



SAN FRANCISCO PLANNING DEPARTMENT

December 6, 2018

Ms. Angela Calvillo, Clerk
Honorable Supervisor Yee
Board of Supervisors
City and County of San Francisco
City Hall, Room 244
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102

1650 Mission St.
Suite 400
San Francisco,
CA 94103-2479

Reception:
415.558.6378

Fax:
415.558.6409

Planning
Information:
415.558.6377

**Re: Transmittal of Planning Department Case Number 2017-012001PCA:
Designated Child Care Units (DCCU)
Board File No. 180917
Planning Commission Recommendation: Approval**

Dear Ms. Calvillo and Supervisor Yee,

On November 29, 2018, the Planning Commission conducted duly noticed public hearing at regularly scheduled meeting to consider the proposed Ordinance, introduced by Supervisor Yee that would amend the Planning Code to permit an affordable dwelling unit with a State-licensed small family child care home on the ground floor on certain commercial streets and exclude certain child care units from the calculation of maximum density permitted on the site. At the hearing, the Planning Commission recommended approval.

The proposed amendments are not defined as a project under CEQA Guidelines Section 15060(c) and 15378 because they do not result in a physical change in the environment.

Please find attached documents relating to the actions of the Commission. If you have any questions or require further information please do not hesitate to contact me.

Sincerely,

A handwritten signature in black ink, appearing to read "Aaron D. Starr", with a long horizontal flourish extending to the right.

Aaron D. Starr
Manager of Legislative Affairs

cc: Kate Stacy, Deputy City Attorney
Jen Low, Aide to Supervisor Yee
Erica Major, Office of the Clerk of the Board

Attachments :

Planning Commission Resolution
Planning Department Executive Summary



SAN FRANCISCO PLANNING DEPARTMENT

Planning Commission Resolution No. 20345

HEARING DATE: NOVEMBER 29, 2018

Project Name: Designated Child Care Units (DCCU)
Case Number: 2017-012001PCA [Board File No. 180917]
Initiated by: Supervisor Yee / Introduced September 18, 2018
Staff Contact: Sheila Nickolopoulos, Legislative Affairs
Sheila.Nickolopoulos@sfgov.org, 415-575-9089
Reviewed by: Aaron D Starr, Manager of Legislative Affairs
aaron.starr@sfgov.org, 415-558-6362

1650 Mission St.
Suite 400
San Francisco,
CA 94103-2479

Reception:
415.558.6378

Fax:
415.558.6409

Planning
Information:
415.558.6377

RESOLUTION APPROVING A PROPOSED ORDINANCE AMENDING THE PLANNING CODE TO PERMIT AN AFFORDABLE DWELLING UNIT WITH A STATE-LICENSED SMALL FAMILY CHILD CARE HOME ON THE GROUND FLOOR ON CERTAIN COMMERCIAL STREETS; EXCLUDING CERTAIN CHILD CARE UNITS FROM THE CALCULATION OF MAXIMUM DENSITY PERMITTED ON THE SITE; AND MAKING ENVIRONMENTAL FINDINGS, FINDINGS OF CONSISTENCY WITH THE GENERAL PLAN, AND THE EIGHT PRIORITY POLICIES OF PLANNING CODE, SECTION 101.1, AND FINDINGS OF PUBLIC NECESSITY, CONVENIENCE, AND WELFARE UNDER PLANNING CODE, SECTION 302.

WHEREAS, on September 18, 2018, Supervisor Yee introduced a proposed Ordinance under Board of Supervisors (hereinafter "Board") File Number 180917, which would amend the Planning Code to permit an affordable dwelling unit with a state-licensed Small Family Child Care Home on the ground floor on certain commercial streets and exclude certain child care units from the calculation of maximum density permitted on the site.

WHEREAS, The Planning Commission (hereinafter "Commission") conducted a duly noticed public hearing at a regularly scheduled meeting to consider the proposed Ordinance on November 29, 2018; and,

WHEREAS, the proposed Ordinance has been determined to be categorically exempt from environmental review under the California Environmental Quality Act Section 15060(c); and

WHEREAS, the Planning Commission has heard and considered the testimony presented to it at the public hearing and has further considered written materials and oral testimony presented on behalf of Department staff and other interested parties; and

WHEREAS, all pertinent documents may be found in the files of the Department, as the custodian of records, at 1650 Mission Street, Suite 400, San Francisco; and

WHEREAS, the Planning Commission has reviewed the proposed Ordinance; and

WHEREAS, the Planning Commission finds from the facts presented that the public necessity, convenience, and general welfare require the proposed amendment; and

MOVED, that the Planning Commission hereby approves the proposed ordinance.

