitious approach yet occurs where municipalities exert influence through the development process to obtain child care facilities as development contributions, and where they directly create child care spaces through civic capital investment. Often, municipal action occurs in close collaboration and partnership with public, non-profit and private partners.
Some focus on supporting existing child care providers sustain the stock of available spaces; others focus on the creation of new stock, leveraging oversight of land use to integrate child care into community planning and development processes. As suggested by New Westminster’s Child Care Strategy (2016), interventions reflect five categories of action: policy and planning; direct city support; information dissemination; collaboration and partnership; and advocacy. Municipal child care approaches may include:

- Development of policy documents to guide municipal child care objectives including Child Care Policies, Strategies and Action Plans;
- Assigning responsibility for child care to a new or existing staff position and municipal department;
- Creation of guides and information resources to support families, child care operators and the development community;
- Ongoing education and engagement with elected officials, decision makers, staff, community partners and the development community to identify collaborative approaches for addressing community child care needs;
- Participation in child care advisory groups to keep abreast of child care trends;
- Advocacy to senior governments for improvements in funding;
- Collaboration and partnerships on child care funding opportunities;
- Collaboration and partnerships with School Districts on the co-location of child care facilities on school sites;
- Ongoing data gathering efforts through Needs Assessments, community engagement and surveys;
- Integration of child care considerations into planning and development processes, including rezoning processes;
- Use of community amenity contributions and density bonus rezoning to obtain child care amenities;
- Integration of child care into capital planning processes and civic facilities;
- Use of tools including development variance permits and zoning bylaw reviews to reduce barriers to child care projects;
- Allocation of municipal land and/or facilities to child care projects;
• Provision of incentives for developers (e.g. expedited processes);
• Support quality and affordability through measures focused on the non-profit child care sector including secure, nominal lease agreements, in-kind contributions and grants. Child care grants to non-profit child care providers may include capital grants, operating grants, emergency grants, and training and professional development grants;
• Support for quality child care through the development of child care design guidelines, setting a framework of quality in the built environment of facilities;
• Innovative opportunities, including ‘early childhood development hubs’ as part of the development of new communities.

This jurisdictional scan provides an overview of approaches adopted across four Metro Vancouver municipalities engaged in supporting and enabling the creation of child care spaces in their jurisdictions. It informs this study’s understandings of local municipal responses to child care and the development of policy alternatives for the City of Surrey; data gathered through this jurisdictional scan provides empirical evidence used in the evaluation of policy alternatives presented in the forthcoming chapters. Appendix A provides a more detailed exploration of Burnaby, New Westminster, Richmond and Vancouver’s child care approaches.
Chapter 7. Expert Interviews: Thematic Results

A total of ten individuals were interviewed by the author in this research. All except one agreed to disclose their identify and affiliation.

- Coralys Cuthbert, Child Care Coordinator, Community Social Development Department, City of Richmond
- Linda McPhail, Councillor, City of Richmond
- Jane Beach, Early Childhood Education and Care, Research and Policy Consultant
- Penny Coates, Child Care Consultant and Advocate; Past Child Care Coordinator, City of Vancouver
- Margaret Manifold, Senior Social Planner, City of Burnaby
- Lorrie Williams, Councillor, City of New Westminster
- Pam Preston, Executive Director, Westcoast Child Care Resource Centre
- Sharon Gregson, Child Care Consultant, Coordinator of the $10/Day Child Care Plan and Director of the Early Years, Collingwood Neighbourhood House Society
- John Stark, Senior Social Planner, City of New Westminster
- Confidential Informant

Their participation has been critical to developing understandings of child care issues from the lens of local governments. Through the process of thematic analysis, several themes were identified and explored. A limited number of quotes are selected as illustrative examples of the opportunities and challenges that frame this study.

7.1. The Role of the City

Interview data collected suggests some municipal staff and elected officials hold the view that local government participation in child care is discretionary but of significant benefit to local communities. Coralys Cuthbert explains:

it is really the municipality that decides what their role is with respect to child care because in the most technical of terms it is a responsibility of senior levels of government. Funding comes from the federal government through social transfers to the province and the province
has the responsibility to establish child care policy, and to regulate and license child care. The part that municipalities choose to play is really determined by their political interests and how they wish to address the needs of their residents (Nov 18, 2016).

Councillor Lorrie Williams expressed that while there is limited municipal responsibility over child care, local governments can be effective facilitators of its provision through strong community partnerships with non-profit child care operators, commercial child care providers, and public partners including local health authorities and school districts. This facilitator role entails keeping abreast of community needs and maintaining the “temperature” of the community. This is achieved through the work of public facing municipal staff, as well as through councillors’ direct engagement with residents and community organizations (Dec 01, 2016). Leveraging influence and partnerships is a key piece of the municipal role, as expressed by Williams:

We can’t do this on our own. It’s not really our mandate to provide [child care] spaces. Yes we are able to leverage resources that we have with other resources to make [spaces] come online – partnership is a strength...we are a very collaborative community.

Similarly, Cuthbert notes that:

It is a political choice to enter into the arena of picking up child care as one of the things that a city wants to engage in, but those that do, do it based on a partnership approach: as partners with senior levels of government (federal and provincial), the private sector – definitely developers are part of that – and the non-profit sector, which is often the agencies that will eventually end up operating the facilities (Nov 18, 2016)

Participants were asked about the factors that lead to local government interest in getting involved in child care. Three primary themes emerged as rationales for local government action. First, participants were quick to point to the role child care plays in supporting economic growth and productivity, both at the individual and family level, and community as a whole. Decisions to get involved – dating back to municipal interventions in the 80s and 90s – have been spurred by concerns for women’s labour force participation, a desire to support family prosperity, and employers’ need for a stable and reliable labour force. Child care continues to be framed as a central employment and
economic input factor, often expressed as “if you want people to work, pay taxes, be productive members of society, and to remain in the labour force, then this is an essential piece of it” (Margaret Manifold, Nov 25, 2016). This rationale sums up several of the arguments presented by the literature review in Chapters 2 and 3. It stresses the role of child care as a support infrastructure for individual, family and community development. Poverty reduction and gender considerations are systemically alluded to.

Some identified child care as an important service to attract and retain young workers and families with children, being able to keep families “in place” and “in the community” – this was symbolic of an awareness of municipalities’ competition for economically viable, productive workers, and the spending capacity and tax implications of retaining families. Participants suggested that local governments engage in a competitive dynamic where those with adequate services and amenities, such as good schools, safe streets, parks, libraries, public spaces, and child care make better places to live (Reese, 2012). This is corroborated by local economic development and planning literature suggesting the importance of retaining families of all types to ensure economic and social sustainability (Warner, 2006a; 2006b; 2007). Given that municipalities in our region are closely clustered but vary across factors such as housing affordability, officials expressed a need to ensure the provision of adequate services lest residents should find it necessary to leave. It is interesting that participants noted this was influenced by a desire to control for the affordability “pull factor” of communities south of the Fraser River, including Surrey.

We are trying to attract families to our communities, and in order for parents who need to work to be able to work, they have to have child care, so we need to make sure we are including child care in our communities (Manifold, Nov 25, 2016).

Similarly, Councillor Lorrie Williams noted:

If we want to keep our young families, we have to pay attention to child care. It is not a matter necessarily of preference, but of absolute necessity. But I imagine as you move out into the Fraser Valley, some municipalities maybe don’t pay that much attention to it because they don’t have to (Dec 01, 2016).
Several participants expressed municipal intervention in child care being borne out of necessity. For example, a confidential informant expressed:

We tackle this role out of necessity because there is a gap. Child Care is a provincial and senior government responsibility. The City has taken a lead role and stepped up to address and do what it can. That being said, it has been very beneficial and could give a lot of lessons to other municipalities in the sense that we have been learning to leverage tools because we understand – as an organization - that child care is a piece of the urban fabric and life in the City that is hugely important. And not just for child development, which is I think key, but also for addressing child poverty, liveability and affordability issues. It is a huge economic boon for the City. That is the perspective that the City takes. By tackling this head on, even without direct support from senior levels of government, the City makes this a better place to live. It really benefits everybody who lives here (Dec 01, 2016).

Participants expressed concern with the overall economic environment facing families in their communities, particularly the working poor, seeing child care as enabling resilience and helping residents avoid poverty. For example, Councillor Lorrie Williams explained that elected officials in the City of New Westminster have adopted a “child care lens” which informs their decision making around funding and community amenities. This lens is a response to

The recognition of the desperation of some families, who pay so much of their wages on child care that it is almost not worth going to work. With high rents and costly daycare – it makes us sympathetic. Specially [for] the working poor, the lower middle class, people who work for small wages, and are trying to hold themselves together, that is the group I worry about. That is why I would be supportive of a provincial government that would strive for the Quebec model... [so] more people can be productive and get out to work and not have to spend all their money on child care (Dec 1st 2016).

This last theme points to some municipalities attempting to fill social service gaps, not necessarily because they can, but because the needs of their residents call on them to. A common concern for families, the livability of their communities, and the health of their residents were evident across interviews. Similarly, an awareness of challenges related to declining regional affordability, working poverty and economic insecurity have lent credibility to a narrative of child care as a social support that can ameliorate the impacts of growing inequality by enabling parents to work.
7.2. Data and political will

Participant responses illustrate a close relationship between political will to act on child care and child care data. On the one hand, data can help staff bring decision makers and elected officials on board by making evident the gaps between need and access, as suggested by both city councillors interviewed in this study:

Data is really key... start gathering statistics, do surveys in the community, find out just how many [spaces are needed], what is the waitlist in the community, how bad is it, what do people think. That would be a push in making a case to council, including saying that people in our City have to go elsewhere, or comparatively where the City stands... Data acts as a temperature reading of the community...[and enables us] to say to the community that we choose to do [child care] because the data points to this being really needed. (Councillor Linda McPhail, Nov 21 2016)

Other participants expressed that while data is necessary, it is not sufficient to incentivize action. Political support was seen to be influenced by personal experience, gender and age dynamics. Yet, staff note they can play a key education function in bringing about a shift in mindset, as noted below:

A lot of factors come into play to advocate, promote and see child care developed in the City. There is a lot of education that has to happen around child care in terms of making city planners and politicians aware of the need for it. To have the ability to create awareness and education is a big part of the system. Then, once you have gained political will and support, there are tools that you can use to create more child care (Manifold, Nov 25, 2016).

Furthermore, tapping into decision makers’ passion can help:

Decision makers may have a direct passion for child care or they may have been in a situation where they needed it, or their constituents may have lobbied them to address child care needs. Municipal engagement in child care is generally politically driven. Staff may say: ‘hey this is a need’ but it is not staff who determine if a municipality chooses to help meet the need. Staff are working on behalf of Council to implement Council’s direction... there has to be political stewardship for a municipality to become involved in providing child care (Cuthbert, Nov 18, 2016)
Staff corroborated that child care as an issue area is something that needs careful strategizing and framing to gain political buy-in:

Often we have to focus on the economics of it. The economics makes people sit up and listen, because it also highlights the immediate way of looking at it. When you [present] the benefits of quality child care on the future labour force, this is abstract. But if [child care is] framed as attracting quality workers to your business, tax payers to your community...this is more effective for getting political support (Manifold, Nov 25, 2016).

Data allows for the prioritization of an issue, fending off potential public and stakeholder dissent and allowing elected officials to respond to the public using sound evidence. Data further supports education and awareness building, reasoned assessments and prioritization of competing priorities, enabling elected officials to defend financial allocations.

7.3. Barriers, opportunities and risk

Participants agreed the primary barrier to local government intervention on child care relates to “tax dollars” and limited funding from senior levels of government. This places municipalities in the difficult position of assessing how to meet their jurisdictional responsibilities while also filling the gaps and responding to social issues. For example, Cuthbert illustrates the municipal fiscal conundrum below:

Between 6-9 cents of every tax dollar collected in Canada goes to municipalities. Municipalities have specific mandated work such as maintaining infrastructure for sewers, roads, etc. So, when municipalities engage in work that is the responsibility of senior levels of government (e.g. child care or housing), their Councils must seriously consider if they have the resources to take on these additional responsibilities (Nov 18 2016).

This is often simply not possible, given that residents may resent having to pay more in property taxes, and municipalities have limited sources of revenue beyond property taxation. Several participants invoked affordable housing as a parallel issue to child care, noting that both are outside the realm of responsibility of local governments, but increasingly necessitate local government intervention. Williams suggests “it would be
great to have provincial and federal support for child care. Just like for affordable housing, it would be great to have a national child care strategy” (Dec 1 2016).

A second factor that serves as a barrier to child care is the built environment of already “built out cities”. As Manifold explains, “the challenge in [expanding child care supply] is actually finding the physical space to have child care in the City, especially one that is really developed already” (Nov 25 2016). This gets at the challenges faced by operators in finding spaces that can accommodate the requirements of child care facilities. Here, the planners interviewed agreed that cities have a unique opportunity to expand child care supply. They noted opportunities to encourage the development of “purpose-built” child care facilities through the development planning process:

At a time when it is becoming increasingly difficult in urban settings to find suitable space for licensed child care programs, tools such as community amenity contributions can help cities work with the development community to create purpose-built child care facilities (Cuthbert, Nov 18 2016).

