

118TH CONGRESS
1ST SESSION

S. 1738

To establish a grant program to address the crises in accessing affordable housing and child care through the co-location of housing and child care, and for other purposes.

IN THE SENATE OF THE UNITED STATES

MAY 18, 2023

Mr. WYDEN (for himself, Mr. PADILLA, Mr. MERKLEY, Mr. WELCH, Ms. KLOBUCHAR, Ms. WARREN, Mr. WHITEHOUSE, and Mr. HEINRICH) introduced the following bill; which was read twice and referred to the Committee on Banking, Housing, and Urban Affairs

A BILL

To establish a grant program to address the crises in accessing affordable housing and child care through the co-location of housing and child care, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Build Housing with
5 Care Act of 2023”.

1 **SEC. 2. PURPOSE.**

2 The purpose of this Act is to expand access to afford-
3 able housing and child care through the establishment of
4 a grant program to promote the co-location of housing and
5 child care providers.

6 **SEC. 3. DEFINITIONS.**

7 In this Act:

8 (1) **APPROPRIATE CONGRESSIONAL COMMIT-**
9 **TEES.**—The term “appropriate congressional com-
10 mittees” means—

11 (A) the Committee on Banking, Housing,
12 and Urban Affairs of the Senate;

13 (B) the Committee on Health, Education,
14 Labor, and Pensions of the Senate;

15 (C) the Committee on Financial Services of
16 the House of Representatives; and

17 (D) the Committee on Education and the
18 Workforce of the House of Representatives.

19 (2) **CAREGIVER; ELIGIBLE CHILD CARE PRO-**
20 **VIDER.**—The terms “caregiver” and “eligible child
21 care provider” have the meanings given those terms
22 in section 658P of the Child Care and Development
23 Block Grant Act of 1990 (42 U.S.C. 9858n).

24 (3) **CHILD CARE DESERT.**—The term “child
25 care desert” means—

1 (A) a census tract that contains not less
2 than 3 times more children than the licensed
3 child care providers in the census tract have the
4 capacity to care for; or

5 (B) a census tract where there are no li-
6 censed child care providers.

7 (4) CO-LOCATION FACILITY.—The term “co-lo-
8 cation facility” means a housing facility that con-
9 tains an eligible child care provider within the facil-
10 ity, on the premises of the facility, or nearby the fa-
11 cility, where such provider serves the residents of the
12 housing facility.

13 (5) COMMUNITY DEVELOPMENT FINANCIAL IN-
14 STITUTION.—The term “community development fi-
15 nancial institution” has the meaning given the term
16 in section 103 of the Community Development
17 Banking and Financial Institutions Act of 1994 (12
18 U.S.C. 4702).

19 (6) COMMUNITY DEVELOPMENT CORPORA-
20 TION.—The term “community development corpora-
21 tion” has the same meaning as when used in the
22 Cranston-Gonzalez National Affordable Housing Act
23 (42 U.S.C. 12701 et seq.).

24 (7) COMMUNITY HOUSING DEVELOPMENT OR-
25 GANIZATION.—The term “community housing devel-

1 opment organization” has the meaning given the
2 term in section 104 of the Cranston-Gonzalez Na-
3 tional Affordable Housing Act (42 U.S.C. 12704).

4 (8) ELIGIBLE ENTITY.—The term “eligible enti-
5 ty” means—

6 (A) a community development financial in-
7 stitution;

8 (B) an eligible child care provider;

9 (C) a public housing authority;

10 (D) a government entity including a public
11 housing agency;

12 (E) an Indian Tribe or a Tribal organiza-
13 tion;

14 (F) a community development corporation;

15 (G) a housing developer using—

16 (i) low income housing tax credits
17 under section 42 of the Internal Revenue
18 Code of 1986; or

19 (ii) new markets tax credits under
20 section 45D of the Internal Revenue Code
21 of 1986;

22 (H) a nonprofit organization that develops
23 housing;

24 (I) a community housing development or-
25 ganization;

1 (J) a consortia of 2 or more entities de-
2 scribed in this paragraph; or

3 (K) another entity identified as appro-
4 priate by the Secretary.