FINDINGS

Having reviewed the materials identified in the preamble above, and having heard all testimony and arguments, this Commission finds, concludes, and determines as follows:

1. The Code currently permits projects to designate a market rate unit as a DCCU in lieu of the Residential Child Care Impact Fee. The proposed legislation would clarify the existing definition of DCCUs in Section 414A.6 and expand the definition to allow moderate-income affordable DCCUs on the ground floor in commercial corridors in new and existing buildings.
2. There is a severe shortage of child care options throughout San Francisco. For infant to two-year-olds in particular: in 2014-16, there were 1,414 spots for an infant population of 23,254. Child care is a necessary and desirable service that benefit parents, children, and our communities.
3. The Planning Commission finds that the legislation will benefit child care providers, families, and children in several ways.
 - Child care providers operating out of their homes are at risk of displacement. Creating moderate-income affordable DCCUs will ensure that providers have stable housing from which to offer child care.
 - Families need reliable child care so that they may work or attend school. There is a dire need citywide for child care, especially for infants and toddlers.
 - Children need safe, stable, supportive environments to grown and learn social and emotional skills. Early education provides a foundation for life-long learning.
4. The nature of retail and commerce is changing. Ground floor moderate-income affordable DCCUs will maintain the spirit of creating an active ground floor while providing additional options for a diversifying commercial landscape.
5. **General Plan Compliance.** The proposed Ordinance is consistent with the following Objectives and Policies of the General Plan:

HOUSING ELEMENT

OBJECTIVE 1

IDENTIFY AND MAKE AVAILABLE FOR DEVELOPMENT ADEQUATE SITES TO MEET THE CITY'S HOUSING NEEDS, ESPECIALLY PERMANENTLY AFFORDABLE HOUSING.

To enable easy access and movement throughout the city, housing should be located close to transit, and to other necessary public infrastructure such as schools, parks and open space, as well as quasi-public or privately provided services such as child care and health facilities.

OBJECTIVE 4

FOSTER A HOUSING STOCK THAT MEETS THE NEEDS OF ALL RESIDENTS ACROSS LIFECYCLES.

Policy 4.1: Develop new housing, and encourage the remodeling of existing housing, for families with children.

For family sized units to work for families the City needs to look beyond the provision of housing to ensure that the other amenities critical to families are provided. Proximity to schools, to open space, and to affordable child care are critical for the well-being of families.

Policy 4.7: Consider environmental justice issues when planning for new housing, especially affordable housing.

The City should promote new, and rehabilitated, low-income housing on sites that do not have negative health impacts, near services and supplies so that residents have access to transit and healthy fresh food, jobs, child care and youth programs.

OBJECTIVE 12

BALANCE HOUSING GROWTH WITH ADEQUATE INFRASTRUCTURE THAT SERVES THE CITY'S GROWING POPULATION.

Other important neighborhood elements maintain the health, well-being, and social standards of our city, including publicly provided functions such as schools, parks, libraries; as well as privately developed ones such as grocery stores and neighborhood retail, child care, art and cultural facilities. These elements are critical to maintaining and enhancing the quality of life in San Francisco and should be encouraged and supported.

Policy 12.2: Consider the proximity of quality of life elements, such as open space, child care, and neighborhood services, when developing new housing units.

San Francisco's neighborhoods support a variety of life choices through the quality of life elements they provide. Such elements include open space, child care facilities and other neighborhood services such as libraries, neighborhood-serving retail (including grocery stores), community centers, medical offices, personal services, locally owned businesses, and a pedestrian and bike-friendly environment. These elements enable residents to continue to live in their neighborhood as their needs change, and encourage neighborhood relationships. Access to these amenities and services at a neighborhood level enables residents to make many trips on foot or public transportation.

Ground floor moderate-income affordable DCCUs will meet two goals of the Housing Element: the production of permanently affordable housing units and the provision of child care in proximity to housing and other neighborhood amenities.