Cities’ role in land use planning, and the control they exert over land use and development is thus a central realm of opportunity for the creation of child care spaces. As presented in Chapter 6, several municipalities are achieving child care successes through the development planning process. Approaches vary, as does the extent of elected officials’ and stakeholder support for them. For example, Williams expresses a pragmatic understanding of the relationship between local governments and the development community:

I think developers know that they have to give something, and we simply steer them in one direction or another; so for example, whether they will contribute to a public library or child care. They just have to know what our priorities are (Dec 1 2016).

Yet, capitalizing on development tools does not come about without complexity and risk, including fears about losing developer interest to competing neighbouring jurisdictions, financial risks around the use of limited municipal funds for child care at the expense of other priorities, and short and long term costs associated with the human and financial capital deployed to obtain child care spaces and maintain them.
It then seems appropriate for municipalities seeking to intervene on child care to proceed judiciously, grounded by clear evidence on the needs of the community, bolstered by elected officials and decision makers’ support for and commitment to child care objectives that will achieve benefits for the community, and supported by a corporate mission that brings internal organizational players, and key external partners, including the development community, and public and non-profit sectors, together.
Chapter 8.  Policy Objectives, Criteria and Measures

Recall from Chapter 1 the identified policy problem in this study is: there is a significant shortage of licensed group child care spaces for children 0-5 years of age in the City of Surrey. This gap negatively impacts the well-being of families and children, the local economy, and the attractiveness and liveability of this rapidly growing City.

The primary policy objective is to increase the number of licensed group child care spaces available in the City for children 0-5 years of age. The second policy objective is to create spaces that are affordable to a diversity of families and of high quality. This framing aligns with the three pillars of an adequate child care system: accessibility, affordability and quality.

These two identified policy objectives support parents’ participation in the labour force and employers’ needs for a stable and reliable workforce; contribute to the creation of local jobs and economic growth; and benefit children’s development through improved access to quality child care spaces. Improved access to quality child care spaces can also reduce risks to children related to unlicensed care arrangements of uncertain quality. From a community perspective, addressing a shortage in child care will help make the City a more attractive, livable and family friendly community, supporting the City’s social sustainability objectives.

Policy options are assessed based on the extent to which they address the identified policy objectives, and based on how they impact other key societal and governmental objectives. Criteria and measures are set out and used as a tool to indicate how policy options perform and allow for comparison among options. This approach enables a transparent analysis of alternatives and the development of sound recommendation(s) grounded in an assessment of trade-offs.

For clarification, the policy options developed and evaluated in this study focus exclusively on centre-based child care operations. References to commercial child care operations refer exclusively to centre-based commercial child care operations and exclude
licensed, family child care homes. Similarly, references to non-profit child care operations refer exclusively to centre-based non-profit child care operations.

8.1. Effectiveness: Supply

The measure for effectiveness reflects how well the policy option functions to increase the number of licensed group child care spaces for children ages 0-5 over the existing baseline. It uses a comparative approach to evaluate impact on supply. Given that in Surrey there are only 12.2 spaces for every 100 children (Spicer, 2015), it is important to evaluate each policy option on its impact on the creation of spaces. This prioritization is reflected in this criterion being weighted twice as heavily as any other criterion.

8.2. Equity

Availability of licensed child care spaces does not ensure families and children have access to it, as affordability is a central barrier that limits access. Many families are unable to access licensed child care because they are “priced-out” of the licensed child care market. In effect, despite the recognized need for child care spaces for children under school age, some facilities are unable to attain full-enrollment due to cost barriers faced by families. As discussed in Chapter 1, lacking affordability means some families face suboptimal choices, including having one parent leave the labour force and opting for unlicensed child care of uncertain quality. Often the negative impacts of lacking affordability are borne disproportionately by low income families, exacerbating other vulnerabilities.

Equity is evaluated on two primary outcomes. First, the extent to which the policy contributes to the creation of relatively more affordable child care spaces. Flanagan & Beach (2016) suggest that “if parents are not able to afford the spaces available to them, the [child care] system is not effective” (p. 2). Affordability is thus pivotal to addressing child care needs. Options with significant impact on child care affordability are ranked High (3), compared to options with Moderate (2) and Low (1) impact on affordability.
A central assumption made is that, holding the level of quality constant between non-profit and commercial child care providers at a level of “high quality” child care, fees in the City are comparatively lower in the non-profit child care sector, and comparatively higher in the commercial child care sector. This assumption is informed by scholarly research on the influence of auspice on pricing and quality, interview data gathered from experts knowledgeable of the child care context in Surrey, and pricing data for high quality non-profit and commercial child care operators in the City obtained from Surrey’s Child Care Options Resource and Referral. For example, Doherty, Friendly and Forer (2002) note that non-profit centres have greater access to resources, including government funding and donated resources, and lack the pressures faced by commercial operators to divert resources to profits. These factors enable non-profits to charge lower fees than commercial operators for child care spaces of comparable quality.

Table 2 presents child care fees for several non-profit and commercial child care providers generally considered to offer high quality child care in Surrey. The fees support the above noted assumption, showing that if it is assumed that these operators offer child care of comparable high quality, fees are lower for spaces in non-profit auspice than for commercial spaces, for both infant and toddler, and 3-5 child care.

Table 2  Non-profit and Commercial Monthly Full Time Child Care Fees for Select Child Care Providers in the City of Surrey

<table>
<thead>
<tr>
<th>Auspice</th>
<th>Child Care Provider</th>
<th>Infant and Toddler ($</th>
<th>3-5 years ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Non-Profit</td>
<td>Alexandra Neighbourhood House Children’s Centre</td>
<td>1,210</td>
<td>955</td>
</tr>
<tr>
<td></td>
<td>A Place to Grow Child Care Centre</td>
<td>1,190</td>
<td>845</td>
</tr>
<tr>
<td></td>
<td>The Centre for Child Development Child Care</td>
<td>1,075</td>
<td>760</td>
</tr>
<tr>
<td></td>
<td>YMCA Child Care</td>
<td>1,265</td>
<td>890</td>
</tr>
<tr>
<td>Commercial</td>
<td>CEFA Early Learning (Fleetwood)</td>
<td>1,535</td>
<td>1,370</td>
</tr>
<tr>
<td></td>
<td>Kids and Company (Whalley)</td>
<td>1,655</td>
<td>1,500</td>
</tr>
</tbody>
</table>

25 Fee data provided by Surrey’s CCRR on March 29, 2017.
While the generalizability of this assumption is limited by the fact that Surrey does not have an abundant number of non-profit child care providers and there is limited availability of pricing data for large commercial providers, nonetheless it demonstrates some evidence that expanding child care spaces operated in non-profit auspice is likely to enhance child care affordability by contributing to the creation of spaces for which lower fees are charged. Moreover, non-profit auspice has notable additional benefits, particularly on child care quality.

Secondly, equity is also evaluated on the extent to which child care spaces are created across the City and/or in areas of most need. This considers the need for the municipality to provide amenities and services that are equally accessible, while targeting services to children and communities in most need. Both are important given the geographical scope and diversity in economic and demographic variables across Surrey’s communities.

8.3. Budgetary Cost to Municipal Government

This criterion considers the monetary cost of implementing the policy option for the City of Surrey, gauging the extent to which additional resources are required to implement a given policy alternative. Given that local governments have a responsibility to be fiscally responsible with taxpayer money and have limited sources of revenue, decisions that entail spending have material and often significant opportunity costs. The evaluation of this criterion utilizes where available best-estimates of costs. Where cost data is not available, a comparative approach is used to assess cost qualitatively. Low cost policies are ranked High (3) relative to Moderate (2) and High cost policies (1).

In addition to affordability impacts, a robust body of literature identifies non-profit auspice makes an important contribution to quality in child care centres while also advancing other objectives such as fairer and higher ECE wages and the recruitment of qualified and more capable staff (G. Cleveland, 2008; G. H. Cleveland & Hyatt, 2002; J. Cleveland & Krashinsky, 2004; Sosinsky, Lord, & Zigler, 2007).
8.4. Ease of Implementation

Implementation complexity considers the upfront administrative, institutional, and process changes required for each policy option\(^ {27} \). It is evaluated based on the extent to which the policy creates changes to existing administrative operations, institutional structure, inter-departmental collaboration and organizational processes. It also considers the extent to which external players and/or other organizations are required to be brought on board for the intervention to be successful. A policy low on implementation complexity scores High (3) relative to policies of Moderate (2) and High (1) implementation complexity, the latter of which implies a comparatively significant degree of administrative, institutional, and process changes.

8.5. Public Acceptability

Policies with widespread public support are more likely to be viewed as politically safe endeavours and hence are more likely to be implemented and maintained. This criterion gauges the degree of public acceptance for the policy. A policy with widespread public acceptance scores High (3), while policies with comparatively Moderate (2) and Low (1) public acceptance score lower. News reports and data gathered through informant interviews is used to distill the extent of public acceptability for a given policy option. The public in this criterion is comprised of Surrey residents and the community service sector.

8.6. Stakeholder Acceptability

This criterion evaluates the degree of stakeholder opposition that is likely to occur to the adoption and implementation of a given policy. It observes that the development community is a significant player in the City’s decisions with regards to land use regulation and development, while also acknowledging that development is conducive to economic growth and thus supports public interests. As the research examined in this study

\(^ {27}\) Ease of implementation influences an intervention’s timeliness in achieving the desired outcome. Interventions high on implementation complexity are likely to take longer to achieve a change in child care supply.
indicates, development and population growth increase the demand for and strain on existing services and community amenities. But, municipalities can work effectively to harness, through development, community benefits that support economic growth and livability. Thus, achieving a collaborative dynamic with the development community is likely to support the objective of creating child care spaces. A low degree of expected opposition is desirable, scoring High (3) relative to significant opposition which scores Low (1).

8.7. Measuring the Criteria

The criteria are measured through qualitative assessment. A summary of the evaluation criteria, measures and scoring benchmarks used can be found in Table 3 below. Policy options are assigned a score of High (3) / Moderate (2) / Low (1), with High (3) being the most desirable, and Low (1) being the least desirable. A sum of scores for each policy are used to advice on the final policy recommendation(s). Scores of High/Moderate (2.5) and Moderate/Low (1.5) are given where significant uncertainty exists in the evaluation of a criterion.

The following chapter presents policy options to respond to the policy problem identified in this study, followed by an evaluation of each option using the criteria and measures developed in this section.
<table>
<thead>
<tr>
<th>Objective</th>
<th>Evaluation Criteria</th>
<th>Measure</th>
<th>Scoring (H/M/L)</th>
</tr>
</thead>
</table>
| Effectiveness          | **Supply**: To what extent does the policy increase the number of licensed group child care spaces for children ages 0-5 in the City of Surrey? | Estimated number of child care spaces created.                        | 1: The option results in some, but comparatively lower, increase in the number of licensed group child care spaces in the City.  
2: The option results in a moderate increase in the number of licensed group child care spaces in the City.  
3: The option results in a significant increase in the number of licensed group child care spaces in the City. |
| Equity                 | **Affordability**: Does the policy contribute to increasing child care affordability in the City of Surrey? | Estimated child care fees likely to be charged to families in the spaces created. | 1: The option has a low impact on child care affordability.  
2: The option has a moderate impact on child care affordability.  
3: The option has a significant impact on child care affordability. |
|                        | **Geography**: Does the policy result in child care spaces being created across the City and/or areas of most need? | Expected degree of geographical distribution of spaces created and/or ability to target based on need. | 1: Child care spaces are geographically concentrated and/or not adequately accessible to those most in need.  
2: Child care spaces are somewhat adequately distributed across the City and/or somewhat accessible to those most in need.  
3: Child care spaces are adequately distributed across the City and/or very accessible to those most in need. |
| Budgetary Cost to Municipal Government | What is the cost to the City of Surrey? | Qualitative cost assessment | 1: Substantial cost required for the option.  
2: Moderate to low cost required for the option.  
3: No cost required for the option. |
| Ease of Implementation | How complex is it to implement the policy? | Degree of institutional, administrative and process changes; extent of cross-departmental collaboration required; extent of collaboration with external players. | 1: Significant administrative, institutional, process changes. Entails significant cross-departmental collaboration; significant collaboration with external players.  
2: Moderate administrative, institutional, process and changes. Entails moderate cross-departmental collaboration; moderate collaboration with external players.  
3: Minor administrative adjustments. Simple collaboration required. |
<table>
<thead>
<tr>
<th>Objective</th>
<th>Evaluation Criteria</th>
<th>Measure</th>
<th>Scoring (H/M/L)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Public Acceptability</td>
<td>Would the policy have public support?</td>
<td>Qualitative assessment based on informant interviews, public opinion polls.</td>
<td>1: Low public support</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>2: Moderate public support</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>3: High public support</td>
</tr>
<tr>
<td>Stakeholder Acceptability</td>
<td>Would the policy raise significant opposition from stakeholders?</td>
<td>Expected stakeholder opposition resulting from changes to existing processes/systems and expectations of changes to perceived benefits; perceived economic gains/losses</td>
<td>1: High expected opposition by stakeholders</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>2: Moderate expected opposition by stakeholders</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>3: Low expected opposition by stakeholders</td>
</tr>
</tbody>
</table>
Chapter 9. Policy Options

The policy options detailed below focus on interventions the City of Surrey might consider to enable and support the creation of licensed group child care spaces for children 0-5 years of age.