5 (9) INDIAN TRIBE; TRIBAL ORGANIZATION.—
6 The terms “Indian Tribe” and “Tribal organiza-
7 tion”—

8 (A) have the meanings given those terms
9 in section 4 of the Indian Self-Determination
10 and Education Assistance Act (25 U.S.C.
11 5304); and

12 (B) include—

13 (i) tribally designated housing entities;

14 and

15 (ii) entities that serve Native Hawai-
16 ians, as defined in section 338K(e) of the
17 Public Health Service Act (42 U.S.C.
18 254s(e)).

19 (10) LOW-INCOME FAMILY; PUBLIC HOUSING
20 AGENCY; VERY LOW-INCOME FAMILY.—The terms
21 “low-income family”, “public housing agency”, and
22 “very low-income family” have the meanings given
23 those terms in section 3(b) of the United States
24 Housing Act of 1937 (42 U.S.C. 1437a(b)).

1 (11) PROGRAM.—The term “Program” means
2 the program established under section 4(b).

3 (12) PUBLIC HOUSING DWELLING UNIT.—The
4 term “public housing dwelling unit” means a dwell-
5 ing unit in public housing, as defined in section 3(b)
6 of the United States Housing Act of 1937 (42
7 U.S.C. 1437a(b)).

8 (13) SECRETARY.—The term “Secretary”
9 means the Secretary of Housing and Urban Develop-
10 ment.

11 (14) TRIBALLY DESIGNATED HOUSING ENTI-
12 TY.—The term “tribally designated housing entity”
13 has the meaning given the term in section 4 of the
14 Native American Housing Assistance and Self-De-
15 termination Act of 1996 (25 U.S.C. 4103).

16 **SEC. 4. HOUSING AND CHILD CARE PROVIDER CO-LOCA-**
17 **TION GRANT PROGRAM.**

18 (a) ESTABLISHMENT.—The Secretary of Housing
19 and Urban Development shall establish a program to
20 award grants, on a competitive basis, to eligible entities
21 to facilitate the design, planning, construction, conversion,
22 retrofitting, preservation, or renovation of a co-location fa-
23 cility.

24 (b) CONSULTATION.—In developing the Program, the
25 Secretary shall consult with—

1 (1) the Secretary of Health and Human Serv-
2 ices, acting through the Assistant Secretary of the
3 Administration for Children and Families;

4 (2) the Secretary of the Treasury, acting
5 through the Director of the Community Develop-
6 ment Financial Institutions Fund; and

7 (3) the Secretary of Agriculture, acting through
8 the Under Secretary for Rural Development.

9 (c) APPLICATION.—To be eligible to receive a grant
10 under the Program, an eligible entity shall submit to the
11 Secretary an application at such time, in such manner,
12 and containing such information as the Secretary deter-
13 mines appropriate, including the following:

14 (1) A certification that the eligible child care
15 provider associated with the application is eligible to
16 receive vouchers or assistance under the Child Care
17 and Development Block Grant Act of 1990 (42
18 U.S.C. 9857 et seq.), or in the case of an application
19 to construct a new facility, or an application when
20 the eligible entity intends to subgrant or capitalize
21 amounts provided, a commitment to—

22 (A) establish a partnership with an eligible
23 child care provider not later than 1 year after
24 the date on which funding is received;

1 (B) submit to the Secretary a certification
2 of the eligibility of the provider to receive
3 vouchers or assistance under the Child Care
4 and Development Block Grant Act of 1990 (42
5 U.S.C. 9857 et seq.); and

6 (C) in the case of an application to con-
7 struct a new facility, or an application when the
8 eligible entity intends to subgrant or capitalize
9 amounts provided—

10 (i) clearly establish a project pipeline;

11 and

12 (ii) certify that a child care provider
13 associated with a co-location facility
14 project receives vouchers or assistance
15 under the Child Care and Development
16 Block Grant Act of 1990 (42 U.S.C. 9857
17 et seq.) or the Head Start Act of 1965 (42
18 U.S.C. 9831 et seq.).

19 (2) A certification that activities funded by
20 grant amounts will not result in the eviction of resi-
21 dents of the housing facility associated with the ap-
22 plication.

23 (3) A description of a plan to inform and en-
24 gage with residents of the housing facility associated

1 with the application about the proposed use of grant
2 amounts.

