

# Key Recommendations

# 5



# Key Recommendations

## 1. Provide additional state and county funding for child care subsidies to working parents and child care providers.

**Rationale:** In the 2022 San Mateo County Child Care Needs Assessment, 65% of respondents said affordable child care was hard to find. The demand for subsidized child care is estimated at 33,000 spaces, but only 21% are currently subsidized. There is strong evidence<sup>1</sup> that child care subsidies increase job security for parents and, thus, economic security for families. Child care subsidies to families can increase employment and enrollment in school and job training of single mothers, in particular those with low incomes and/or without a high school education. In San Mateo County, families with children headed by single women have the lowest median income.

## 2. Provide more affordable housing for low-income residents, teachers, child care providers and other workers who provide essential services.

**Rationale:** The extreme shortage and high expense of housing is one of the biggest problems in San Mateo County, which has the highest median sales price for houses and some of the highest rents in the San Francisco Bay Area. High housing costs cause essential workers to move to other counties, travel farther to work (thus increasing transportation emissions) and prevent home ownership. Cities, school districts and religious organizations could help by building housing on parking lots or vacant land for those with low or very low incomes, as defined by the state's Regional Housing Needs Allocation. The county and state could help by incentivizing owners of offices and more hotels to convert excess space into affordable housing.

Redwood City's affordable housing ordinance offers a good model for other cities. It requires all nonresidential and smaller residential developments (between five and 19 units) to pay an affordable housing impact fee, and it requires residential developments with 20 units or more to construct affordable housing on-site. For rental projects, Redwood City requires 20% of units to be affordable, of which 10% must be set aside for moderate-income households, 5% for low-income households and 5% for very low-income households.<sup>2</sup>

## 3. Expand the guaranteed income program started by former Congresswoman Jackie Speier and San Mateo County Supervisors Noelia Corzo and Ray Mueller to offer more funds to more families in need.

**Rationale:** Providing \$300 a month with no strings attached helps families with low incomes afford essentials like food and medicine. The pilot program, which aims to serve 300 families in San Mateo County with newborns that are eligible for Medicaid, is a good start. But with approximately 26,200 K-12 children living in

<sup>1</sup> University of Wisconsin Population Health Institute. Child Care Subsidies

<sup>2</sup> Redwood City. Affordable Housing Ordinance & Impact Fees.

poverty in the county in 2022, there is a far greater need. Evidence shows that similar programs, such as cash transfer or supplemental assistance programs, can have positive, multi-generational effects, without significantly reducing labor supply.<sup>3</sup>

#### **4. Provide assistance to eligible working families raising children so they may claim the Earned Income Tax Credit.**

**Rationale:** There is strong evidence that the Earned Income Tax Credit (EITC) could help reduce disparities in socioeconomic status among working individuals and increase income and employment for eligible people.<sup>4</sup> About 20% of eligible workers did not claim the EITC in 2019.<sup>5</sup> This group includes families living in rural areas, self-employed workers, households with disabled children, those without English proficiency, grandparents raising grandchildren and new parents. Local governments could promote awareness of this tax benefit via community organizations offering free tax assistance, such as United Way Bay Area,<sup>6</sup> and facilitate partnerships between these organizations and those serving the eligible population, such as pediatric primary clinics, child care centers and schools. According to United Way Bay Area, “California residents who made less than \$30,000 in 2022 may be eligible for up to \$8,000 in state and federal tax credits, depending on income and family size.”

#### **5. Create a new San Mateo County department like Santa Clara County’s Department of Family and Children’s Service to evaluate and improve services that support children and families, especially those with limited incomes.**

**Rationale:** A dedicated department can serve as a hub for families, ensuring they don't have to navigate a maze of bureaucracy. It would facilitate coordination across entities that serve children, youth and families to address overarching issues such as policy analysis, collaboration and strategic initiatives. A unified department would be better equipped to coordinate services, share data, carry out in-depth analyses of existing policies and their efficacy, and ensure that there are no redundancies or gaps in the services offered. It would then make evidence-based recommendations for new policies or policy revisions. With a holistic view of all services and their outcomes, it would prioritize areas of need and develop a long-term strategy for serving children and families. By consolidating services and resources, there can be potential cost savings due to reduced duplication of efforts, better negotiation powers (for services or tools), and efficient allocation of funds. Moreover, the department would act as a platform for collaboration between governmental agencies, nonprofits, community organizations and other stakeholders. This department would foster innovative solutions, pooling of resources and community buy-in.

---

<sup>3</sup> University of Wisconsin Population Health Institute. Universal Basic Income.

<sup>4</sup> University of Wisconsin Population Health Institute. Earned Income Tax Credit.

<sup>5</sup> National Conference of State Legislatures. Earned Income Tax Credit Overview.

<sup>6</sup> United Way Bay Area. Free Tax Help.