9.1. Option 1: Integrate Child Care into Community Amenity Contributions “CAC+”

Development and population growth lead to increased pressure on existing community amenities. To offset these pressures and respond to the needs of a growing population, an increasing number of local governments rely on development contributions to obtain needed community amenities. Community Amenity Contributions “CACs” comprise one form of development contributions. They are agreed to by the developer and local government as part of a rezoning process initiated by the developer (Ministry of Community, Sport & Cultural Development, 2017d).

CACs might include the direct developer provision of “in-kind” amenities, such as recreation centres or libraries, and/or monetary “cash-in-lieu” contributions towards

---

28 Community amenities contribute to the attractiveness of a project or a neighbourhood, and typically include aesthetic features, public spaces, and facilities to meet a range of social, cultural, recreational, and infrastructure needs in the community (Ministry of Community, Sport & Cultural Development, 2014).

29 The term ‘development contributions’ refers to payments or in-kind works, facilities or services provided by developers towards the supply of infrastructure required to meet the needs of a particular community (The Growth Areas Social Planning Tool, n.d.). Community Amenity Contributions (CACs) and Density Bonus Zoning comprise two approaches to obtaining developer contributions to fund community amenities not eligible to be funded through Development Cost Charges (DCCs), which are limited to water, sewer, drainage, roads and park land costs (Ministry of Community, Sport & Cultural Development, 2014).

30 The term ‘developer’ may refer to the developer, development applicant and/or land owner.
amenities.\textsuperscript{31} Across British Columbia, various approaches are utilized to obtain CACs, including negotiated CACs\textsuperscript{32}, revenue-based approaches such as “land value increase” and “land lift”\textsuperscript{33}, and target or fixed rate CAC approaches.

The City of Surrey adopts a target or fixed rate approach; it stipulates a needs assessment for new development areas through its Neighbourhood Concept Plan “NCP” process, which in turn addresses funding arrangements for the provision of community facilities, amenities and services identified in an NCP. These funding arrangements are translated into specific community amenity contribution requirements (i.e., rates) which are adopted by Council in Surrey’s Zoning By-law (City of Surrey, 2016c). As per City policy, “all development proposals at the time of rezoning or building permit issuance will be required to make a monetary contribution toward the provision of police, fire protection and library services, and toward the development of parks, open spaces and pathways” (City of Surrey, 2017b, p. 261). Monetary contributions toward the latter category are based on estimates of the capital costs of these improvements for the area in question.

There are two notable components of Surrey’s approach: first, it prioritizes the exchange of “cash-in-lieu” contributions (i.e., monetary contributions), leaving little room for the provision of “in-kind” CACs\textsuperscript{34} (e.g., on site as part of a project); and second, it does not identify child care as an amenity eligible in the allocation of resources. Therefore, while

\textsuperscript{31} It is important to note that the CAC approach is not the same as a Density Bonus approach, although as zoning related approaches they share commonalities. For highlights of key differences and commonalities between these two approaches, refer to Community Amenity Contributions: Balancing Community Planning, Public Benefits and Housing Affordability (Ministry of Community, Sport & Cultural Development, 2014).

\textsuperscript{32} Negotiated CACs entail developer and local government staff negotiations to determine the suitable zoning and on/offsite amenity contributions. Negotiations arise from a change in the value of land resulting from the City’s approval to a change in use or an increase in density, and an opportunity to help fund community amenities through the possible financial benefit to the land owner made possible by the local government’s rezoning (ibid.)

\textsuperscript{33} The property value “lift” approach to securing CACs involves estimating the land value prior to rezoning, estimating the value after rezoning, and using this information as the basis for determining a financial target to negotiate as CACs (ibid.)

\textsuperscript{34} Child care facilities obtained as “in-kind” CACs become municipal assets (i.e., municipal ownership).
this approach provides the City with a high degree of flexibility in determining the timing and allocation of resources, it has significant drawbacks in its potential for child care.

Interview participants note that when it comes to child care, securing CAC contributions as in-kind developer-constructed, on-site, purpose-built child care facilities is a preferable outcome than cash-in-lieu contributions. For example, Cuthbert notes that this option ensures licensable space (i.e., purpose-built child care space) is created across the urban landscape, integrating child care facilities directly into new developments, thereby supporting a mixed-used urban fabric and complete communities (Nov 18 2016). Manifold explains that having developers build a child care facility can be more economically efficient, given that projects already have labour and materials on site and developers can take advantage of pricing and economies of scale (Nov 05 2016). Finally, another participant added that this is preferable to cash-in-lieu given that space and land constraints can limit a city’s ability to turn amenity funds into child care spaces, and political will can wane. This participant explains this limitation as follows: “it doesn’t really make a difference for child care if [the City] has money in the bank but nowhere to spend it…with CACs if we collect money and there is need but there is nowhere to build in that area, then the money is dead and it doesn’t benefit anybody” (Confidential Informant, Dec 01 2016).

On the other hand, CAC cash-in-lieu contributions provide municipalities with a high degree of discretion regarding funding allocation decisions. They can be used by a municipality to finance the costs of developing and establishing child care facilities in City buildings, on City land and in private developments. They can be used in major child care capital project partnerships with senior governments and community partners; to acquire sites for lease to non-profit societies for child care use; and to provide grants to non-profit societies to assist with capital and operating costs.

35 This nods to barriers identified by interview participants around licensing and the need for adequate outdoor space. Adequate outdoor space is crucial for child health and child care quality; however, it has been identified by numerous participants as a barrier to the expansion of child care supply in urban settings.
For example, where CAC cash-in-lieu contributions are sufficient, municipalities may use them to fund major capital projects; where reserves are smaller, jurisdictions may allocate them to child care grant programs for minor capital projects and operating costs. Finally, municipalities may pool cash-in-lieu contributions reserves over time for the direct development of “big ticket items”, such as recreation centres, with child care as an integrated component. CAC cash-in-lieu contributions offer significant flexibility.

This policy option proposes the City integrate child care into community amenity contributions by:

- Designating child care a community amenity considered in municipal policy, planning and land use decisions, including systematically during rezoning processes, in the amenity contributions policy, and the review of larger developments and master planned communities;

- Establishing a new child care amenity contributions category across NCPs, with funds collected in a Child Care Reserve Fund, and allocated to capital investments in child care. As a starting point, this category can be equivalent to 20 per cent of the rate stipulated for the “Parks, Pathway & Facility Development” category;

- Prioritizing direct developer provision of in-kind child care amenities as part of projects over cash-in-lieu contributions where appropriate and feasible, prioritizing this outcome in high density, rapid growth NCP areas.

9.2. Option 2: Density Bonus Rezoning+

Section 904 of the Local Government Act allows for municipalities to establish zoning bylaws with different density regulations as well as development conditions relating to the provision of amenities and affordable housing (Ministry of Community, Sport & Cultural Development, 2017d).

---

36 Vancouver has leveraged CAC funds in partnerships with non-profits and the School District to create child care spaces. For an example of CAC impacts, see Vancouver’s 2015 Annual Report on Community Amenity Contributions and Density Bonusing (City of Vancouver, 2016a).

37 Richmond’s annual capital grant budget financed through CAC cash-in-lieu contributions is $50,000; it funds minor capital projects such as renovations (City of Richmond, 2015).
The Density Bonus Rezoning (or “density bonusing”) approach is one way of obtaining the provision of amenities through the development rezoning process. Specifically, it entails the trading between the City and a developer the benefit of additional floor area (“bonus density”) above that normally permitted on a lot (“base density”) subject to the owner of the lot providing a benefit back to the community in consideration of the bonus density that is permitted (City of Surrey, 2007a). This entails an exchange of benefits between the owner of land being rezoned and the City. This process results in municipalities obtaining benefits in the form of amenities, such as parks, libraries, affordable housing, and child care facilities, or “cash-in-lieu” contributions to be used by the City for the creation of community amenities.

This approach is founded on a principle that the impacts of development and population growth need to be mitigated by an adequate growth in the provision of the services and amenities relied on by existing and new residents. It also embraces the idea that cities’ attractiveness and liveability is not only a function of economic growth, but also of the opportunities made available to residents in the realms of recreation, community services and amenities that enhance quality of life (City of Vancouver, 2015).

The value of density bonus contributions varies across projects and the specific way in which density bonus programs are administered in each municipality. For example, some are administered through established density bonus provisions (i.e., rates) in the zoning by-law, while in other cases they are negotiated as part of a comprehensive development rezoning application (Metro Vancouver, 2012). An important advantage of a density bonus approach is that “since the system is voluntary and incentive based, it allows local governments to secure community benefits without spending tax dollars or imposing fees” (City of Surrey, 2007, p. 3).

Furthermore, density bonus also supports the goals of community building without jeopardizing continued growth, as developers have the choice to “opt-in” based on their assessment of the benefits to be gained from participating in the program in each project. It is natural to expect developers to desire to opt-in in cases where participation is an economically attractive proposition (i.e., where increased density which provides them the opportunity to build additional units makes a project more profitable) and to refrain from
participation where there is no significant economic advantage. It is beyond the scope of this paper to set out the specific approaches to setting the value of bonus density. What is important to consider in assessing the potential of this alternative is the need for a careful balance to attain a developer-City win-win: maximizing the value of the project to the developer while also maximizing revenue for the City – that is, the value of the in-kind or cash-in-lieu contribution.

The City of Surrey has signaled interest in this approach. In 2007 Council approved the *Interim Bonus Density Policy No. O-54* for application to City Centre and Guildford Town Centre Areas (City of Surrey, 2007a). Soon after Council revised the *Policy* (City of Surrey, 2007b) and established a Density Bonus Reserve Fund to collect cash contributions (City of Surrey, 2008a). However, the *Policy* was placed in moratorium to enable development projects in Surrey City Centre to take advantage of the City’s *Economic Investment Action Plan* implemented in 2009, and to maintain development momentum in City Centre (City of Surrey, 2012c). It is not clear when the moratorium was lifted or what its contributions to community amenities and child care have been to date. However, a comprehensive review of the density bonus policy is currently underway (City of Surrey, 2016b) presenting an opportunity for child care.

---

38 Municipalities can adopt different techniques for negotiating the amount of payments to be contributed for additional density, with some opting for a flat rate per additional square foot of density approach, which can vary by zone or district, and others opting for a negotiated approach. For an example of how a municipality assesses and determines the desired density bonus approach, please see *Density Bonus in New Westminster: The Recommended System* (City of New Westminster, 2008).

39 The moratorium established both time and value thresholds for its application. For example, it set out that Policy O-54 would “not apply to business-related development projects which have a construction value in excess of $10 million, or to high density residential projects which have a construction value in excess of $25 million where a development is issued a Development Permit and commences construction prior to December 31, 2012” (City of Surrey, 2012c, p. 2).

40 The amenities identified under Policy O-54 include affordable housing, civic amenities including child care spaces, public meeting spaces, civic and cultural facilities, public art, open space, publicly accessible parks or gathering places, etc. or a cash-in-lieu payment provision (ibid.)

41 A comprehensive review of the Density Bonus Policy is being undertaken as part of Surrey’s Light Rail Transit (LRT) Project and LRT Corridor Planning Studies Terms of Reference.
This policy option aims to increase the supply of child care spaces in the City by leveraging the City’s capacity to approve higher densities in development projects within determined areas in exchange for child care facilities. It proposes the City:

- Prioritize child care among amenity categories identified in a revamped Density Bonus Policy, prioritizing the development and exchange of child care facilities;

- Where appropriate and feasible, prioritize direct developer provision of in-kind child care facilities as part of projects;

- Where in-kind child care amenities are not feasible, collect Density Bonus cash-in-lieu contributions in a Child Care Reserve Fund, allocating this to child care priorities.

9.3. **Option 3: Civic Capital Investment**

This alternative proposes the City:

- Integrate child care into civic capital planning process;

- Undertake direct capital investment in the development of child care spaces within new civic facilities and renovations of existing facilities\(^{42}\);

- Allocate funds and budget for the development of identified child care facilities to keep up with child care demand and population growth;

- Integrate child care in the implementation of the existing *Build Surrey Program*\(^{43}\) and any future update of the *Program*.

This option is informed by interventions taken in neighbouring municipalities to respond to high need issues in their communities. For example, in the 2009 Child Care Strategy, the City of New Westminster committed to, as part of integrating child care needs into the municipal planning process, consider building or incorporating space for child care

---

\(^{42}\) Civic facilities include, for example, recreation and community centres.

