



CASE STUDIES

OF

**EXPANSION OF TWO CHILD CARE CENTRES
IN SCARBOROUGH, ONTARIO.**

DECEMBER, 2025.

for

**Malvern Family Resource Centre
NYAD and St. Paul's United Church**

Executive Summary

The City of Toronto and the Province of Ontario have established ambitious expansion targets to meet families' child care needs. However, significant systemic barriers continue to impede growth in the non-profit child care sector. The introduction of the Canada-Wide Early Learning and Child Care (CWELCC) program has increased demand for licensed child care, yet expansion has not kept pace.

Greater growth could be achieved if the expansion application process were modified and if all levels of government—including municipalities, school boards, and the province—worked together to ensure that limited resources are used effectively.

Several challenges identified in this paper stem from the absence of a clear vision and strategic planning for sector growth. Toronto Children's Services currently restricts expansion applications to existing child care providers. While this policy is intended to ensure a proven operational track record, it is short-sighted. A mechanism should be established to accredit new not-for-profit providers and enable them to participate in expansion initiatives.

The term *expansion* is currently interpreted as the growth of existing operators rather than the expansion of the child care system itself. A broader strategy is required—one that includes accrediting new not-for-profit organizations and developing partnerships with community organizations capable of hosting child care programs.

Our experience of the process was largely passive: organizations are essentially told to "bring forward projects at their own risk." The process requires extensive detail at early stages, responses are slow, timelines are rigid, and deadlines are punitive. This approach does not facilitate the expansion of a public service system.

Introduction / Background

The Canada-Wide Early Learning and Child Care (CWELCC) initiative was introduced by the federal government in April 2022. Under this program, parent fees were frozen and gradually reduced with the goal of reaching \$10 per day child care.

More than 90% of licensed child care centres in Ontario have enrolled in CWELCC. Service System Managers (SSMs), such as Toronto Children's Services (TCS), are responsible for encouraging expansion to meet demand.

The City of Toronto requires expansion applications to be submitted during a specific annual "window." In 2025, the application window ran from July 1 to October 31. Other SSMs permit applications throughout the year.

This approach creates significant practical barriers. For example, an organization may identify an appropriate site and negotiate a favourable lease in April. However, the application window does not open until July and decisions may not be made until months later. In a competitive commercial real estate market, landlords are unlikely to hold space for up to nine months while an application is processed.

In 2024, Malvern Family Resource Centre (MFRC) approached Toronto Community for Better Child Care (TCBCC) seeking assistance in developing a child care centre on its site. Although MFRC operates several family and community programs, including an EarlyON centre, it had never operated licensed child care.

MFRC was informed that it would need to partner with an existing licensed child care provider. TCBCC subsequently connected MFRC with Building Blocks for Child Care (B2C2), an organization dedicated to expanding non-profit child care capacity. B2C2 worked with MFRC for approximately one year and supported the organization in completing the expansion application before the October 31 deadline.

A second opportunity arose on October 2, 2025, when St. Paul's United Church contacted TCBC after being referred by the office of MPP Doly Begum. The church was interested in housing a child care centre within its building. On October 9, Sue Colley and Donna Spreitzer visited the site and met with Reverend Jim Keenan. Although the deadline was only three weeks away, the partners believed it might still be possible to prepare an application.

Toronto Children's Services established several criteria for expansion proposals:

- Centres must serve at least **49 children** (10 infants, 15 toddlers, 24 preschool).
- Rent or mortgage costs are eligible under CWELCC; loan payments are not.
- Approved projects must be completed by **December 2026**, including renovations, licensing, staffing, and opening.
- "Expansion" applies only to existing licensed operators creating new spaces or sites.

This last requirement was not clearly stated in the guidelines and only became evident during the online application process.

Shared Characteristics of the Two Sites

Although Malvern Family Resource Centre and St. Paul's United Church differ in many ways, the proposed projects shared several important characteristics.

Both sites are in **Scarborough child care deserts**, areas identified by the City of Toronto as having insufficient licensed child care and therefore prioritized for expansion.

Neither site previously hosted a licensed child care centre.

Both buildings contained potentially suitable space but required significant renovations to meet licensing standards, including installation of sinks, toilets, windows, doors, and playground equipment.

