HOME GROWN

Home Is Where Child Care Happens:
Removing Housing Barriers for Home-Based Child Care

September 2026

Home-based child care (HBCC) providers are the backbone of many child care communities in the U.S. because home-based child care is the most prevalent form of child care in the country.[1] As implied in the name, homes are essential to this form of child care, and when housing is unstable, this kind of care is imperiled. Housing is critical to HBCC providers for several reasons: It is the learning environment for millions of young children, it functions as the child care facility and therefore the second-largest business cost after labor, and it is an asset that can enable wealth building and economic security for the workforce. Yet, HBCC providers often struggle to find and keep housing that lets them run their child care business and care for children in the community. There are many problems in the housing sector that limit supply building and undermine the stability of HBCC, including local zoning and building code challenges, licensing rules that create unworkable standards, and homeowners associations (HOAs) and condo associations that discriminate against HBCC providers and landlords who take advantage of them.

Several states have introduced bills that address these various challenges, with mixed success. HBCC providers deserve policies that recognize the value of their work, and states can lead the way in making that change.

The U.S. Child Care Crisis

The U.S. is facing a child care crisis. Stories of families failing to find or afford the care they want and need fill the news. Chronic underinvestment at the federal and state levels in child care and recent federal funding freezes to child care subsidies mean that child care providers are forced to absorb the cost of the funding gap between what families can afford to pay and the true cost of child care.[2] In addition, unfriendly policies at the state and local levels make it difficult for HBCC providers to offer critically needed child care services. HBCC providers are feeling the effects of this lack of funding: Between 2005 and 2017, nearly half of all licensed HBCC programs closed, further declining in 2019.[3] Robust funding at the federal and state levels can help reverse this trend and states can also create policies to help HBCC providers create new businesses and keep their doors open.

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[1] Office of Planning, Research, & Evaluation, Office for the Administration of Children & Families, *National Survey of Early Care and Education* (2021), https://acf.gov/sites/default/files/documents/opre/NSECE-chartbook-homebased-may-2021.pdf.
[2] *Id.*
[3] Emily Tate Sullivan, *Housing is a Nightmare for Homestate and local policies-Based Child Care Providers*, The 19th (July 2023), https://19thnews.org/2023/07/home-based-child-care-,housing-rent-affordability-challenges/.

Navigating the Regulatory Labyrinth

State and local laws should recognize the value of HBCC providers to communities. HBCC providers are the cornerstone of child care communities around the country, and their businesses should be valued because they care for young children. Many state and local regulations do not recognize the value of this care and place a costly compliance burden on HBCC providers struggling to keep their doors open as a result of low rates of compensation.

HBCC providers face a two-fold issue in finding housing: Homeownership is financially out of reach because child care providers are undercompensated, and restrictions on owning and operating child care businesses in a home or residential setting make it difficult for providers to maintain housing. According to a RAPID survey, one in four child care providers reports difficulty finding affordable housing.[4] Forty-two percent of providers reported being somewhat or very worried about not being able to pay their rent or mortgage in full.[5]

In addition, in order to keep their doors open, HBCC providers must navigate a complex regulatory labyrinth of rules, often with limited—or sometimes no—staff. Caregiving is skilled work, and workers have to ensure safety and quality care, and must meet safety standards in caring for children, especially infants and toddlers. These requirements may overlap or conflict at the state and local levels, making compliance confusing for HBCC providers. For example, following a serious fire in Pennsylvania, the city of Philadelphia[6] (along with other cities in the state and the state itself) updated regulations to increase fire safety in child care homes.[7] Both Philadelphia and Pennsylvania required new fire detection devices, but not the same ones, leaving providers to figure out how to comply with different regulations at the state and local levels.

HBCC providers care for children an average of 58 hours a week, then must comply with confusing regulations on top of their caregiving work.[8] These regulations can be both challenging to navigate and place a huge compliance burden on HBCC providers. For example, local requirements, like zoning permits, can add months to new business start-up times and can cost upwards of $20,000 to complete the zoning adjustment process, straining the already razor-thin margins of HBCC providers. Making matters worse, some local requirements seem to

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[4] Anne Vilen, *There's No Place Like Home: Family Child Care Providers Struggle to Find Affordable Housing*, Home Grown (April 2023), https://homegrownchildcare.org/theres-no-place-like-home-family-child-care-providers-struggle-to-find-affordable-housing-for-a-small-business/.
[5] *Id*.
[6] City of Philadelphia Licenses and Inspections fire safety requirements for family child care https://www.phila.gov/documents/child-care-business-materials/#:~:text=Licenses%20and%20Inspections%20fire%20safety%20requirements%20for%20family,PDF
[7] The Pennsylvania Key Fire Safety Requirements for Group Child Care Homes (in a residence) and Family Child Care Homes (July 2023) https://www.pakeys.org/c-23-01/
[8] National Association for Family Child Care, *Strengthening Family Child Care: Key Findings from NAFCC's 2024-2025 Annual Survey* (Feb. 2025), https://nafcc.org/blog-title-strengthening-family-child-care-key-findings-from-nafccs-2024-2025-annual-survey/.

treat HBCC providers as a burden rather than a community asset and force them to close. In a Texas city, for example, an HBCC provider was forced to shut down because the city made her apply for an additional permit after some members of a nearby golf course complained about the sound of children playing, disturbing their game.[9] HOAs can also put HBCC providers in jeopardy of closing because of needless restrictions. One HBCC provider in Minnesota, for example, was forced to front the cost of moving his business because a local HOA said the small business needed to reduce the number of children they cared for from 11 to two within 30 days, or face hefty fines.[10]

States Can Lead in Helping HBCC Providers in Business

States can lead by creating policies that recognize the value of HBCC providers in our communities. Several states have introduced or passed bills in the past few years that make it easier for HBCC providers to open and run businesses. These bills generally fall into one of three categories: more permissive zoning laws, preventing landlord discrimination, and restricting HOA and condo association discrimination.