3 (4) A certification of compliance with required
4 Federal, State, and local environmental laws and
5 State and local land use policies, unless the eligible
6 entity—

7 (A) intends to use grant amounts to facili-
8 tate the planning or design required for permit
9 approval; or

10 (B) demonstrates that the construction,
11 preservation, conversion, retrofitting, or renova-
12 tion of an existing facility does not require envi-
13 ronmental review.

14 (5) A business plan for the eligible child care
15 provider associated with the application, submitted
16 at the time of application or not later than 1 year
17 after the date on which the application is submitted,
18 including—

19 (A) a budget or, in the case of a new eligi-
20 ble child care provider, a proposed budget;

21 (B) appropriate State and local licensing
22 or, in the case of a new eligible child care pro-
23 vider, a copy of the application of the provider
24 for appropriate State and local licensing; and

1 (C) copies of contracts between the pro-
 2 vider and a local, county, regional, State, or
 3 Federal governmental entity, to facilitate—

4 (i) the business operations of the pro-
 5 vider; or

6 (ii) the enrollment of children from
 7 low-income families with the provider.

8 (d) AWARDING OF GRANTS.—

9 (1) PRIORITY.—In awarding grants under the
 10 Program, the Secretary shall give priority to each el-
 11 igible entity that demonstrates that the eligible child
 12 care provider associated with the application of the
 13 entity will—

14 (A) operate in a child care desert, a low-
 15 income community, or a rural area as deter-
 16 mined by the Secretary;

17 (B) certify designation as a Head Start
 18 provider, an Early Head Start Provider, a Mi-
 19 grant and Seasonal Head Start Provider, or an
 20 American Indian and Alaska Native Head Start
 21 Provider, or enroll at least 10 percent of chil-
 22 dren from very-low income families; or

23 (C) demonstrate a partnership with a com-
 24 munity development financial institution, in-

1 cluding through the provision of financial or
2 technical assistance.

3 (2) GRANT AMOUNTS.—An eligible entity may
4 be awarded not more than \$10,000,000 under the
5 Program.

6 (e) USE OF AMOUNTS.—

7 (1) ELIGIBLE USES.—An eligible entity may
8 only use grant amounts provided under the Program
9 to facilitate the design, planning, construction, ac-
10 quisition, preservation, conversion, retrofitting, long-
11 term leasing, or renovation of a new or existing co-
12 location facility.

13 (2) DISTRIBUTION.—An eligible entity receiving
14 a grant under this section may distribute grant
15 amounts to a government entity, a nonprofit organi-
16 zation that develops housing, a public housing agen-
17 cy, a tribally designated housing entity, or other ap-
18 propriate entity as determined by the Secretary, to
19 carry out activities in accordance with this section.

20 (3) FINANCE PRODUCTS.—A community devel-
21 opment financial institution receiving a grant under
22 this section may capitalize amounts received to cre-
23 ate financial products, including loans, to carry out
24 activities in accordance with this section.

1 (4) PRE-DEVELOPMENT AND TECHNICAL AS-
2 SISTANCE.—An eligible entity may use—

3 (A) not more than 10 percent of amounts
4 awarded to facilitate the pre-development phase
5 of a new facility, including planning and design;
6 and

7 (B) not more than 10 percent of amounts
8 awarded to partner with a community develop-
9 ment financial institution that provides tech-
10 nical assistance and capacity building to help
11 the eligible entity—

12 (i) submit applications to the Pro-
13 gram;

14 (ii) support an eligible child care pro-
15 vider that is home-based with meeting rel-
16 evant State and local licensing and quality
17 standards; and

18 (iii) conduct pre-development activi-
19 ties.

20 (f) ASSISTANCE.—The Secretary shall provide tech-
21 nical assistance and publish best practices online to facili-
22 tate the operation of co-location facilities.

23 (g) REPORT TO CONGRESS.—Not later than 1 year
24 after the date of the enactment of this Act, and annually
25 thereafter for the duration of the Program, the Secretary

1 shall submit to the appropriate congressional committees
2 a report regarding the implementation of the Program, in-
3 cluding—

4 (1) the number of grants awarded;

5 (2) a description of the activities funded;

6 (3) the number of child care slots created, in-
7 cluding the number of child care slots serving chil-
8 dren from low-income families or children who are
9 dual language learners;

10 (4) the number of child care slots preserved
11 that were at risk of elimination due to a child care
12 center closing or proposed price increases;

13 (5) the number and percentage of residents in
14 a co-location facility that use or are employed by the
15 associated child care program;

16 (6) the number of staff employed by the child
17 care provider;

18 (7) demographic data of residents of housing
19 facilities associated with the Program;

20 (8) the number and type of projects facilitated
21 through eligible uses of amounts described in para-
22 graphs (2) and (3) of subsection (e);

23 (9) the number of early childhood providers
24 supported with funds from the Program; and

1 (10) the number of eligible entities of each type
2 that receive grant funding under the Program.