COMMERCE AND INDUSTRY ELEMENT

OBJECTIVE 2

MAINTAIN AND ENHANCE A SOUND AND DIVERSE ECONOMIC BASE AND FISCAL STRUCTURE FOR THE CITY.

Policy 2.3: Maintain a favorable social and cultural climate in the city in order to enhance its attractiveness as a firm location.

An important factor in choosing to locate in San Francisco or to remain once here is the attractiveness of the city as a place to live, work and pursue recreational interests. Recognition must be given to the importance of public efforts to improve the environmental quality in residential neighborhoods, provide recreational and cultural opportunities, and to improve the quality of the schools, and create and protect other amenities. Those aspects of the city have direct economic value. Desirability as a place to live and as an area in which to enjoy cultural and recreational activities are particularly important factors in determining location for the types of activities for which San Francisco enjoys a comparative advantage. If the city is to maintain its economically vital areas, it must assure that these social, cultural and environmental factors remain strong assets.

Reliable, quality Child Care enables parents and guardians to pursue education, job training, and employment opportunities. Increasing the number and variety of child care options throughout San Francisco will give parents more options, as well as provide children with the play and early learning that is the foundation for a successful school experience.

COMMUNITY FACILITIES ELEMENT

In many instances, citizens are deprived of ready access to services because neighborhoods lack adequate facilities to house needed services. In other cases, the inability of facilities to meet code requirements, such as open space standards for child care or kitchen health standards for meals programs, precludes provision of services. Furthermore, existing services are often inaccessible to many people they ought to serve.

For these reasons, many San Franciscans do not have adequate access to needed human services, and therefore a commitment should be made to develop a network of neighborhood centers that will provide a focus for neighborhood activities and services. These centers would provide new and better locations for existing services that are inadequately housed, and would have space for new services or expanded existing services to meet the needs of a particular neighborhood. In addition to providing services directly, the neighborhood centers can be used to refer residents to other locations in a citywide network of services.

Fundamental Assumptions

1. The quality of community life is enhanced when services and facilities that meet diverse human needs are readily available.
2. Expanding community responsiveness to meeting social needs and enriching human life requires the development of adequate and flexible facilities to house needed services.

Child care helps meet the social, cultural, educational, recreational, and civic needs and contributes significantly to the quality of community life.

MISSION AREA PLAN

OBJECTIVE 7.1

PROVIDE ESSENTIAL COMMUNITY SERVICES AND FACILITIES

Community facilities are necessary for many kinds of households, but particularly for families - improved schooling, upgraded libraries, improved and expanded parks, and increased child care facilities, including programming, are critical to maintaining an acceptable quality of life for San Francisco's families. Schools provide an anchor for families even beyond education: providing a safe local environment, facilitating social connections, and facilitating child growth and development.

Child care facilities, like schools, can be strong neighborhood and community anchors. Locating child care in schools, near residential areas, on-site in new residential complexes, near transit facilities, or near employment centers, supports families by reducing the time spent by parents going to and from daycare. This may also contribute to other plan goals such as traffic reduction, and increased transit ridership. Sufficient care facilities for the neighborhood's working families are critical if the Eastern Neighborhoods are to not only continue, but grow their role as a place for families.

Therefore, the city should facilitate the careful location and expansion of essential neighborhood services, while limiting the concentration of such activities within any one neighborhood. New development can also help fund such additional new services and amenities in proportion to the need generated by new development. Additionally, maintenance is an important, though often neglected, aspect of community facilities. Proper maintenance of existing (and new) facilities is equally important to the creation of new facilities. The influx of residents will further increase the usage of existing facilities, potentially increasing their staffing and maintenance costs. Even if no new facilities are built in Mission, existing facilities need to be adequately staffed and maintained and methods for meeting the increased costs must be considered.

The policies to provide essential community facilities and services are as follows:

POLICY 7.1.1: Support the siting of new facilities to meet the needs of a growing community and to provide opportunities for residents of all age levels.

POLICY 7.1.2: Recognize the value of existing facilities, including recreational and cultural facilities, and support their expansion and continued use.

POLICY 7.1.3: Ensure childcare services are located where they will best serve neighborhood workers and residents.

The proposed Ordinance would create child care options for families and ensure that child care providers are able to continue to operate Small Family Child Care Homes. The proposed ordinance would require one-third of enrollment be children from low- to moderate-income families.