\(^{43}\) The *Build Surrey Program* (City of Surrey, 2012b) outlines capital projects to be built between 2012 and 2018.
facilities as part of the development of new municipal facilities or major renovations to existing ones (City of New Westminster, 2009b).

Similarly, the City of Surrey has experimented with investing directly in the development of a child care facility as part of a larger civic facility. According to Kasian Architecture, one of two firms tasked with designing the City’s new City Hall and Civic Plaza, “the City smartly insisted on a daycare facility as part of the design” (2014, n.p.). Specifically, the City provided the capital infrastructure for the child care facility, and held an RFEOI (Request for Expressions of Interest Process) to find a qualified non-profit agency\textsuperscript{44} to operate the it (City of Surrey, 2011).

A second example of direct investment in child care is the case of the Kensington Prairie Community Centre. In 2008 the City allocated $1.6 million in its Financial Plan to converting the old Kensington Prairie School into an early years focused community centre, inclusive of licensed child care spaces (City of Surrey, 2008b).

Other jurisdictions such as the City of Vancouver have embraced this “direct investment in child care supply expansion” approach. For example, the City of Vancouver in its 2015-2018 Capital Plan allocates a direct municipal investment of $30 million to child care, comprising 3 per cent of the overall capital plan’s proposed investments. Of this, $25 million are earmarked for the creation of 400 new spaces for children 0-4 years old across several facilities, with a municipal contribution of $50,000 per space (City of Vancouver, 2016b, 2017b).

9.4. Option 4: Non-Profit Support Framework

Many municipalities in the region are actively involved in supporting the non-profit agencies that serve their residents. Examples of municipal support to non-profit child care providers include favorable lease agreements for the use of City-owned child care facilities (e.g., facilities obtained as in-kind CACs), property tax exemptions, capital and operating

\textsuperscript{44} The facility provides 37 child care spaces for children ages 0-5 (12 Infant/Toddler spaces; 25 3-5 spaces), and is operated by the YMCA of Greater Vancouver, a non-profit organization with a reputation for high quality early years services (City of Surrey, 2011).
Interview participants point to three primary rationales for supporting non-profit child care providers. First, cities need a “healthy ecosystem” of commercial, non-profit and family child care to be available to residents, enabling parents to have choice in the selection of care arrangements better suited to their needs. Second, interview participants unanimously agreed that non-profit auspice supports municipal objectives of affordable high quality child care, as demonstrated by scholarly literature (G. Cleveland, 2008; G. H. Cleveland & Hyatt, 2002; G. Cleveland & Krashinsky, 2004). Finally, support for the non-profit sector extends municipal control over the three prioritized child care pillars: accessibility, affordability and quality. On this latter point, a municipality can exert influence by making spaces it has an interest in or that it builds available only to vetted, high quality child care providers that contribute some additional social good. For example, in the case of City Hall Child Care, the YMCA agreed to reinvest net revenues from the City Hall operation in the local community (City of Surrey, 2011).

Given that child care in Surrey is 93% commercial and 7% non-profit (Surrey Community Child Care Task Force, 2016), this presents an important opportunity for the City to enhance child care accessibility, affordability and quality while supporting a more balanced child care market. This policy option proposes the following framework for collaborative partnerships with non-profit organizations to expand their presence in Surrey:

- Create and allocate municipal funds to a Child Care Capital and Operating Grant Program to enable partnerships in the development of new and expansion of existing child care facilities; and support the maintenance of existing stock;
- Facilitate in-kind contributions of City-owned lands in City-Non-profit partnerships, leveraging these in capital grant applications to senior governments;
- Provide non-profit child care providers a 50 per cent exemption from fees related to the development of new child care facilities, including but not limited to: rezoning fees, development permit fees, building permit fees,
development cost charges, public art contributions, and others as deemed feasible and appropriate.

9.5. Option 5: Regulatory Streamlining for Child Care Projects

Unlike previous alternatives, this option focuses on streamlining the development approval and planning process faced by child care project applicants. It recognizes that child care operators applying to develop child care facilities take on significant business development and financial risks and lengthy, extended and unclear processes serve as undue and unnecessary barriers to child care supply expansion. A burdensome process can increase actual and perceived risk, and serve as a disincentive to potential operators.

This approach recognizes that an expedient development approval process that minimizes the number of steps required, reduces the number of staff applicants interface with across departments, and shortens the overall timeframe for project approvals is beneficial for all parties. This option proposes the City:

- Undertake a review of internal planning and development processes to identify barriers to expedient processing of child care development applications, particularly group child care;

- Establish an expedited development approval process for fast-tracking group child care facility applications in high need areas, adopting a “Nexus Lane” approach for group child care projects;

- Implement a “Child Care Concierge” to act as a liaison between child care projects and staff, facilitating the child care development process and streamlining communications between City staff and the child care community;

- Develop a comprehensive child care guide for operators.

This option aligns with the City’s Red Tape Reduction Strategy (2011) and the City’s desire to support Surrey’s business community and entrepreneurship. It also aligns

45 Neighbourhoods with particularly poor child care access rates and/or areas with a high proportion of children who are vulnerable/in-need.
with parallel priorities identified by the Surrey Board of Trade in their 9th annual response to the City’s 2016 Budget (SBOT, 2016a), which recommended a “Nexus Lane” approach and the adoption of a “Development Concierge” for streamlining overall development and land use process timelines.
Chapter 10. Analysis and Evaluation of Policy Options

This chapter assesses each of the five identified policy options using the criteria and measures established for effectiveness, equity, budgetary cost to the municipal government, ease of implementation, public acceptability and stakeholder acceptability. Given the uncertainty surrounding their precise outcomes, options are evaluated comparatively in reference to each other, providing relative rankings in terms of the extent to which they obtain the desired outcome. This analysis supports the recommendations as set out in Chapter 11.

10.1. Option 1: Integrate Child Care into Community Amenity Contributions “CAC+”

10.1.1. Effectiveness: Supply

The creation of a child care CAC category integrates child care considerations into the City’s main neighborhood planning tool, ensuring it is considered among the range of services and amenities that enhance quality of life in Surrey communities. More pragmatically, it creates a mechanism for funding investment in child care facilities, yielding two potential outcomes.

First, child care cash-in-lieu contributions collected across NCPs create a revenue stream for municipal investment in child care facilities. This provides the City discretion in funding allocations, which may involve direct municipal investment in facility building, leveraging of resources to develop facilities with partners, among other options.

Secondly, the prioritization of in-kind on-site developer-built child care facilities sets a framework for the inclusion of child care within a rapidly growing urban fabric. This has several strengths. First, on-site child care facilities are most likely to take place as part of large scale projects, meeting planning objectives around mixed-used, service and amenity rich communities while responding to the needs of new residents. Second, it responds to an important barrier and opportunity identified through the thematic analysis: the difficulty
of finding space adequate for a child care facility in ‘built out’ communities. By integrating within a developing neighbourhood purpose-built child care facilities, the City can help overcome this key barrier to supply expansion. Finally, by adopting a child care amenity category across NCPs, this policy option ensures an adequate distribution of physical and/or cash benefits responsive to varying degrees of development intensity.

It is recognized that the effectiveness of this option in child care supply ultimately depends on real estate market forces and development interest in Surrey; this poses uncertainty. Assuming that the City continues to experience rapid growth (CBC News, 2016; City of Surrey, 2011, 2017a), this option is likely to demonstrate High/Moderate (2.5) effectiveness in achieving both in-kind and cash-in-lieu contributions for municipal child care investment. In the long term, this option constitutes a sustainable framework for meeting child care needs in the City, particularly in City Centre, which is expected to double to over 70,000 residents by 2041 (City of Surrey, 2015b).

Evidence from neighbouring municipalities suggest this approach is seeing successes. For example, the City of Richmond expects to see their 7th and 8th CAC child care facility completed in 2017 and 2018 respectively (Cuthbert, Nov 18, 2016). The City of Vancouver received $19 million in development contributions for child care facilities in 2015 (City of Vancouver, 2016a), including one 37 space facility as part of a mixed-used development. It has funded through development contributions46 over 3,400 licensed child care spaces since 2005 (City of Vancouver, 2015).47

10.1.2. Equity: Affordability

This option is highly desirable in terms of the extent to which it supports child care affordability in the City. Section 25 of the Community Charter (British Columbia, 2003) stipulates legislative prohibitions on local government assistance to business, stating “a council must not provide a grant, benefit, advantage or other form of assistance to a business” (n.p.). City owned child care facilities can only be operated by the municipality

46 Note that development contributions utilized for child care in Vancouver include DCLs (Development Cost Levies), a source of funds unique to Vancouver.
47 In Vancouver, 30 to 40 rezoning applications result in CAC contributions each year. On average, 22 percent of CAC funds are allocated to community facilities, including child care.
or non-profit operators. Non-profit organizations can offer child care services at comparatively lower fees than commercial group child care providers, supported by public funding, donations and sometimes municipal support such as nominal rate lease arrangements that reduce operating costs and translate into more affordable fees. This option scores High (3) on affordability.

10.1.3. Equity: Geography

A second component of equity looks at the impact of the policy on child care supply through a geographical lens, acknowledging the City’s population and neighbourhoods are not homogenous. This reflects tensions between the extent to which child care spaces should be created across the City in an equitably distributed manner (such as focusing on achieving a target access rate across the City) versus focusing on the creation of spaces in neighbourhoods with children in most need (such as focusing on targeting high EDI scoring neighbourhoods)\(^{48}\). The inclusion of child care as a community amenity category across the City’s NCPs and the option to obtain in-kind or cash-in-lieu contributions allows the City flexibility in choosing how best to respond to variation in child care needs. This high level of responsiveness ranks this option High (3) on this criterion.

10.1.4. Budgetary Cost to the Municipal Government

Under the assumption that in-kind child care facilities are transferred to the City in “turn key” condition, this option has a comparatively low cost to the City, requiring no direct municipal capital investment\(^{49}\). The same applies to cash-in-lieu contributions. However, there are administrative and implementation costs, including primarily the costs associated with staff wages. As discussed below in the implementation section, obtaining in-kind child care facilities is likely to require additional staff capacity in the form of a child care coordinator or social planner with responsibility for child care, in addition to the hours (and wages) of other departmental staff required to collaborate throughout the planning and build out of a child care facility. At a minimum, successful implementation of this option is

\(^{48}\) This reflects tensions between the prioritization of horizontal equity versus vertical equity.

\(^{49}\) In some cases, developer contributions are supplemented with municipal funds to provide an on-site child care facility, as seen across Vancouver (2013a).
estimated to cost the equivalent of one FTE in the role of Planner 1 at Pay Grade 30 as per the City’s Collective Agreement (Cupe 402 & City of Surrey, n.d.), approximately $75,000 in wages.\textsuperscript{50} Compared to costlier alternatives requiring direct capital investment, this option scores High (3) on this criterion.

10.1.5. Ease of Implementation

At first, it seems that this approach is very “hands-off”, offering the City the benefit of an amenity – a municipal asset – with little direct municipal involvement. While this can be the case with cash-in-lieu contributions, in-kind child care facilities entail a very high degree of complexity.

In the latter case, informant interviews cautioned that accepting amenities as developer contributions requires “a corporate approach to how you receive and steward them through from planning to completion, post-occupancy and follow-up with the operator” (Cuthbert, Nov 18 2016). Administrative and process changes include changes to the way planning and development staff interact with developers throughout the development process, close collaboration and coordination between staff and developers to plan and set out specifications for a facility, extended development timelines, and competing objectives. For example, interview participants noted that on-site child care amenities can require that City staff negotiate between the City’s and developers’ competing interest, from the materials used in a project to the location, sun exposure and direct access to outdoor space required for child care and, in some cases, specifics around fixtures and fittings (Confidential informant, Dec 01 2016). Competing interests can increase complexity, timelines and costs for both the City and developers.

Cuthbert notes that obtaining child care amenities requires “interdepartmental work [involving] planning, social planning, facility services/maintenance, project

\textsuperscript{50} In the long-term, there are several additional costs of obtaining child care amenities, such as life-cycle maintenance of what become city-owned assets and future replacement costs. Accepting, owning and replacing child care amenities requires a long-term commitment and willingness to allocate city resources. The annual cost of maintaining a facility is likely to be in the hundreds of thousands of dollars, while life-cycle replacement is likely to cost millions after several decades of operation (Cuthbert, Nov 18, 2016).
development/capital building, real estate, law and in some cases the community and recreation departments” (Nov 18 2016). Many cities have responded to this complexity by developing child care design guidelines. These set transparent parameters for developers, ease the administrative burden for staff, and ensure the amenities are of a built quality the City can support\footnote{Child care design guidelines can protect Cities’ economic interests by establishing minimum requirements around building materials and other elements that impact the durability and costs of operating and maintaining a facility, and ultimately its life-expectancy.} while also aligning with municipal objectives of high quality built environments for children (Confidential informant, Dec 01 2016).