3 (h) AUTHORIZATION OF APPROPRIATIONS.—There is
4 authorized to be appropriated to carry out this section
5 \$100,000,000 for each of fiscal years 2024 through 2029.

6 **SEC. 5. GAO STUDY AND REPORT REGARDING CHILD CARE**
7 **ACCESS FOR RESIDENTS OF PUBLIC HOUS-**
8 **ING.**

9 Not later than 1 year after the date of enactment
10 of this Act, the Comptroller General of the United States
11 shall conduct a study and submit to the appropriate con-
12 gressional committees a report on the availability and af-
13 fordability of child care for residents of public housing
14 dwelling units, which shall include the following:

15 (1) A description of how amounts from the fol-
16 lowing programs have been used by eligible child
17 care providers to establish, renovate, or improve fa-
18 cilities:

19 (A) The community development block
20 grant program under title I of the Housing and
21 Community Development Act of 1974 (42
22 U.S.C. 5301 et seq.).

23 (B) New markets tax credits under section
24 45D of the Internal Revenue Code of 1986.

1 (C) The Community Development Finan-
2 cial Institutions Fund established under section
3 104(a) of the Community Development Bank-
4 ing and Financial Institutions Act of 1994 (42
5 U.S.C. 4703).

6 (D) Low-income housing tax credits under
7 section 42 of the Internal Revenue Code of
8 1986.

9 (E) Capital Magnet Fund funds under sec-
10 tion 1339 of the Federal Housing Enterprises
11 Financial Safety and Soundness Act of 1992.

12 (F) HOME Investment Partnerships Pro-
13 gram funds under title II of the Cranston-Gon-
14 zalez National Affordable Housing Act (42
15 U.S.C. 12721 et seq.).

16 (2) An evaluation of the effects of housing and
17 child care costs on the economic outlook of residents
18 of public housing dwelling units.

19 (3) An evaluation of what percentage of resi-
20 dents of public housing dwelling units are both—

21 (A) cost-burdened, as defined by the Sec-
22 retary; and

23 (B) part of a household where not less
24 than 7 percent of the income of the household
25 is spent on child care.

1 (4) Identification and analysis of State or local
2 laws that are barriers to building or maintaining a
3 facility for use by eligible child care providers within
4 or near a public housing dwelling unit.

5 (5) An assessment of how housing assistance
6 provided under the program for rental assistance
7 under section 8 of the United States Housing Act of
8 1937 (42 U.S.C. 1437f) affects the ability of resi-
9 dents of public housing dwelling units to afford child
10 care and other essential expenses, including—

11 (A) food;

12 (B) telecommunications services and equip-
13 ment such as broadband internet connectivity
14 and cellular phones; and

15 (C) means of transportation such as auto-
16 mobiles, bicycles, or public transportation.

17 (6) An evaluation of the efficacy of the child
18 and dependent care tax credit under section 21 of
19 the Internal Revenue Code of 1986, the earned in-
20 come tax credit under section 32 of the Internal
21 Revenue Code of 1986, the child tax credit under
22 section 24 of the Internal Revenue Code of 1986,
23 and dependent care flexible spending arrangements
24 for residents of public housing dwelling units, includ-
25 ing—

1 (A) the degree of public knowledge about
2 such programs;

3 (B) the degree of success of outreach or
4 public education programs regarding such pro-
5 grams; and

6 (C) an assessment of the sufficiency of
7 each program to cover the costs of child care.

8 (7) An evaluation of the extent that residents of
9 public housing dwelling units receive information re-
10 garding child care resources from Federal agencies
11 or public housing agencies.

12 (8) Recommendations to improve access to child
13 care within and near public housing dwelling units
14 and to improve awareness of the availability of Fed-
15 eral programs to assist with the costs of housing and
16 child care.

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