

OFFERED BY CITY COUNCILOR JULIA MEJIA



CITY OF BOSTON IN CITY COUNCIL

IN THE YEAR TWO THOUSAND TWENTY-SIX

ORDER FOR A HEARING TO AUDIT CHILD CARE INVESTMENTS AND THE FINANCIAL STABILITY OF FAMILY CHILD CARE PROVIDERS

- WHEREAS,*** The City of Boston has directed significant funds to support child care, including \$7 million for the Growing the Workforce Fund, \$5.6 million from the Essential Worker and Stimulus and Stability Funds, \$3,260 stabilization grants to every licensed family child care provider, and updated developer contribution requirements projected to generate up to \$3.5 million annually; *and*
- WHEREAS,*** Even with these investments, many Family Child Care providers continue to face serious financial challenges, raising questions about how past expenditures have been allocated, whether funds are reaching providers equitably, and what adjustments are needed to ensure long-term stability; *and*
- WHEREAS,*** Boston is home to approximately 700 licensed Family Child Care providers, many of whom are women, immigrants, and small business owners providing critical early childhood education services in their homes; *and*
- WHEREAS,*** Family Child Care providers enable working families to access affordable and culturally competent childcare directly in neighborhoods, contributing to Boston's economic stability and family well-being; *and*
- WHEREAS,*** Family Child Care providers face growing financial pressures, including rent increases, insurance costs, rising utilities required to meet state standards, and higher property taxes, with some of these challenges stemming from misunderstandings about regulatory requirements, all of which threaten the long-term sustainability of their programs; *and*

WHEREAS, Creating dedicated child care spaces often depends on landlord cooperation, and New York City has sought to incentivize such cooperation through a Childcare Center Property Tax Abatement program, launched in 2023, that offers property owners up to \$225,000 in tax relief for constructing a new child care center or expanding an existing one; *and*

WHEREAS, National organizations such as the Low Income Investment Fund (LIIF), a leading Community Development Financial Institution since 1984, have demonstrated the impact of mobilizing capital to strengthen historically underserved communities, including through significant investments in affordable housing, child care facilities, and schools, showing that connecting community needs to financial resources is both viable and effective; *and*

WHEREAS, In 2018, San Francisco voters approved Proposition C (“Baby Prop C”), a Commercial Rent Tax on landlords with annual gross receipts above \$1 million with all revenue dedicated to funding childcare and early education programs, generating a sustainable local funding stream to expand access and improve educator compensation; *and*

WHEREAS, Boston must audit past child care investments and evaluate which incentives are effective, while considering new tools such as property tax exemptions for landlords and homeowners hosting Family Child Care programs, to ensure the sector’s long-term stability; ***NOW THEREFORE BE IT***

ORDERED: That the appropriate committee of the Boston City Council hold a hearing to review and audit past and current City expenditures and investments in child care and Family Child Care providers, including but not limited to ARPA-funded stabilization grants, the Growing the Workforce Fund, the Essential Worker and Stimulus and Stability Funds, and developer childcare contributions. The hearing shall assess how these funds have been allocated, whether they have reached providers equitably, and what adjustments are necessary to ensure long-term stability for Family Child Care providers. The hearing shall also examine the ongoing financial pressures facing Family Child Care providers, including rent increases, utilities, insurance costs, and property taxes, and explore additional city-level interventions and best practices from other municipalities and national organizations to strengthen Boston’s Family Child Care sector. Representatives from the Mayor’s Office of Housing, Office of Early Childhood, Assessing Department, Office of Workforce Development, child care providers, home owners, landlords, and interested individuals shall be invited to testify.

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