Finally, in-kind child care facilities become municipal capital assets, requiring operating agreements with non-profits, which entail request for expression of interest processes and ongoing municipal oversight of non-profit operators, and long-term financial commitments to maintain municipal capital assets. Overall, this option entails a very high degree of implementation complexity, scoring Low (1) on this criterion.

\subsection*{10.1.6. Public Acceptability}

Public acceptability is Moderate (2) due to actual and perceived competing interests. On one hand this option would receive high public support given the severity of child care needs in Surrey. Public opinion polls of British Columbians indicate BC residents desire government investment to improve child care access and affordability (Insights West, 2015). The Surrey Board of Trade’s call to the City to explore additional opportunities for human capital investments as business attraction tools illustrates some public support from employees and employers\footnote{The SBOT represents 2,100 business members and 6,000 business contacts, representing approximately 60,000 employees (Surrey Board of Trade, 2016a).} (2016b). However, neighbouring jurisdictions have faced backlash for adopting a CAC approach linked by some to escalating housing prices and declining housing affordability. Although this link is debated, negative public perception to a CAC approach risks broad acceptability (British Columbia, 2014; Cooper, 2015).
10.1.7. Stakeholder Acceptability

It is important to recognize one of the major drawbacks of this alternative: it is likely to receive high levels of stakeholder opposition due to actual and perceived concerns around the economics of development in the City. This includes developer resistance to longer development timelines, more complex planning and development processes – particularly with in-kind child care facilities, the potential for narrower profit margins, and perceptions of increasing red tape (BC Chamber of Commerce, 2014). Potential and perceived impacts on profitability and development complexity are likely to result in significant stakeholder opposition and Low (1) stakeholder acceptability.

10.1.8. Summary of Option 1

Table 4 Summary Evaluation for CAC+

<table>
<thead>
<tr>
<th>Effectiveness</th>
<th>Equity: Affordability</th>
<th>Equity: Geography</th>
<th>Cost</th>
<th>Ease of Implementation</th>
<th>Public Acceptability</th>
<th>Stakeholder Acceptability</th>
</tr>
</thead>
<tbody>
<tr>
<td>2.5</td>
<td>3</td>
<td>3</td>
<td>3</td>
<td>1</td>
<td>2</td>
<td>1</td>
</tr>
</tbody>
</table>

10.2. Option 2: Density Bonus Rezoning+

10.2.1. Effectiveness: Supply

The effectiveness of density bonus on child care supply is conditional on two primary factors: first, uptake by the development community, and second, the value of the exchange negotiated or set by the municipality. Developer uptake is influenced by expectations around profitability and market forces, where “variables such as location, land value, lot size buildable square foot costs, market conditions and zoning will all have an impact on the value and appeal of a density bonus and the subsequent amenity which can be obtained” (City of Burnaby, 1996, p. 3). It may remain low in highly permissive zones that already allow for sufficiently profitable development to occur. For example, low take-up in New Westminster has yielded less than $100,000 in density-bonusing revenues, partly due to the City’s pre-existing permissive densities (New Westminster, 2016; John Stark, Dec 21 2016). On the other hand, since Burnaby’s adoption of its Community Benefit Bonus Policy in 1997, the program has resulted in three child care
centres with a total of 146 licensed child care spaces for the community, in addition to affordable housing, civic facilities and other amenities valued in excess of $115 million (City of Burnaby, 2014b).

Numerous external factors contribute to uncertainty on the estimated impact of density bonus on increasing the supply of child care in Surrey. These include real estate market forces, the number of projects that opt-in to the program, their value and the value of their in-kind or cash-in-lieu contributions to the City. A comparative analysis against the other options is thus necessary. Given that a density bonus approach is geographically limited to high density areas (at present only City Centre and Guildford), and subject to developer opt-in, this option is likely to result in a Low (1) impact on child care supply expansion, when compared to other approaches considered.

10.2.2. Equity: Affordability

Like Option A, community amenities obtained through density bonus are turned over to municipal ownership. This invokes the same considerations under Section 25 of the Community Charter prohibiting assistance to business. Given that only non-profit organizations are eligible to operate City-owned child care facilities, and that non-profits can offer child care services at comparatively lower fees than commercial group child care providers, this option is highly desirable scoring High (3) on this criterion.

10.2.3. Equity: Geography

Density bonus is generally geographically contained to areas experiencing sustained pressures for growth. Its geographically limited scope – currently only City Centre and Guildford Town Centre Areas – limits its performance on creating child care spaces across the City. However, these areas have a high proportion of vulnerable children, with 39 and 51 per cent of children in City Centre and Guildford West vulnerable on one or more scales of EDI (Human Early Learning Partnership, 2016). Achieving child

53 In cases where Council receives cash-in-lieu contributions, Council would have to determine whether the Policy would require DB funds to be invested in the zone where they came from, or can be reinvested anywhere in the City. Flexibility could improve targeting.
care spaces in these neighbourhoods would help address vulnerability. This is a strength, but it leaves out opportunities for addressing the needs of disadvantaged children in other Surrey communities, such as Newtown East (EDI 47%). Therefore, this option receives a Moderate (2) score on this criterion.

10.2.4. Budgetary Cost to Municipal Government

This option shares several similarities in process with Option 1, requiring no direct capital investment, with costs to the City stemming primarily from staff wages. Given the similarities in process to Option 1, but the likely lower incidence of occurrence, it entails a low cost, scoring High (3) on this criterion.

10.2.5. Ease of Implementation

A strength of this Option is that it builds on the City’s pre-existing density bonus framework and body of expertise in the City’s Planning and Development Staff. However, it does entail a significant degree of additional complexity, given the prioritization of in-kind child care facilities. The City has no prior depth of experience with in-kind developer-contributed child care facilities, which like Option 1, entail a significant degree of implementation complexity. As set out in the evaluation of Option 1 (Section 10.1.5), implementation of this option requires significant process changes and collaboration internally across City departments, as well as externally with developers to see a child care amenity built out. It also requires long-term municipal commitments to maintain the integrity of a municipal asset, and maintaining operating relationships with child care operators selected to run City-owned child care facilities.

Finally, if council considers it appropriate to expand the policy’s applicability to other neighbourhoods beyond City Centre and Guildford, complexity might increase as this would require staff to identify neighbourhoods, acceptable maximum density limits and appropriate amenity thresholds in line with overall City strategies. Like Option 1, this option ranks Low (1) in terms of ease of implementation.
10.2.6. Public Acceptability

A density bonus approach to obtaining child care must balance the need for child care with the need for adequate densities in the context of the neighbourhood, its uses and community impacts such as increased population density and traffic. Public acceptance to density bonus is likely to be higher if benefits are locally received, visible and timely. For example, Margaret Manifold explains that from a public perception perspective, obtaining in-kind on-site amenities is preferable to cash-in-lieu contributions. As residents see the amenities built out and how they can partake in the benefits offered by the amenities locally in their community, they are more likely to lend support to high density amenity contributing projects despite the trade-offs of higher traffic and population density (Nov 05 2016).

Given child care needs are very acute for Surrey families; facilities obtained through density bonus are likely to serve local needs; and given that this option is cost neutral for the City requiring no capital outlays (and hence no significant financial impact on residents through changes in tax rates), public support is likely to be High (3).

10.2.7. Stakeholder Acceptability

Unlike Option A, density bonus is a voluntary program that developers can choose to participate in if they consider the opportunity financially profitable. As an opt-in approach, developers retain choice over participation subject to their economic calculations of cost vs. benefit. This flexibility balances developers’ interests, and is likely to receive little opposition compared to Option A. However, given that the prioritized approach is the exchange of onsite child care facilities, the added complexity of building out a child care facility is likely to contribute to some friction between the developer and the City throughout the planning and build out of an amenity. This is likely to be higher should the City consider the adoption of Child Care Design Guidelines. As a result, this option receives a Moderate (2) score on this criterion.
10.2.8. Summary of Option 2

Table 5  Summary Evaluation for Density Bonus Rezoning +

<table>
<thead>
<tr>
<th>Effectiveness</th>
<th>Equity: Affordability</th>
<th>Equity: Geography</th>
<th>Cost</th>
<th>Ease of Implementation</th>
<th>Public Acceptability</th>
<th>Stakeholder Acceptability</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>3</td>
<td>2</td>
<td>3</td>
<td>1</td>
<td>3</td>
<td>2</td>
</tr>
</tbody>
</table>

10.3. Option 3: Civic Capital Investment

10.3.1. Effectiveness: Supply

The City of Surrey stands to make several investments in civic facilities over the coming years as demand for City services and amenities increases (City of Surrey, 2012b). A strength of this option is that it integrates child care investment with civic infrastructure investments, creating a sustainable framework for expanding child care supply across a growing network of civic facilities.

Evidence from the City of Vancouver reflects the potential effectiveness of this approach, as the City moves towards prioritizing direct investment in the development of 69 space facilities within planned community and recreation centres (Confidential informant, Dec 01 2016). An important additional benefit of this option is that it integrates and co-locates child care in a continuum of family and child services, a model preferred for early years' service delivery\(^5\).

However, an important limitation of this option for child care supply relates to the number of civic facilities expected to be developed and renovated in Surrey. Impact on supply will be constrained by the fiscal realities of the City and the trade-offs inherent in the allocation of resources. The City is likely to carefully consider any large-scale multi-million dollar civic facility investments (City of Surrey, 2012b, 2016a). Given that this option

\(^5\) The Province has stipulated support for an integrated continuum of child development services, including the promotion of neighbourhood hubs where early childhood development, child care, and family services are co-located to meet family and community needs. This is reflected in the BC Early Years Strategy and the 2017 Child Care Capital Grant allocations (British Columbia, 2016b, 2017).
piggy-backs child care spaces on the development of large municipal projects, compared to the alternatives considered, this option scores Low (1) on effectiveness.

10.3.2. Equity: Affordability

Child care facilities developed within civic facilities are unlikely to be operated by the City, given that the City is not involved in the direct provision of licensed group child care. In line with Section 25 of the Community Charter, and similarly to the child care facilities in Kensington Prairie Community Centre and City Hall, the City would enter into operating agreements with a qualified non-profit agency. For example, the operating agreement between the City and the YMCA for City Hall stipulates that “the City of Surrey will provide the daycare space rent free (including utilities, base maintenance and security) … along with the initial tenant improvements and funding for start-up costs. The YMCA will operate the daycare at no cost to the City” (City of Surrey, 2011, p. 3). Given non-profit operation, and for the same reasons as Option 1 and 2, this option supports lower fees, enhancing affordability and ranking High (3) on this criterion.

10.3.3. Equity: Geography

With this policy option the City has a high degree of control over where to allocate direct investment in civic facilities. This discretion makes it possible for the City to select to develop civic facilities that include child care in neighbourhoods with high need for spaces (e.g., targeting access rate) as well as children of high need (e.g., targeting EDI). A limitation, however, is that municipal capital investment is closely linked to population growth, and residential and commercial development, which may be concentrated in some areas and not in others. Due to these competing forces on the location of civic facilities, this alternative is given a Moderate (2) score on this criterion.

10.3.4. Budgetary Cost to Municipal Government

This approach places the entire burden of developing child care spaces on the City’s capital planning and budgeting process, requiring the City undertake direct capital investment with no cost-sharing arrangements on child care projects. Data from
Vancouver’s 2017 Capital Budget suggests that total project costs for including child care facilities in elementary schools is between $6.5 - $7 million for 69-space facilities (City of Vancouver, 2016b; Puri, 2016). Data from Richmond suggests the costs of developing 37-space facilities ranges from $3.3 to $3.5 million\(^5\) (City of Richmond, 2015, 2016c). Using these as analogous examples demonstrates that integrating child care facilities within civic facilities is likely to entail the highest cost to the City compared to the alternatives under consideration, scoring Low (1) on this criterion.

### 10.3.5. Ease of Implementation

This option entails a Moderate (2) degree of implementation complexity compared to Option 1 and 2. This is not because municipal capital planning processes are simpler or easier, but because this criterion measures the degree of process changes and the extent of collaboration required with external parties. Compared to Option 1 and 2, developing child care as an in-house process capitalizes on the City’s existing expertise in capital planning and development of civic facilities. It integrates child care into existing capital planning processes, merging into an already existing system of facility development across internal City departments. However, some complexity remains, including the potential need to develop child care design guidelines.

### 10.3.6. Public Acceptability

This option is likely to require the City to raise funds through an increase in the annual property tax levy or an increase to the Capital Parcel Tax (City of Surrey, 2016a). The City prides itself for having one of the lowest municipal taxes and spending in the Metro Vancouver region, seeing these as reflections of a lean and efficient organization (City of Surrey, 2014b) Residents benefit from low taxes and are likely to object to increases. On the other hand, Council has recognized the need to catch-up with investment in civic amenities that will support Surrey’s young demographic (Reid, 2016). Given that some residents may oppose paying more in taxes, while others may support

\(^{55}\) It is likely that costs vary significantly across municipalities due to differences in, for example, the cost of land.
and benefit from improved child care access and affordability this criterion is given a Moderate (2) score to reflect this tension between public interests.