BAYVIEW HUNTERS POINT AREA PLAN

OBJECTIVE 15

COMBINE SOCIAL REVITALIZATION WITH PHYSICAL AND ECONOMIC REVITALIZATION EFFORTS.

There is an increasing need for physical facilities for more specialized community services, particularly child care centers and senior housing related facilities. Although the Bayview has one of the highest female-headed household and child populations in the city, it has only two subsidized child care centers. As large scale new development occurs it will be important to also require provision of child care facilities as a part of the development. The need for even more specialized services has come with the increase in babies born into addiction due to drug usage by their mothers during pregnancy. The effort to stimulate construction of more senior housing in the district should include measures to assure that the housing is properly designed to meet the social and health needs of the residents on a project specific basis.

The proposed Ordinance would ensure consistent and stable child care options in neighborhoods like the Bayview Hunters Point. Child care provides care for children, which enables parents and caregivers to pursue school and work. For child care providers, operating a Small Family Child Care Home also generates a livable income for women and their families.

6. **Planning Code Section 101 Findings.** The proposed amendments to the Planning Code are consistent with the eight Priority Policies set forth in Section 101.1(b) of the Planning Code in that:

1. That existing neighborhood-serving retail uses be preserved and enhanced and future opportunities for resident employment in and ownership of such businesses enhanced;

The proposed Ordinance would not have a negative effect on neighborhood serving retail uses and will not have a negative effect on opportunities for resident employment in and ownership of neighborhood-serving retail.

2. That existing housing and neighborhood character be conserved and protected in order to preserve the cultural and economic diversity of our neighborhoods;

The proposed Ordinance would not have a negative effect on housing or neighborhood character.

3. That the City's supply of affordable housing be preserved and enhanced;

The proposed Ordinance would have positive effect on the City's supply of affordable housing.

4. That commuter traffic not impede MUNI transit service or overburden our streets or neighborhood parking;

The proposed Ordinance would not result in commuter traffic impeding MUNI transit service or overburdening the streets or neighborhood parking.

5. That a diverse economic base be maintained by protecting our industrial and service sectors from displacement due to commercial office development, and that future opportunities for resident employment and ownership in these sectors be enhanced;

The proposed Ordinance would not cause displacement of the industrial or service sectors due to office development, and future opportunities for resident employment or ownership in these sectors would not be impaired.

6. That the City achieve the greatest possible preparedness to protect against injury and loss of life in an earthquake;

The proposed Ordinance would not have an adverse effect on City's preparedness against injury and loss of life in an earthquake.

7. That the landmarks and historic buildings be preserved;

The proposed Ordinance would not have an adverse effect on the City's Landmarks and historic buildings.

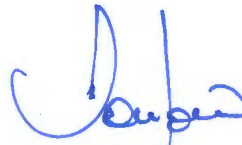
8. That our parks and open space and their access to sunlight and vistas be protected from development;

The proposed Ordinance would not have an adverse effect on the City's parks and open space and their access to sunlight and vistas.

7. **Planning Code Section 302 Findings.** The Planning Commission finds from the facts presented that the public necessity, convenience and general welfare require the proposed amendments to the Planning Code as set forth in Section 302.

NOW THEREFORE BE IT RESOLVED that the Commission hereby APPROVES the proposed Ordinance as described in this Resolution.

I hereby certify that the foregoing Resolution was adopted by the Commission at its meeting on November 29, 2018.



Jonas P. Ionin
Commission Secretary

AYES: Fong, Hillis, Johnson, Koppel, Melgar, Moore

NOES: None

ABSENT: Richards

ADOPTED: November 29, 2018



SAN FRANCISCO PLANNING DEPARTMENT

Executive Summary Planning Code Text Amendment

HEARING DATE: NOVEMBER 29, 2018
90-DAY DEADLINE: DECEMBER 25, 2018

Project Name: Designated Child Care Units (DCCU)
Case Number: 2017-012001PCA [Board File No. 180917]
Initiated by: Supervisor Yee / Introduced September 18, 2018
Staff Contact: Sheila Nickolopoulos, Legislative Affairs
Sheila.Nickolopoulos@sfgov.org, 415-575-9089
Reviewed by: Aaron Starr, Manager of Legislative Affairs
aaron.starr@sfgov.org, 415-558-6362
Recommendation: **Approval**

1650 Mission St.
Suite 400
San Francisco,
CA 94103-2479

Reception:
415.558.6378

Fax:
415.558.6409

Planning
Information:
415.558.6377

PLANNING CODE AMENDMENT

Ordinance amending the Planning Code to permit an affordable dwelling unit with a State-licensed Small Family Child Care Home on the ground floor in certain commercial streets; excluding certain Child Care units from the calculation of maximum density on the site; and making environmental findings, findings of consistency with the General Plan, and the eight priority policies of Planning Code, Section 101.1, and findings of public necessity, convenience, and welfare under Planning Code, Section 102.