Architectural drawings were commissioned to determine whether each site could support the required program rooms and meet licensing requirements. These professional services required financial investment from the organizations involved, yet none of these preparatory costs were covered by Toronto Children's Services.

Challenges

Shared Challenges

Several barriers affected both projects.

The **four-month expansion window**, culminating in the October 31 deadline, created significant time pressure. St. Paul's only learned of the deadline on October 2, leaving less than one month to prepare a complex application.

At Malvern, the timeline was also challenging because the organization had recently experienced a change in senior management.

A further complication was the lack of clarity around eligibility. Neither Malvern nor St. Paul's was an existing licensed operator. Both B2C2 and TCBC initially assumed that community organizations could apply to create new centres in partnership with operators. The guidelines did not clearly state that only existing operators were eligible.

Both buildings also presented **space constraints**. While architectural plans demonstrated that each site could technically accommodate 49 children, the resulting layouts would have been crowded and less than ideal for high-quality programming.

In the case of St. Paul's, the site would have been well suited to a **39-space centre** serving toddlers and preschoolers but not infants. However, without the 49-space threshold, infrastructure funding would likely not have been available.

Finally, CWELCC occupancy rules require centres to maintain approximately **95% occupancy** to avoid funding claw backs. This

further discourages smaller centres that may need time to build enrollment.

Example of Malvern-specific Challenge

Malvern faced a critical zoning barrier. Although the organization operates community programs on the site, the zoning designation did not permit a child care centre.

Addressing zoning changes within the CWELCC timelines was impossible. If expansion in underserved communities such as Scarborough is a priority, municipalities must proactively identify and resolve zoning barriers rather than leaving individual organizations to navigate these issues independently.

Findings

What Worked Well

Community organizations remain highly interested in expanding non-profit child care.

TCBCC and B2C2 successfully brought together St. Paul's United Church and Not Your Average Daycare (NYAD) to explore a partnership. The organizations negotiated an MOU and were committed to pursuing the project.

Similarly, Malvern Family Resource Centre—with support from B2C2—successfully prepared and submitted an expansion proposal.

Key Problems

Several systemic issues limited the success of these initiatives.

The **fixed application window** discourages development opportunities that arise throughout the year. Organizations seeking suitable space

cannot realistically ask landlords to wait months for an application period to open.

The **definition of expansion** was unclear, particularly regarding eligibility for new providers.

The **application requirements are excessive for a preliminary stage**. Architectural drawings, detailed policies, procurement quotes, and equipment lists are required before projects are even approved.

A more effective approach would require applicants to submit a **development plan or Gantt chart** demonstrating their understanding of the steps required to complete the project.

Finally, there is no clear **point of contact within Toronto Children's Services** to answer expansion-related questions. While experienced organizations may find informal channels for assistance, new applicants often struggle to obtain timely information.

Conclusion

This case study illustrates the barriers that continue to limit expansion in the non-profit child care sector. Many neighbourhoods in Toronto remain child care deserts where families struggle to access licensed care.

Current policies favour larger centres and rigid timelines, which often prevents smaller but viable projects from moving forward. In some cases, this results in **no new spaces being created at all**.

Greater flexibility would allow smaller centres to open in existing community buildings such as churches or community hubs. These centres could serve dozens of families immediately and potentially expand over time.

Public infrastructure is also underutilized. Empty classrooms in schools should be made available for child care where feasible rather than held indefinitely for potential future use.

Overall, the expansion process currently places excessive risk on community organizations while providing limited proactive support from government. A more collaborative and strategic approach is required if Toronto and Ontario are to meet their child care expansion goals.

References and Appendices

References

- Building Blocks for Child Care (B2C2) (<https://b2c2.ca>)
- Toronto Community for Better Child Care (TCBCC) childcaretoronto.org
- Malvern Family Resource Centre (MFRC) (mfrc.org)
- St. Paul's United Church (stpaulsscarborough.org)
- NYAD (Nyad.org)

Appendices/Exhibits

City of Toronto CWELCC system: <https://www.toronto.ca/community-people/community-partners/early-learning-child-care-partners/canada-wide-early-learning-child-care-agreement-cwelcc/>