10.3.7.  Stakeholder Acceptability

It is not expected that this policy would raise a significant degree of opposition from stakeholders in the development community, as the City bears the costs of proceeding with the option. This alternative scores High (3) on this criterion.

10.3.8.  Summary of Option 3

Table 6  Summary Evaluation for Civic Capital Investment

<table>
<thead>
<tr>
<th>Effectiveness</th>
<th>Equity: Affordability</th>
<th>Equity: Geography</th>
<th>Cost</th>
<th>Ease of Implementation</th>
<th>Public Acceptability</th>
<th>Stakeholder Acceptability</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>3</td>
<td>2</td>
<td>1</td>
<td>2</td>
<td>2</td>
<td>3</td>
</tr>
</tbody>
</table>

10.4. Option 4: Non-Profit Support Framework

10.4.1.  Effectiveness: Supply

The Children’s Partnership of Surrey-White Rock in 2012 initiated the development of a Child Care Strategy for the City of Surrey and its partners. It identified three primary barriers to the creation of child care in Surrey: inadequate funding from federal and provincial governments; general start-up costs of licensed care; and general operational costs of licensed care, noting the need for “targeting and focusing resources where partnership can have the most impact” (p. 1). It also noted that municipalities and community partnerships can support the creation and delivery of a child care system notwithstanding insufficient senior government support.

The jurisdictional scan and expert interviews suggest a municipal non-profit support framework that includes the allocation of municipal grants for capital investment and provision of in-kind benefits in support of operating costs can have a significant impact on supply expansion. Non-profits fund themselves through earned income from the sale
of goods and services, transfers from governments, and donations (Emmett, 2016). In non-profit child care, capital grants support facility expansion, while operating grants support service delivery and the sustainability of existing operations. Grants allow the demand-driven expansion of services and the facilities in which these are provided.56

This option addresses an identified need for funding for capital investment. It holds the added potential to leverage municipal resources with provincial capital grants. Provincial grants provide up to $500,000 to non-profit child care organizations to, for example, build new child care facilities, purchase land and/or commercial or residential space, and cover site development and renovation costs (British Columbia, 2016c, 2017).

The in-kind allocation of City-owned land/property reduces start-up costs, reducing barriers to supply expansion. Similarly, the provision of facilities under nominal rate lease arrangements reduces operating cost barriers. For example, Vancouver’s approach of nominal rent, long-term leases for non-profit child care occupancy of City-owned properties57 has supported child care expansion, helped to maintain existing stock, and enhanced affordability. Finally, providing for exemptions from development-related fees tackles initial cost barriers.

In an ideal scenario, the availability of municipal and provincial funds would have a significant impact on the creation of child care spaces in non-profit auspice as it combines resources to tackle both start-up and operating barriers. However, there is significant uncertainty related to non-profit capacity to expand operations. While the sector’s keen interest in developing a community-centred solution to child care and engaging in partnerships with the City invokes confidence in their responsiveness to grants, other factors such as capacity and staffing constraints create uncertainty on the impact of this option on the creation of spaces. Nonetheless, the implementation timelines for this option should provide the non-profit child care sector in Surrey sufficient time to

56 Non-profits do not exist primarily to generate profits and distribute these to owners or shareholders. As mission-driven organizations, their expansion occurs in response to unmet needs for social services (Emmett, 2016).

57 Examples include agreements with the Vancouver Society of Children’s Centres (VSOCC) and the YWCA and YMCA of Greater Vancouver (City of Vancouver, 2016c, 2017a; Young Women’s Christian Association of Vancouver, 2014).
increase capacity to undertake expansion. Observing uncertainty, this option scores Moderate/High (2.5) on this criterion.

### 10.4.2. Equity: Affordability

This option supports the creation of child care spaces in non-profit auspice by making municipal capital funding and operational support available to non-profit child care providers. This approach enhances child care affordability in the City of Surrey by supporting the expansion of non-profit child care spaces with comparatively lower fees. A framework for supporting the non-profit sector performs High (3) on affordability.

### 10.4.3. Equity: Geography

This option performs High (3) in this criterion as it is very responsive in terms of addressing child care needs, both in terms of access rate gaps and vulnerability considerations. The City's non-profit agencies already play a significant role in serving disadvantaged and vulnerable populations. Additionally, municipal involvement can steer child care investments to prioritized areas and/or needs.

### 10.4.4. Budgetary Cost to Municipal Government

This option’s most significant cost components are direct capital contributions and in-kind contributions of land which entail opportunity costs. While it is difficult to determine with precision the cost of this option, a partnership approach to undertaking facility development is likely to result in comparatively lower costs than Option 3, as the City would not be undertaking the full extent of child care development costs alone. However, this option is likely to incur higher costs than Options 1 and 2 which leverage development contributions. This option receives a Moderate (2) score compared to the high cost and low cost options presented in this study.

---

58 Implementation of this option will require a more thorough investigation of the opportunity cost of utilizing City land in child care projects.
10.4.5. Ease of Implementation

The implementation of the operating grants component of this option is simple, requiring, for example, development of grant eligibility criteria, and timelines for applications and grant disbursements. On the other hand, the capital component of this option entails a high degree of complexity. A key assumption is made here: a partnership approach which entails significant municipal funding and/or capital contributions is likely to require, at a minimum, shared ownership of the asset.\(^{59}\)

This brings about a high degree of implementation complexity resulting from direct municipal involvement in the build-out of the capital project. Cuthbert notes that “non-profits sometimes do not have the building experience to guide a capital project” and as a result, a City is likely to want to be hands-on and in charge of the project to ensure quality standards are met for what is to become a shared asset. This approach entails process changes related to an increase in collaboration with the non-profit child care sector in identifying partnership and leverage opportunities; negotiations on and the development of shared-ownership agreements for the assets in question; negotiation of cost-sharing agreements for facility maintenance expenses; and long-term relationships to maintain these assets. This option scores Low (1) on ease of implementation.

10.4.6. Public Acceptability

Supporting the non-profit child care sector is likely to obtain significant approval from residents who expect to benefit from improvements in child care in the City. It is also likely to draw substantial support from Surrey’s strong community service sector, which is deeply engaged in local service provision and advocacy, and has a demonstrated and long-standing concern for child care (Coates, Nov 24 2016). Additionally, this option is likely to receive strong support from key child and family advocacy organizations, including First Call BC and the Coalition of Child Care Advocates of BC which have called for the prioritization of non-profit societies in the allocation of public child care funding (2016; Harney, 2015). However, some community resistance is possible in response to changes

\(^{59}\) Cuthbert notes that a municipality is unlikely to want to make a significant capital contribution to an asset it would not own (Mar 09, 2017).
to property taxes and/or levies required to fund a Child Care Capital Grant Program. Accounting for this possibility, this option receives a Moderate (2) score on this criterion.

10.4.7. Stakeholder Acceptability

This option is not likely to result in high levels of stakeholder opposition from the development community. However, this option is likely to receive opposition from the City’s commercial child care sector which might dissent unequitable allocation of benefits – some with significant financial value such as in-kind contributions of land. Section 25 of the Community Charter offers the City protection, as it prohibits the City from granting benefits to businesses. Nonetheless, this option leaves the City open to critique from the business community. For this reason, this option scores Moderate (2) on this criterion.

10.4.8. Summary of Option 4

Table 7 Summary Evaluation for Non-Profit Support Framework

<table>
<thead>
<tr>
<th>Effectiveness</th>
<th>Equity: Affordability</th>
<th>Equity: Geography</th>
<th>Cost</th>
<th>Ease of Implementation</th>
<th>Public Acceptability</th>
<th>Stakeholder Acceptability</th>
</tr>
</thead>
<tbody>
<tr>
<td>2.5</td>
<td>3</td>
<td>3</td>
<td>2</td>
<td>1</td>
<td>2</td>
<td>2</td>
</tr>
</tbody>
</table>

10.5. Option 5: Regulatory Streamlining for Child Care Projects

10.5.1. Effectiveness: Supply

This option leaves the expansion of child care supply to the market. It assumes a streamlined planning and development process, reduced barriers, and expedited approvals will create a more attractive environment for child care operators, incentivizing projects and increasing supply. A limitation of this approach is that it does not directly address limitations in capital funding for facility development. However, this is mitigated by the provincial capital grant program which offers commercial child care providers up to $250,000 for the development of child care spaces (British Columbia, 2016c, 2017). Given the investment required is significantly larger, this option is likely to benefit larger
commercial operators with the financial capacity to raise funds to undertake large capital investments. The absence of a profit-based model and returns on investment equity make this option unlikely to support the expansion of the non-profit child care sector\textsuperscript{60}.

Secondly, this approach does not address other key barriers and operating challenges faced by child care providers, including finding adequate land/space for child care facilities, tight operating margins, and challenges with enrollment due to high fees and lacking affordability for parents - particularly in the commercial sector\textsuperscript{61}. Although the commercial child care sector has demonstrated success in Surrey, comprising 93 per cent of the market, there is a high degree of uncertainty in the effectiveness of this option on supply outcomes as municipal regulatory streamlining combined with provincial capital funding do not address operating constraints. Observing these limitations, this option receives a Low/Moderate (1.5) score on this criterion.

10.5.2. \textbf{Equity: Affordability}

This option has a Low (1) impact on child care affordability in the City, supporting primarily the commercial sector where fees are comparatively higher in Surrey compared to the non-profit sector.

10.5.3. \textbf{Equity: Geography}

The commercial child care sector is responsive to market forces. Businesses are most likely to locate their services in communities where they expect sufficient demand and consumer ability to pay. For example, recent growth in commercial child care operations in Surrey has occurred in locations near business districts and in more affluent neighbourhoods (Surrey North Delta Leader, 2015). While this approach is likely to be responsive to consumer demand in more affluent Surrey communities, it is weaker in its

\textsuperscript{60} Expansion in the non-profit sector depends on the availability of grants, government funds/contributions, and donations. It is unlikely that without public support for capital investment expansion in the non-profit sector could be achieved.

\textsuperscript{61} High fees in the commercial sector are related to profit motives and pressures to reap returns on investment; high fees translate into affordability barriers for parents, leaving existing costly spaces unfilled despite high need for licensed group child care services.
responsiveness to child care needs across the City, particularly disadvantaged communities. Given the lack of distributional equity and limited impact on reaching disadvantaged children, this option ranks Low (1) on this criterion.

10.5.4. Budgetary Cost to Municipal Government

The cost of implementing a “Child Care Concierge” to liaise between child care projects and staff, facilitating and supporting a “Nexus Lane” streamlined child care development process is comparable in cost to Option 1 and 2, requiring one FTE in the role of Planner 1 at Pay Grade 30, approximately $75,000 in wages (Cupe 402 & City of Surrey, n.d.). Since there are no long-term cost implications related to facility ownership and maintenance, this option scores High (3) on this criterion.

10.5.5. Ease of Implementation

This option entails comparatively minor administrative and process changes requiring no direct municipal involvement in the development of child care facilities. It is limited to departmental efforts to streamline processes, which will include at a minimum the Planning and Development and Engineering Departments to identify and reduce barriers and establish a “Child Care Concierge” to facilitate processes. Compared to the alternatives, this most hands-off approach scores High (3) on ease of implementation.

10.5.6. Public Acceptability

This option is likely to receive Low (1) public support. On the one hand, some residents might see this as adequate and sufficient, benefiting from the spaces created. However, others might also see this as insufficient in terms of addressing affordability. Finally, some residents and the City’s community serving organizations, including non-profit child care providers, will see this approach as detrimental for child care in Surrey, entrenching further commercialization of child care in the City.
10.5.7. Stakeholder Acceptability

This option is not likely to receive any significant level of stakeholder resistance, and in fact may receive broad support from Surrey’s business community as it illustrates the City’s support for business sector interests such as easing processes and reducing complexity (MLA Amrik Virk, 2015). It therefore ranks High (3) on this criterion.

