

RESOLUTION NO. 20230126-055

WHEREAS, in order to support high-quality childcare that is affordable in the City, the first step is to break down City barriers that have been identified as the biggest cost drivers of opening, expanding and /or operating these facilities; and

WHEREAS, according to the 2016 Austin Area Sustainability Indicators-Education and Children report, there is not enough space available in affordable high-quality childcare facilities; and

WHEREAS, the US Chamber of Commerce Foundation’s “Building a Stronger Foundation” report indicates that Texas loses an estimated \$9.39 billion annually from its economy due to breakdowns in childcare; and

WHEREAS, Children At Risk data indicates that between March 2020 and September 2021, Austin/Travis County lost 20.2% of its child care capacity which represents about 3,451 child care seats; and

WHEREAS, the Texas Labor Code defines a childcare desert as an area where the number of children younger than six years of age who have working parents is at least three times greater than the capacity of licensed childcare providers in that area; and

WHEREAS, according to 2021 data from Children at Risk, 31 zip codes in Travis County are considered childcare deserts; and

WHEREAS, the City’s Strategic Direction 2023 includes “Create equitable access to quality Early Childhood Education (ECE) by supporting families who do not qualify for existing free programs and cannot afford quality programs on their

own, increasing availability of quality ECE programs, and encouraging living wages for ECE providers” as Strategy 10 in Economic Opportunity and Affordability; and

WHEREAS, the Imagine Austin vision of “Complete Communities” involves creating communities that are more natural and sustainable, prosperous, livable, mobile and interconnected, educated, creative, and which value all Austinites; and

WHEREAS, the process to build a new childcare operation, or any new facility within the City can be very costly and the application and permitting process can take a significant amount of time to navigate; and

WHEREAS, childcare costs are either the first or second largest annual family budget item, after housing costs, so childcare programs cannot pass on higher costs for occupancy and/or facilities to the families through increased tuition; and

WHEREAS, in response to Council Resolution No. 20170928-057, the Childcare Working Group, which included significant stakeholder input, identified associated permitting fees from various City departments and limited zoning categories where day care services are allowed City-wide as one of the major barriers to opening, expanding, and/or operating high-quality childcare operations in the City; and

WHEREAS, the Childcare Working Group report identified the Conditional Use Permit as a costly and burdensome barrier and the limited zoning categories where childcare operations are allowed as a restriction to access to affordable high-quality childcare for Austin families; and

WHEREAS, on October 4, 2018, Council approved Resolution No. 20181004-036, which directed the City Manager to evaluate fee and zoning regulations relating to childcare operations; and

WHEREAS, on April 12, 2019, City staff provided a response to Resolution No. 20181004-036 with various recommendations to reduce barriers to opening or operating childcare operations in Austin, including, but not limited to, increase the number of enrollees allowed in each Day Care Services use category, creating an economic development grant program for qualifying childcare operations to pay for City fees assessed when opening or expanding a childcare operation and eliminating development-related fees assessed by Austin Public Health (APH) and Austin Fire Department (AFD); **NOW, THEREFORE**,

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF AUSTIN:

Council initiates amendments to Title 25 (*Land Development*) of the City Code and directs the City Manager to develop proposed amendments that achieve the following:

1. Create a separate zoning use classification and definition for “Child Care Services” that includes early childhood education and development and modify the existing “Day Care Services” use and definition to “Adult Care Services.”
2. Eliminate non-accessible parking requirements for childcare services that mirror Day Care Services (General) and Day Care Services (Commercial).
3. Make a childcare service that mirrors Day Care Services (Limited) as an accessory use in a principle residential use.

4. Allow the maximum number of enrollees in childcare services to mirror the following concepts: Day Care Services (Limited) from 6 to 12, increase the number of enrollees allowed in Day Care Services (General) from 20 to 24, and increase the number of enrollees allowed in Day Care Services (Commercial) from 21 or more to 25 or more.
5. Increase opportunities for childcare services throughout the city, particularly in childcare deserts, by:
 - a. designating the newly created childcare services conditional uses in zoning districts in which day care services are not permitted and permitted uses in zoning districts in which day care services are currently conditional uses; and
 - b. making childcare services permitted uses in areas of the City that are considered childcare deserts; and
 - c. making other appropriate changes, such as changes to the conditional use permitting process, that are consistent with the goal increasing the availability of childcare services.
6. Limit new childcare operations in zoning districts that are not conducive to childcare, like heavy industrial zones that could pose a health risk.

BE IT FURTHER RESOLVED:

Council directs the City Manager to create an economic development grant program for qualifying childcare operations to pay for City fees assessed when opening or expanding a qualifying childcare operation.

1. The program shall be funded in a pre-determined amount per fiscal year, with a cap on the total amount available per grant application.
 - a. The City Manager shall propose a cap on the total amount available per grant application and an overall cap on the total amount available per fiscal year.
 - b. The City Manager shall develop sufficient controls to ensure the money is used in a manner that satisfies the purpose of the program.
 - c. The City Manager shall establish criteria for equitable grant distribution throughout the City with a focus on establishing childcare facilities in the 31 zip codes considered childcare deserts.
 - d. The City Manager shall ensure that grant funding is prioritized for childcare facility employers that offer their employees a living wage, as set by the U.S. Dept. of Labor, or the City of Austin minimum wage as established by City ordinance, whichever is higher.
2. The program should cover fees associated with:
 - a. the conditional use permitting process; and
 - b. for high quality licensed childcare programs (those accredited by the National Association for the Education of Young Children, the National Accreditation Commission for the Early Care and Education Programs or have a four-star rating from the Texas Rising Star Program) that accept childcare subsidies:
 - i. annual AFD fees; and
 - ii. fees related to use of the property, like a right-of-way fee, assessed by the Austin Transportation Department.
3. Council directs the City Manager to bring the proposed program, implementation plan, and costs and funding sources to Council for its consideration in the annual budget process.

4. If Council approves the proposed program, Council directs the City Manager is directed to bring any ordinances necessary to implement the program for Council consideration.
5. The program should include, but not be limited to, provisions that support public safety professionals such as police, fire, EMS, and 9-1-1 and 3-1-1 call takers and dispatchers with childcare services and resources.

BE IT FURTHER RESOLVED:

Council directs the City Manager to bring an ordinance related to the Title 25 (*Land Development*) changes for Council consideration no later than July 20, 2023.

ADOPTED: January 26, 2023 **ATTEST:** Stephanie Huel for
Myrna Rios
City Clerk