The Way It Is Now:

Designated Child Care Units (DCCUs) definition

1. DCCUS are not currently defined in Planning Code Section 102.

Calculation of Value of Designated Child Care Unit in lieu of Residential Child Care Impact Fee

2. To determine the value of the DCCU to calculate a waiver for the Child Care Fee, the City multiplies the number of DCCUs provided by the average number of children per Unit multiplied by the cost per child care space. The formula uses numbers derived from the 2014 San Francisco Citywide Nexus Study: total number of gross square feet of the DCCU * Residential Child Care Impact Fee * 20. This value shall be deducted from the amount of the Residential Child Care Impact Fee owed.

Development of Procedures

3. The Office of Early Care and Education (OECE) monitors DCCUs and refers any instances of noncompliance to the Planning Department for enforcement.

Responsibilities of Operators of Small Family Child Care Homes in DCCUs

4. A tenant of any DCCU must operate a licensed Small Family Child Care Home in the unit for a minimum of 10 years as follows:

- If, in the determination of the OECE, the tenant does not begin to operate a licensed Small Family Child Care Home in the unit within nine months of occupying the unit, or if the tenant ceases to operate a licensed Small Family Daycare Home at any point in time within ten years from the date the DCCU is first leased to a tenant to operate a licensed Small Family Child Care Home, all tenants in the Unit shall be required to vacate the unit within 180 days.

Ground floor BMR DCCUs on commercial street frontages

5. Child Care is an active use, but DCCUs are not permitted on the ground floor or categorized as an active use.
6. ADUs are not permitted on the ground floor in NCDs, Chinatown Community Business District, or Visitor Retail Districts if they would eliminate or reduce ground floor retail or commercial space.
7. DCCUs are not BMR units.

The Way It Would Be:

Designated Child Care Units (DCCUs) Definition

1. DCCU would be defined in Planning Code Section 102 as a “Dwelling Unit that is designated for use as a State licensed Small Family Child Care Home.”

Calculation of Value of Designated Child Care Unit in lieu of Residential Child Care Impact Fee

2. To determine the value of the DCCU to calculate a waiver for the Child Care Fee, the City would use the following formula: total number of gross square feet of the DCCU * Residential Child Care Impact Fee * 20. This value would be deducted from the amount of the Residential Child Care Impact Fee owed.

Development of Procedures

3. The Planning Code would specifically direct OECE and the Mayor’s Office of Housing and Community Development (MOHCD) to develop written procedures, standards, and eligibility requirements for selecting State-licensed Small Family Child Care Home operators for these DCCUs; provide outreach and information to child care providers about the program; and monitor DCCUs and refers any instances of noncompliance to the Planning Department for enforcement.

Responsibilities of Operators of Small Family Child Care Homes in DCCUs

4. A tenant of any DCCU would operate a licensed Small Family Child Care Home in the unit for a minimum of 10 years as follows:
 - If, in the determination of the OECE, the tenant does not begin to operate a licensed Small Family Child Care Home in the unit within nine months of occupying the unit, or if the tenant ceases to operate a licensed Small Family Daycare Home at any point in time within ten years from the date the DCCU is first leased to a tenant to operate a licensed Small Family Child Care Home, all tenants in the Unit shall be required to vacate the unit within 180 days, provided that if a tenant has offered a Small Family Child Care Home for ten years, such a tenant will not be required to vacate the unit after such ten-year period.

