

## EXPANDING ACCESS TO ECE THROUGH AFFORDABLE HOUSING DEVELOPMENT

Results from CIF/CEDAC Information Gathering

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### Introduction

Many families in Massachusetts lack access to licensed early care and education (ECE). Over two-thirds (70%) of infants and 43% of toddlers in the state live in an access desert.<sup>1</sup> Over 30,000 children are on the waitlist for child care financial assistance.<sup>2</sup> Increasing the supply of ECE services is critical, and physical infrastructure is a part of the solution.

ECE programs that are looking to expand often struggle to find high-quality facilities that are in the communities they serve. As a result, many programs operate out of aging, suboptimal spaces not originally designed for children. Massachusetts is also grappling with a housing crisis. In August 2024, Governor Healey signed the *Affordable Homes Act* which authorizes \$5.16 billion over the next five years to address rising housing costs and increase housing availability.

Children's Investment Fund (CIF) and the Community Economic Development Assistance Corporation (CEDAC) create healthy environments and homes for children and their families. CIF is focused on the redevelopment and new construction of early care and education (ECE) environments and CEDAC works with affordable housing developers to create and preserve affordable housing in Massachusetts. In the summer of 2025, CIF and CEDAC utilized their networks to survey affordable housing developers and host a focus group to solicit feedback on the opportunity for new ECE spaces to be developed alongside affordable housing.

### Survey

Children's Investment Fund disseminated a survey to affordable housing developers in Massachusetts in late June 2025. The survey was sent via CEDAC's email listserv and through the network of the Massachusetts Association of Community Development Corporations (MACDC).

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<sup>1</sup> Massachusetts Department of Early Education and Care. Data Advisory Meeting #2. July 22, 2025. [Slide 23](#).

<sup>2</sup> Massachusetts Department of Early Education and Care. [Key Performance Indicators \(KPIs\) Dashboard](#).

## Responses

CIF received 33 responses:

- 24 affordable housing developers
- 5 early education providers
- 2 architectural firms
- 2 other partners interested in this work

Of the 24 developers:

- 13 were Community Development Corporations (CDCs)
- 5 were other non-profit developers (not CDCs)
- 5 were for-profit developers
- 1 was a Municipal Affordable Housing Trust

No Public Housing Authorities responded to the survey. Collectively, the developers serve all regions of Massachusetts, with the Boston Metro area being the most represented. They focus on a variety of types of affordable housing, with family rental housing being the most common.

## Potential Barriers

Eight out of the responding 24 affordable housing developers have developed or are currently developing a housing project that includes ECE and/or out-of-school time space. Several projects have been completed or are about to begin construction.

The eight developers who have experience working with ECE facilities were asked about the most challenging aspect of incorporating child care into the project. Top concerns were the cost of constructing or retrofitting the ECE space and finding the right ECE partner.

Ten developers said that they considered creating housing alongside ECE in the past but the project did not advance. The most cited reason was a funding gap for the ECE portion of the project.

## Potential Supports

When asked “Which of the following do you think might incentivize more developers to undertake child care facility development?” respondents selected the following:

- Capital funding for the child care portion of a project – (22 responses)
- Monetary incentives for developers – (20)
- Matching developers with child care operators – (19)
- Technical Assistance with navigating child care regulations – (16)
- Information on the process of developing child care facilities – (13)

Developers were interested in learning about case studies of successful locations and attending a webinar on this topic. There were several open-ended comments at the end of the survey, including:

- *This sounds like an exciting opportunity! We have several projects in our pipeline with commercial space with no specific tenant in mind, and in particular we have one that could be very suitable for childcare. Excited to talk more and learn about funding and technical assistance opportunities.*
- *[We] would be interested, for the benefit of our tenants and neighborhood residents, in including child-care in housing and mixed use development...I'd like to expand the conversation to include current barriers to tenants who may want to be child-care providers in a development that does not have common space to dedicate to this purpose.*
- *It would be a wonderful resource to be able to provide for [our] tenants, however, I need to learn more about the challenges, regulatory requirements and capital resources to see whether the development of child care facilities as part of our housing development work is feasible. Hence, my interest in seeing case study materials and attending an introductory webinar.*

### **Focus Group**

On September 25, 2025, Children's Investment Fund held a virtual focus group discussion with 8 affordable housing developers from 6 organizations. These individuals responded to the survey in the summer and expressed interest in participating in a follow-up conversation. Many in the group had already worked with ECE agencies in the past or were uniquely motivated to do so.