HBCC Provider-Friendly Zoning Laws

Zoning laws accomplish the goal of making it easier to open HBCC provider homes and keep them in business. One way this can be achieved is through zoning by right laws, like the one New Mexico has enacted, which generally make the process to open a child care business quicker and less administratively burdensome by requiring a city or county to approve HBCC provider businesses that meet certain criteria.

State	Summary
California Enacted in 2020	Restricts city/county from requiring zoning permit or business license when starting a family child care program
Colorado Enacted in 2021	Says zoning restrictions for family child care homes cannot be separate or more stringent than those for single-family residences generally
Connecticut Enacted in 2023	Protects HBCC providers by prohibiting zoning requirements that treat them differently than the residents of other single- and multi-family homes

[9] Kaitlyn Karmount, *City of Lakeway Shuts Down At-Home Daycare After Noise Complaints from Golfers*, KXAN News (Feb. 2022), https://www.kxan.com/news/local/travis-county/city-of-lakeway-shuts-down-at-home-daycare-after-noise-complaints-from-golfers/.
[10] Ava Kian, *Are HOAs a Roadblock in Addressing the Child Care Shortage*, Minnpost (April 2024), https://www.minnpost.com/business/2024/04/are-hoas-a-roadblock-in-addressing-the-child-care-shortage/.

Connecticut Enacted in 2022	Requires the Commissioner of Economic and Community Development to identify economic and regulatory barriers facing individuals opening child care centers, group child care homes, or family child care homes, and creates an action plan to reduce licensing friction
Massachusetts Failed in 2025	Would have prevented local jurisdictions in the state from denying operation of family child care homes through zoning, limit the number of family child care homes in a given town, or enact an additional business license requirement or fee above the Department's standard
New Hampshire Enacted in 2026	Changes zoning laws for family child care providers and simplifies the process for opening a small child care center
New Mexico Enacted in 2026	Says child care homes are considered residential and permitted by right, and allowed in commercial, mixed-use, or residential settings
Oklahoma Enacted in 2023	Prohibits municipalities and counties from enacting restrictive zoning and regulatory requirements that exceed those already established by the Oklahoma Department of Human Services for licensed family child care homes
Rhode Island Enacted in 2026	Overrides local and town zoning ordinances to allow home-based care providers to serve up to 12 children at a time
Tennessee Enacted in 2026	Says HBCC providers are allowed in residential districts through zoning

Preventing Landlord Discrimination Against HBCC Providers

Some states, like Oregon, have passed laws that block landlord discrimination against HBCC providers and make it easier for providers to stay in their homes. One HBCC provider in Montana, for example, put together a detailed portfolio of her small business to present to more than 120 property management companies, all of which turned her down.[11] She eventually found a private landlord who rented a home for her small business, but the rent and utilities were double the cost she wanted. States like Oregon have passed laws that require landlords to allow tenants to open and operate HBCC providers and block landlords from retaliating against tenants who want to become HBCC providers.

[11] Vilen, *supra*. No Place Like Home https://homegrownchildcare.org/theres-no-place-like-home-family-child-care-providers-struggle-to-find-affordable-housing-for-a-small-business/.

State	Summary
Maryland Failed in 2026	Would have prevented local jurisdictions from denying operation of family child care homes and designate them as a permitted use
North Carolina Pending in committee in 2026	Prohibits HOA restrictions for child care homes, prohibits landlords from denying tenancy on the basis of operating a child care center, deems child care homes residential in zoning as a matter of right, prohibits imposing sanitation standards higher than a residential property
Oregon Enacted in 2024	Requires landlords to allow tenants to open and operate child care in the home when certain conditions are met, tenants must notify landlords of their plans to use the property as a child care business. Landlords are prohibited from retaliating against tenants who wish to become child care providers through rent increases or other actions.
Tennessee Failed in 2026	Would have prevented landlords from denying licenses to HBCC providers

Restricting HOA and Condo Association Discrimination Against HBCC Providers

Some states have passed laws that limit HOAs' abilities to push HBCC providers out of business or prevent them from opening. These laws generally prevent HOAs from blocking HBCC providers from opening or imposing restrictions specific to these businesses.

State	Summary
Washington, D.C. Enacted in 2023	Limits condo associations that discriminate against HBCC provider businesses
Washington Enacted in 2023	Prohibits apartment, unit, and homeowners' associations from limiting business operations and imposing regulations specific to licensed FCC businesses

About Home Grown

Home Grown is a national collaborative of funders, caregivers, and providers working together to advance an inclusive child care system where home-based child care is visible, valued, and well-resourced.

Learn more: homegrownchildcare.org