10.5.8. Summary of Option 5

Table 8  Summary Evaluation for Regulatory Streamlining

<table>
<thead>
<tr>
<th>Effectiveness</th>
<th>Equity: Affordability</th>
<th>Equity: Geography</th>
<th>Cost</th>
<th>Ease of Implementation</th>
<th>Public Acceptability</th>
<th>Stakeholder Acceptability</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.5</td>
<td>1</td>
<td>1</td>
<td>3</td>
<td>3</td>
<td>1</td>
<td>3</td>
</tr>
</tbody>
</table>

10.6. Summary of Policy Evaluation

The matrix below visually summarizes the key trade-offs between the policy options assessed, serving as a comparative tool to demonstrate the relative benefits and shortcomings of each option. Green represents a High scoring (3), illustrating strong performance and desirability of the policy on a given criterion; yellow represents a Moderate scoring (2); red represents a Low scoring (1), illustrating low desirability of the option on a given criterion. Additionally, given the identified policy problem and the primary objective of expanding the supply of child care spaces in the City, the “effectiveness” criterion is weighted twice as heavily as any other criterion.
### Table 9  Summary of Policy Analysis

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Effectiveness: Supply [Weighted * 2]</td>
<td>[2.5 * 2]</td>
<td>[1 * 2]</td>
<td>[1 * 2]</td>
<td>[2.5 * 2]</td>
<td>[1.5 * 2]</td>
</tr>
<tr>
<td></td>
<td>5</td>
<td>2</td>
<td>2</td>
<td>5</td>
<td>3</td>
</tr>
<tr>
<td>Equity: Affordability</td>
<td>3</td>
<td>3</td>
<td>3</td>
<td>3</td>
<td>1</td>
</tr>
<tr>
<td>Equity: Geography</td>
<td>3</td>
<td>2</td>
<td>2</td>
<td>3</td>
<td>1</td>
</tr>
<tr>
<td>Cost</td>
<td>3</td>
<td>3</td>
<td>1</td>
<td>2</td>
<td>3</td>
</tr>
<tr>
<td>Ease of Implementation</td>
<td>1</td>
<td>1</td>
<td>2</td>
<td>1</td>
<td>3</td>
</tr>
<tr>
<td>Public Acceptability</td>
<td>2</td>
<td>3</td>
<td>2</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td>Stakeholder Acceptability</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>2</td>
<td>3</td>
</tr>
<tr>
<td>Weighted Total</td>
<td><strong>18</strong></td>
<td><strong>16</strong></td>
<td><strong>15</strong></td>
<td><strong>18</strong></td>
<td><strong>15</strong></td>
</tr>
</tbody>
</table>

The following chapter presents the recommendations of this study.
Chapter 11. Recommendations and Conclusion

11.1. Recommendations

This analysis indicates that Option 1: Integrate Child Care into Community Amenity Contributions and Option 4: Non-profit Support Framework are the strongest performing policy options in both their impact on child care supply expansion and in their overall performance across the criteria. Therefore, it is recommended the City adopt both Option 1 and Option 4 to increase licensed group child care spaces for children 0-5 years of age in the City of Surrey.

Integrating child care into the City’s community amenity contributions approach performs strongly across effectiveness, equity and cost criteria. It offers to have significant impact on child care supply, with the least financial impact on City budgets. It harnesses development to achieve community amenities in the form of monetary contributions and in-kind child care facilities, giving the City flexibility in funding allocation decisions and integrating child care facilities into an increasingly urban built environment.

Second, a non-profit support framework has key strengths in effectiveness and equity, with additional impacts on child care quality and affordability, whilst supporting a more balanced child care sector in the City. This approach builds on the City’s strong history of collaboration with the non-profit sector, with the added potential to leverage provincial capital grants and cost-sharing opportunities for greater impact on child care supply.

An additional strength not captured explicitly through the criteria includes supporting objectives of fairer wages, and greater inclusivity: by enhancing the non-profit sector’s capacity, the City supports the needs of children with special needs, and
Aboriginal and refugee children – groups with exacerbated access and affordability barriers to licensed child care.

Notably, both approaches have a prominent drawback: they entail a high degree of implementation complexity: a CAC approach requires substantial changes in the City’s development and planning processes vis-à-vis the development community; partnerships with non-profits through municipal funding and/or capital contributions is likely to result in shared ownership arrangements of child care assets and direct municipal involvement in the build-out of capital projects. The adoption of the recommendations will require significant investment in municipal staff capacity to attain implementation success.

Additionally, a CAC approach risks significant developer opposition, which needs to be addressed through extensive engagement with Surrey’s development community and internal staff across various departments. Implementation considerations are identified in Appendix D. Nonetheless, the recommended policy options present notable synergies for addressing the policy problem under investigation in this study: CAC monetary contributions can support the implementation of a non-profit support framework, creating a funding stream for child care grants, including for capital expansion.

Elected officials interviewed in this study recognize these shortcomings, and observe that policy decisions in their jurisdictions – which have adopted the approaches recommended in ways specific to their contexts – balance potential opposition with the evidence-based needs of their residents, and their community’s vision for its future. The recommendations support Surrey’s own vision: a diverse, sustainable, inclusive, family and child friendly City with the social infrastructure supportive of a vibrant and innovative local economy and strong workforce.

Finally, experts interviewed in this study cautioned against an understanding of child care options as exclusive or independent. Instead, they underscored the strength of a comprehensive, flexible and nimble approach to activating opportunities; one that is responsive to the changing economic, political and community circumstances faced by municipalities and their elected officials. This is reflected in the child care policies and strategies adopted across Metro Vancouver, which embrace a comprehensive approach that often includes some or all the alternatives analyzed in this study. Therefore, while this
study informs our understanding of measures with the most impact for Surrey, all can be included as part of a more comprehensive and flexible suite of actions to enhance municipal support for child care in the City.

11.2. Conclusion

The City of Surrey is growing at an accelerated pace and stands to become British Columbia and Metro Vancouver’s largest City in less than three decades. This growth will bring abundant economic opportunity, employment and land development. It will also bring challenges, including added pressures on the City’s physical and social infrastructure. Changes in the City’s child and youth demographic, which projections indicate will continue to rise both in numbers and as a share of the City’s overall population, challenge the City to reconsider the services and amenities made available to this group, and their parents. Undoubtedly, the City is likely to experience “growing pains”. Nonetheless, timely policies and proactive action can help harness growth, achieving a sustainable urban economy and environment, and a socially inclusive and liveable City (Hall & Pfeiffer, 2000).

This study has examined the City’s child care context: identifying a significant shortage of licensed group child care spaces for children 0-5 years of age; a gap with negative impacts on children, parents, the local economy, and the City’s liveability. It has investigated and analysed policy options for the City to enable and support the creation of high quality, affordable child care spaces, drawing on lessons from Metro Vancouver jurisdictions and expert insights. This study’s findings suggest integrating child care into the City’s community amenity contributions approach and the adoption of a non-profit support framework offer the most impact on child care supply in the City, with significant additional benefits on child care quality and affordability.

This study contributes to the literature on the role of municipalities in child care, with practical relevance for municipalities across Metro Vancouver and British Columbia; it offers pragmatic insights on the benefits and shortcomings of various policy options, including development contributions; and identifies opportunities for municipal influence over early childhood development and positive early childhood experiences in the City.
References


Appendix A.

Approaches to Child Care in Burnaby, New Westminster, Richmond and Vancouver

The intent of this section is to provide an overview of approaches adopted across four Metro Vancouver municipalities to support the creation of child care spaces in their jurisdictions. This section highlights how municipalities are responding to residents’ need for more accessible, affordable child care of high quality.

City of Burnaby

The City of Burnaby’s approach to child care recognizes the critical social and economic role that quality child care plays in community well-being. This guides the City’s commitment to a comprehensive and inclusive child care system (City of Burnaby, 2017a). This commitment was first ratified by City Council in 1993 with the adoption of the Burnaby Child Care Policy, which was revised in 2000 (City of Burnaby, 2000). It outlines the various ways in which the City supports the child care sector and enables the creation of child care spaces.

The City has undertaken zoning bylaw reviews and text amendments to become more permissive of child care, reducing the obstacles faced by providers seeking to set up operations. For example, the City is conducting a zoning bylaw text amendment to allow child care as a permitted use in commercial and business-park type districts, eliminating the need for operators to undertake a rezoning and go through a public hearing process1 (Manifold, Nov 25, 2016). This measure facilitates setting up child care operations and reduces the time and costs involved in rezoning.

In 2009 the City revised their Child Care Planning Resource Package to better assist child care operators with the planning process and reduce the information barriers.

1 Rezoning and public hearing processes are time consuming, and can take between four to six months, and sometimes longer.
that can thwart child care supply expansion. The City’s Social Planner role provides
guidance and assistance to existing or prospective child care operators, serving as a touch
point between operators and planning. Locating child care under the purview of the Social
Planner has ensured the City is kept abreast of child care issues in the community.
Furthermore, the Social Planner participates in the City’s Child Care Resources Group,
which works to address child care issues and inform, educate and create awareness of
child care needs in the community.

Of significance with regards to space, the City of Burnaby, like New Westminster,
Richmond and Vancouver, utilizes development contributions to obtain community
amenities, including child care facilities. Specifically, in 1997 the City adopted the
Community Benefit Bonus Policy. This policy enables it to consider development
applications and approve additional density in exchange for contributing a ‘community
benefit’. The density bonus rezoning approach is accomplished through the development
approval process for Comprehensive Development (CD) District rezonings applicable only
within the City’s four Town Centres (City of Burnaby, 2014b, 2017b). Density bonus
provisions are defined and implemented through the Burnaby Zoning Bylaw (City of
Burnaby, 2017c).

Community benefits accomplished through the development approval process
yield amenities such as parks, civic facilities, affordable housing, and purpose-built child
care spaces. They also may result in cash-in-lieu contributions which are allocated to the
City’s Community Benefits fund, which collects development contributions for the future
provision of community amenities (City of Burnaby, 2017b). Between 1997 and 2014, the
policy yielded three child care centres totalling 146 licensed child care spaces, along with
a number of parks and public open spaces, affordable housing, non-profit office spaces,
and environmental improvements. It contributed $115 million in Community Benefits (City
of Burnaby, 2014b, 2014a). Importantly for child care outcomes, the policy specifically
includes child care facilities within the category of ‘community amenity’, which is one of
three categories of ‘community benefits’ sought by the City.

Finally, the City addresses child care affordability and quality in part through its
support for the non-profit child care sector. Non-profit societies operate the City’s city-
owned child care facilities, and benefit from below-market rate rents and/or nominal rates and certainty of tenure in their lease agreements. They are also property-tax exempt, as are all non-profits in the City (Spicer, 2015). For non-profit child care operators, these are financially favorable arrangements with significant impact on operating costs, and the City hopes, with an impact on child care fees. In fact, the rationale for supporting the non-profit sector was expressed in the following terms by the City’s Social Planner with oversight for child care: “We have more oversight of the program. [The non-profit] is getting [the facility] rent free from us so we want to see a quality child care program geared to Burnaby families” (Manifold, Nov 25 2016).

City of New Westminster

The City of New Westminster has taken various steps to understand child care needs in the community and support accessible, affordable, quality child care in the City. In 2008, the City undertook a Child Care Needs Assessment and subsequently adopted in 2009 a Child Care Strategy containing 21 actions in support of a comprehensive child care system (City of New Westminster, 2009b; Stark, 2014). Between 2009 and June 2015, the implementation of these actions resulted in a 41.2% increase in child care spaces – 493 new spaces. This has had a notable impact on the child care access rate, which increased from 16.3 in 2008 to 22 in 2014 (City of New Westminster, 2015).

The City undertakes regular needs assessments and performance tracking to inform ongoing interventions. For example, the 2015 Child Care Needs Assessment informed the development of a new Child Care Strategy in October 2016. Performance tracking suggests that between the adoption of the 2009 Strategy and the 2016 Strategy, the City created 600 spaces, playing a direct role - as a funder, facilitator, partner and collaborator – in the creation of over 60% of those spaces (John Stark, Dec 21, 2016)².

Given this success, New Westminster offers important lessons and insights on the municipal role in child care. First, the City’s approach frames child care as a

² At the time of this interview, 180 more child care spaces were in the City’s planning and development process and unaccounted for in this figure.
“comprehensive child care system… that includes the provision of quality programs that are accessible and affordable” (City of New Westminster, 2016, p. 5). This vision, and the policy frameworks and action plan that derive from this prioritize the three essential pillars of child care: quality, affordability and access.

Key municipal interventions include: direct financial support to develop civic child care facilities; making city facilities available to non-profit child care providers through long-term, low-rate lease agreements; civic child care grants to support existing programs; allocation of 10 per cent of density bonus revenues to assist with the capital cost of developing civic child care facilities; and the use of rezoning processes and land development to undertake community benefit negotiations to attain child care outcomes. This is not an exhaustive list, but is indicative of the City’s attention to child care and the various tools utilized to meet child care objectives.

Similarly, the City and School District #40 developed a Child Care Protocol to work together to “maintain, establish and increase the viability of existing licensed child care spaces within their collective control, and to plan for and develop, if feasible, new child care spaces on their collective lands” (City of New Westminster, 2009a, p.6).

Additionally, the City also undertook over a period of 5-6 years a comprehensive review of the zoning bylaw and other regulations to streamline the development approval process, identify and remove barriers and become more permissive of child care. Creative steps were taken, including the use of Development Variance Permits to enable the creation of outdoor play space in underutilized parking, and the introduction of a Sunday Parking Fee, a portion of which is earmarked to the Civic Child Care Grant Program which assists non-profit child care operators (Stark, 2014).

Finally, annual status reports to council and a commitment to conduct a child care needs assessment every five to seven years has been endorsed by the City’s elected officials. It is interesting to note that this municipality of 73,771 people (BC Stats, 2017b) is significantly smaller than the City of Surrey, with implications on its financial capacity to address child care.
City of Richmond

The City of Richmond has been engaged in child care since 1982 when it adopted Policy 4015: Child Care – Development of a Comprehensive Child Care System (City of Richmond, 2005). This was replaced in 2006 by a consolidated Child Care Development Policy 4017 which frames quality, affordable child care as an “essential service in the community for residents, employers and employees” p. 1. The Policy frames the scope of City action, including provisions for the City to develop child care facilities through the “use [of] its powers through the rezoning and development approval processes to achieve child care targets and objectives” (p. 3) and enables the use of “City facilities for child care programs in locations throughout the City” (p. 4).

