

RESOLUTION NO.

WHEREAS, in January of 2023, Council adopted Resolution No. 20230126-055 which directed 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; and

WHEREAS, in August of 2024, Ordinance No. 20240814-006 was adopted, authorizing fee waivers for new or expanding childcare centers from October 1, 2024, through September 30, 2025, with a combined benefit cap of \$250,000; and

WHEREAS, a May 9, 2025, memo from the Economic Development Department described the program and eligibility for the fee waivers and stated that only existing high-quality programs were eligible for certain fee waivers; and

WHEREAS, the intent of Resolution No. 20230126-055 was to break down City barriers that had been identified as the biggest cost drivers of opening, expanding and/or operating these facilities in order to begin to address the issue of childcare deserts in Austin; 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; **NOW, THEREFORE**,

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

The City Manager is directed to explore ways to expand the childcare fee waiver program to include new childcare facilities and to bring back recommendations to Council by the October 9, 2025, Council meeting.

ADOPTED: _____, 2025 **ATTEST:** _____

Erika Brady
City Clerk