



**COUNCILMEMBER CHRIS CATE  
CITY OF SAN DIEGO  
SIXTH DISTRICT**

**M E M O R A N D U M**

**DATE:** April 12, 2019

**TO:** Honorable Mayor Kevin L. Faulconer

**FROM:** Councilmember Chris Cate

**SUBJECT: Special Child Care Reimbursement Fund Creation and Fiscal Year (FY) 2020  
District 6 Community Projects, Programs, and Services Funding Transfer**

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It is undeniable San Diego is facing a countywide shortage of affordable child care facilities. A recent study by the University of San Diego (USD) cites an estimated 270,161 children under the age of six years requires some type of child care. An estimated 60 percent of these children come from working families. The issue of child care has become more acute with a recent report by the San Diego Union Tribune indicating that the County of San Diego returned over \$11 million in state funds for child care vouchers, primarily due to families being unable to find suitable licensed child care. In the same USD study, it was estimated that a 44 percent gap exists between available spaces and working parents with children under six years of age.

As a result of these findings, I am proposing the City of San Diego initiate the development of a robust quality child care strategy to address this issue by identifying opportunities to increase the supply of licensed facilities. This includes, but is not limited to, economic incentives for the opening of new facilities, wraparound services to train new operators, and regulatory support to help permit and license new facilities.

In an effort to be bold and creative, I request Financial Management create a Special Child Care Reimbursement Fund and authorize the transfer of \$50,000 from my Fiscal Year 2020 Office Budget for the purpose of offering a monetary incentive to City residents who open new licensed child care facilities in residential neighborhoods. Applicants would be eligible to receive reimbursement of up to \$3,000 over a three-year period upon demonstrating to the City that they have a valid state child care license, business tax certificate, and other supporting documentation.

In the coming months, I will be reaching out to the members of the County Board of Supervisors to commence a matching fund program. A \$100,000 investment could fund up to 33 new facilities which would free up thousands of hours of child care for San Diego residents. Dollars

from the City leveraged with the County and potential third-party investment could incentivize hundreds of new facilities desperately needed by San Diego families.

cc: Honorable Members of the City Council  
Tracy McCraner, Director, Financial Management  
Christina Bibler, Director, Economic Development