The City’s Commitment to Child Care (2011) summarizes the approach to meeting child care objectives, which includes the use of policy, planning, regulatory and financial tools to support and enable the expansion of child care supply in the City. Similarly, the Official Community Plan and Area Plans also integrate child care priorities, serving as primary tools with influence over land use.

The City of Richmond obtains developer contributions through both CAC and Density Bonus approaches – these yield in-kind developer-built child care facilities and cash-in-lieu contributions. Regarding the former, the City expects to complete a 7th in-kind CAC child care facility in 2017, and an 8th in 2018, illustrating the effectiveness of this approach on the creation of child care spaces. Secondly, cash-in-lieu contributions comprise a source of funding for the City’s child care grants program. Cash-in-lieu contributions are collected in a Child Care Development Reserve Fund and a Child Care Operating Reserve Fund on a 90/10 per cent basis respectively.

The Child Care Development Reserve Fund financially assist with capital expenses, including expenses incurred in establishing child care facilities on City buildings and City land, undertaking community partner projects, and providing grants to non-profit child care operators for minor capital renovations, playground upgrades and the purchase of furnishing and equipment (City of Richmond, 2006). On the other hand, the Child Care Operating Reserve Fund is allocated to non-capital expenses such as child care
professional development within the City. Municipal funds are made available only to non-profit child care providers.

Whereas in some municipalities, particularly in the City of Vancouver, developer contributions have been leveraged in partnerships with non-profit and senior government funding to undertake major child care capital projects, in Richmond the annual capital grant budget funded through development contributions, at $50,000 annually, has not been sufficient to undertake major capital project funding (City of Richmond, 2015; Cuthbert, Mar 03, 2017). Examples from other jurisdictions, however, suggest that developer contributions can be pooled over time and leveraged in partnership with non-profits and/or school districts and used to “top up” developer contributions where required.

The City’s approach in negotiating development contributions for child care has added a layer of complexity to the development process. To provide oversight and carry out the implementation of the Child Care Policy, the City’s Child Care Development Advisory Committee (2014) proposed the City create and fund a full-time Child Care Coordinator position. Since 2013 the Child Care Coordinator has provided critical oversight of the actions stemming from the City’s Child Care Policy, guiding its implementation and overseeing the build-out of in-kind child care facilities.

Furthermore, the City developed Child Care Design Guidelines to “provide clarity for developers, architects and child care operators regarding the City’s expectations for the design and finish of child care facilities that will become municipal assets” (City of Richmond, 2016b, p. 1). They apply only to child care facilities built as City capital projects or developer-built community amenity contributions related to rezoning processes. They form a key component of the City’s leverage over child care quality through influence on the built environment of child care facilities, contributing to health and well-being outcomes for children. At a pragmatic level, the Guidelines also ensure that facilities that become municipal assets are durable and minimize maintenance costs over the life of a facility.

In addition to these measures, the City has also conducted reviews of its zoning bylaws to identify and reduce impediments to the creation of child care, enabling the City to become more permissive about where child care can be located across development zones. Timely updates to the City’s Child Care Needs Assessments and Strategy (2009),
community engagement to understand residents’ experiences with child care, and data gathering and evaluation keep the City abreast of local child care issues.

Since 2009, the City’s contributions to the stock of licensed child care spaces includes the creation of two city-owned child care facilities with a total of 62 spaces and the development of five developer-contributed city-owned child care facilities across six Richmond planning areas, providing almost 250 new spaces (City of Richmond, 2016a). An additional 8th facility is expected for 2018 (Cuthbert, Mar 03 2017). Finally, municipal action has also enhanced affordability, given that non-profits operating city-owned spaces are supported by the City through nominal rate lease agreements that provide security of tenure, reduce operating costs, and lend stability to operators and families.

City of Vancouver

The City of Vancouver has a long history of involvement and intervention on child care issues, dating back to the development of a comprehensive Civic Childcare Strategy in 1990 (City of Vancouver, 2002). In it, the City outlined its role in supporting the development of quality, affordable, accessible child care services, and created room for the use of an array of levers to support, incentivize and fund child care in the City.


This health-centred framing supplements a most often used economic and business-centred approach, which recognizes child care’s “crucial role in the social and economic stability of our city” (City of Vancouver, 2017d, n.p.). Together, these narratives have anchored child care as a social and politically important priority for over two decades. Fast-forwarding to the present, child care objectives are embedded in the City’s Healthy
City Strategy (2014) where liveability and well-being permeate arguments and narratives around child care support (City of Vancouver, 2015).

Municipal grants form a key component of the City’s approach to enhancing child care affordability (City of Vancouver, 2016b). Several grants are available to non-profit child care providers, including Childcare Enhancement Grants, Program Stabilization Grants, Program Development Grants, Capital Project Grants, and Social Innovation Grants (City of Vancouver, 2017c). Between 2012 and 2016, the City awarded 382 child care grants to non-profit child care operators.

Additionally, the City directly supports and funds through its capital budgets the renewal of existing and development of new purpose-built child care facilities across City-owned buildings and/or City-owned land. Currently, of the City’s 8,100 child care spaces for children under school age (includes licensed group child care and preschool), 1,715 spaces are located in 49 City-owned buildings and 880 spaces are located in 27 non-City-owned buildings on City-owned land, comprising 32 per cent of the existing stock (City of Vancouver, 2017b). The remaining 5,500 spaces are provided by the School Board, non-profit agencies, and the private sector. As of 2015, the City’s access rate was 23.3 child care spaces per 100 children 12 and under (Spicer, 2015).

The City’s current Capital Plan (2015-2018) allocates a direct municipal investment of $30 million to child care, comprising 3 per cent of the overall capital plan’s proposed investments. Of this, $25 million are earmarked for the creation of 400 new spaces for children 0-4 years old, with a municipal contribution of $50,000 per space\(^3\). Additionally, during the same period the City will negotiate the delivery of 100 additional child care spaces attained through in-kind Community Amenity Contribution negotiations (City of Vancouver, 2017b).

\(^3\) For comparison, the City of Vancouver contributes $10,000 per child care space for 5-12 year olds, as these are developed in partnership with the Vancouver School Board and other community partners (City of Vancouver, 2017b).
CACs are widely utilized by the City of Vancouver to fund community facilities and infrastructure, including child care\(^4\). In conjunction, CACs and DCLs have enabled the creation of 3,400 child care spaces, comprising a third of the total stock of child care spaces in the City (inclusive of child care 0-12)\(^5\) (City of Vancouver, 2015).

Notably, the City’s effectiveness in obtaining community amenities through CACs (and DCLs) is linked to the City’s approach to community planning, which includes the development of “public benefit strategies” along with community plans. Public benefit strategies – informed by the needs of residents communicated to the City through public consultation processes – help prioritize the allocation of available funding from developer contributions, capital budgets, and other sources (City of Vancouver, 2013b). This mechanism for leveraging growth (i.e., integrating CACs into the development process) has enabled the construction of important public infrastructure as the City grows. City Council and the development community recognize community amenity discussions have become a signature part of Vancouver’s urban development process and style.

\(^4\) It is important to note that Vancouver has access to three sources of ‘development contributions’ to fund community facilities: Development Cost Levies (DCLs), Community Amenity Contributions (CACs) and Density Bonusing. DCLs are unique to Vancouver and stem from the Vancouver Charter (City of Vancouver, 2015), while the latter two are utilized to various extents across several Metro Vancouver municipalities and elsewhere.

\(^5\) Only 7% of CACs are allocated to child care, with for example 41 per cent being allocated to affordable housing, 18 percent to community social, cultural and library facilities, 16 per cent to heritage and 15 per cent to parks and open space (City of Vancouver, 2015).
Appendix B.

Limitations and Areas of Further Research

Although this study was undertaken diligently and provides an informed evaluation and analysis of policy options for enhancing municipal support for child care in the City of Surrey, it faces some limitations. These have helped to identify areas of further research.

A central limitation of this study's findings and policy recommendations pertains to the assumptions made in the evaluation of policy options. The evaluation of options is conducted based on informed hypotheses of the performance of these options in other jurisdictions and experts’ assessments gathered through qualitative interviews. Evaluation outcomes are constrained by a lack of quantitative evaluative data in other jurisdictions. This limitation is especially prevalent in the effectiveness criterion.

Secondly, this project has been unable to incorporate the opinions of important stakeholders. Due to timeline constraints, the perspectives of members of Surrey’s development community and indeed the perspectives of City of Surrey staff fulfilling duties within the Planning and Development Department are not included. The positions and stances of these groups have been incorporated into this analysis using academic literature, expert interviews with planning staff in other jurisdictions and Corporate Reports produced by City of Surrey staff for the City’s elected officials. However, gaining a better understanding of developers’ perspectives with regards to CACs for child care and their stance to the proposals herein, as well as the views of those tasked with implementing them, will strengthen the probability of success of interventions.

Additionally, in-depth research on jurisdictions outside British Columbia and Canada was not feasible due to the constraints of the project. Interviewees noted that a compendium of municipal interventions on child care has not yet been developed, as scholarly attention has mostly focused on policy approaches by senior levels of government. Improving our understanding of approaches utilized by municipalities to support child care, as well as interventions’ effectiveness and impacts on the key pillars of accessibility, affordability and quality will improve local capacity and political support.
Evaluative studies would be a welcome addition to the literature on municipal approaches to child care.

Finally, interview participants concurred on the important need for collaborative and partnership-based approaches, particularly with non-profit and public partners such as School Districts. Due to scope, this study did not explore the role that can be played by the Surrey School District. As responsibility for child care continues to shift from community/social service/child protection ministries to education ministries across Canada, and as support for and innovations around early learning hub models grows (Ferns & Friendly, 2014), research into how British Columbia School Districts can better support under-school aged children and child care is salient.
Appendix C.

Implementation: Supporting the Recommendations

Implementation considerations have been noted throughout the evaluation of policy options in this study, particularly in the evaluation of ‘ease of implementation’ and ‘cost’ criteria. Nonetheless, for the recommended options to achieve implementation success, the City of Surrey might consider to:

- Enhance child care data collection, including improving understandings of child care indicators by age group, care type and neighbourhood. This could be done through an updated Child Care Needs Assessment and public engagement;
- Undertake engagement with non-profit child care providers to understand capacity, collect feedback on proposed options and timing implications;
- Undertake engagement with Surrey’s real estate development community, including the Urban Development Institute and the City’s Development Advisory Committee to understand perspectives, concerns and priorities;
- Examine how the recommendations advance the objectives and priorities identified in the City’s Sustainability Charter;
- Examine implications on City revenues from development fee exemptions to non-profit child care projects and municipal land/facilities with child care potential;
- Examine capital commitments to Child Care Grants and the creation of grant streams e.g. capital, operating and professional development grants;
- Identify how to support the efforts and recommendations articulated by the Surrey Community Child Care Taskforce and actions identified in a 2017 Strategy;
- Consider the development of ‘soft’ space targets, guiding timelines and resource allocations;
- Assign responsibility for child care to a municipal department;
- Increase staff capacity to undertake policy implementation;
- Develop a child care working group comprised of municipal staff (e.g., Planning, Engineering, Parks, Recreation and Culture) and key stakeholders to undertake implementation;
- Explore municipal interest in developing Child Care Design Guidelines for City-owned child care facilities; and
- Finally, explore opportunities to engage the City’s elected officials and bolster leadership on child care.
Appendix D.

Sample Interview Schedule

Topics

• Opinion about child care problem: governance, relevance, urgency, implications for economy and children’s development;
• Challenges in enabling/supporting the creation of child care spaces from respective perspectives: municipal staff, elected officials, business;
• Knowledge of actions/interventions taken by other cities on child care: opinions around what is working elsewhere, what could work in the City of Surrey;
• Suggestions on possible solutions within municipal power to the shortage of quality, affordable child care spaces (how to enable/support);
• Opinions on preliminary policy options identified through research and interview in the Surrey context.

Questions

• Can you tell me a little about your experience or knowledge of the child care situation in Metro Vancouver?
• Is child care an issue being considered in your organization and how?
• What is your opinion on the role of municipal governments in regard to child care?
• Specifically looking at cities’ roles in enabling and supporting the creation of child care spaces (influence on supply), what do you think are the biggest barriers for creating child care spaces?
• Specifically thinking of cities’ and what they are capable of doing given their jurisdictional authority, what do you think are areas of opportunity or untapped potential for creating child care spaces?
• What are the most effective policy options available to municipal governments to improve the number of child care spaces and where has this been implemented?
• Please explain some of the key advantages with implementing this/these intervention(s).
• Please explain some of the key challenges/obstacles with implementing this/these intervention(s)
• What are the most ineffective policy options available to municipal governments to improve child care supply?
• Please share with me any cautions around interventions not worth pursuing and why.