When asked what **questions** individuals had about ECE or the concept of co-location, they included:

- How underserved are children in the state, for ECE? What is the data on child care access?
- What have other states done to co-locate housing and ECE?
- What are the licensing requirements for outdoor play space? Does it need to be on the same property as the ECE facility?

The following **benefits** of co-locating ECE and affordable housing were noted during the discussion:

- **Community Support.** The consensus was that ECE is a clear community benefit. One developer noted that in their community process for a new site, community members identified ECE as a top need.
- **Consistency.** Several developers noted that recently, retail businesses can be difficult to sustain in commercial spaces. ECE has the potential to be a lasting, consistent business.
- **Timing.** Partnering along the way with an ECE program can result in the program being opened at the same time the housing units are, avoiding the challenge of a "black box" retail space waiting to be filled after the housing has opened.

When asked about potential **challenges** to this work, individuals noted:

- **Cost.** The need for capital resources to support the build-out of an ECE space, which is something neither ECE operators nor affordable housing developers typically have access to.
- **Timing.** Identifying the right ECE operator as a partner, and one that can commit to the long-term nature of developing new affordable housing projects, which can be as long as 10 years.
- **Design.** Parking, circulation for pick-up and drop-off, and outdoor space were mentioned as a concern.
- **Staffing.** The group discussed the shortage of early childhood educators across the state, which would need to be addressed to support expansion efforts.
- **Available Space.** One individual noted that they are working with an ECE operator in one of their buildings who would like to expand, but there is no room to do so because of the fixed square footage footprint.

Several **opportunities** were identified in the discussion:

- The potential for CIF and CEDAC to serve as matchmakers between developers and ECE programs.
- The availability of predevelopment loan funding to support planning for these types of projects, which is currently available through CIF and CEDAC.
- The potential for affordable housing developers to engage with an architect with ECE expertise early in the predevelopment process, to review design plans with an eye for ECE feasibility and high-quality design. CIF has a network of such architects.
- Someone asked if affordable housing developers could apply to the Early Education and Out of School Time (EEOST) Capital Fund. Only EEC-licensed ECE programs can apply, although they can apply in partnership with a developer.
- A developer asked if ECE can serve as a “community services facility” under federal Low Income Housing Tax Credit (LIHTC) structures. It seems so, under certain circumstances. If this was more widely known and understood, it may incentivize more projects.

### **Conclusion and Next Steps**

As Massachusetts continues to invest in the production of new affordable housing units, there is a great opportunity to explore the co-creation of new ECE capacity for children alongside these efforts. The affordable housing developers providing feedback to CIF and CEDAC see a clear community benefit. They identify a need for more capital funding to support the build-out of high-quality spaces designed for children as one of their top concerns. Many opportunities for further exploration include:

- A deeper look at ECE access gaps around the state, to understand better what the needs are in different geographies for certain types of care
- Outreach to public housing authorities, which have not yet provided input
- Exploration of opportunities to encourage family child care programs in public housing, set-aside units, or other targeted supports.
- Identification of potential policy or system changes that would incentivize more co-location projects

- More one-on-one conversations with developers, ECE providers, and other interested stakeholders
- Matchmaking for developers and ECE providers when appropriate
- Predevelopment funding and technical assistance support to both providers and developers
- Highlighting examples (and costs) of successful co-location projects
- Learning from efforts in other states
- Hosting a webinar and/or workshops for affordable housing developers to share more information about successful co-location projects and potential opportunities and barriers