Ground floor Moderate-Income Affordable DCCUs on Commercial Street Frontages

5. DCCUs would be added to table 145.4 as an allowable ground floor commercial use. Section 207, Dwelling Unit Density Limits, would be amended to exclude below-market rate DCCUs from the calculation of residential density in districts where density limits apply.
6. DCCUs would be exempt from the prohibition of ADUs on the ground floor in Neighborhood Commercial Districts and Neighborhood Commercial Transit Districts, Chinatown Community Business District, or Visitor Retail Districts if ADUs would eliminate or reduce ground floor retail or commercial space. Moderate-income affordable DCCU units only would be allowed in these areas under the ADU program.
7. Ground floor DCCUs would be required to be moderate-income BMR units:
 - Rent would be set to serve moderate-income households as defined in Section 415 (at 80% AMI).
 - OECE and MOHCD would maintain lists of eligible tenants.
 - Units would maintain this designation for the life of the building.
 - Units would be excluded from calculation of maximum density permitted onsite.
 - Units in new construction would have two or more bedrooms and be 1,000 square feet or more. Units added to existing buildings could be one-bedroom units, if two bedrooms is not Code compliant.
 - Only one ground floor moderate income affordable DCCU would be permitted per building.

BACKGROUND

In January 2016, Ordinance 2-16 (Board File Number 150793) created Section 414A.6 to define and regulate Designated Child Care Units. The Code currently permits projects to elect to designate a market rate unit as a DCCU in lieu of the Residential Child Care Impact Fee. To date, developers have not elected to include these units; in addition, these market-rate units would likely be unaffordable to child care providers. The proposed legislation would clarify the existing definition of DCCUs in Section 414A.6 and expand the definition to allow BMR DCCUs on the ground in commercial corridors in new and existing buildings.

A DCCU can be provided in lieu of Residential Child Care Impact Fee if it meets the following:

- The number of DCCUs in a project shall be a maximum of one unit for Residential Projects of 25-100 units, two units for Residential Projects of 101-200 units, or three units for Residential Projects of 201 or more units
- A DCCU has two or more bedrooms and is 1,000 square feet or more
- A DCCU is a rental unit offered only for rent and only to a tenant who agrees to operate a licensed Small Family Child Care Home in the Unit
- A DCCU is reserved for a period of at least ten years from the date the Designated Unit is first leased to a tenant for use as a licensed Small Family Child Care Home
- A DCCU may not count as an On-site or Off-site Unit, as defined in Planning Code Sections 415 establishing the Inclusionary Affordable Housing Program.

Current requirements for child care providers residing in DCCUs will remain the same:

- At least one-third of the children served by the Small Family Child Care Home would be from Households of Low- or Moderate-income, as defined in Section 401.
- The Small Family Child Care Home established in any DCCU would have to serve at least four children of whom the operator of the Small Family Child Care Home is not a parent or guardian, based on an average over the previous 12 months.

ISSUES AND CONSIDERATIONS

To date, projects have chosen to pay the Child Care Impact Fee rather than include a DCCU. The proposed legislation would allow projects to include an additional moderate-income affordable DCCU on the ground floor of new and existing building. These units would be permitted on the ground floor where active commercial uses are required and residential uses are not permitted, and as ADUs in certain districts where ADUs are not otherwise permitted. In both cases, these units must be moderate-income affordable Rental Units only.

The Importance of Child Care

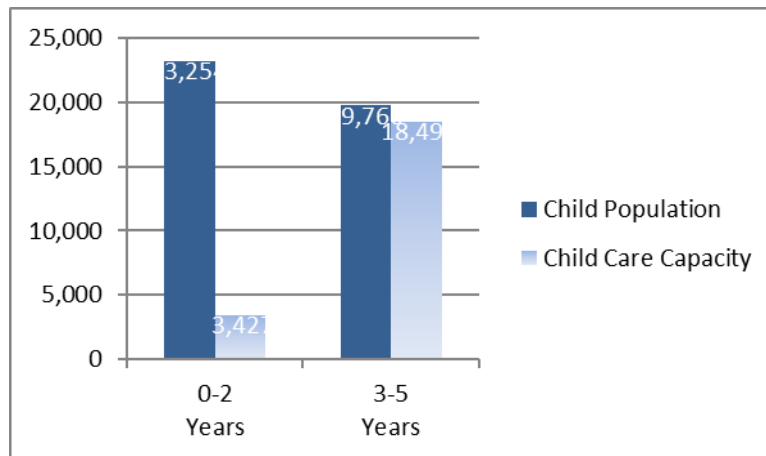
Child care helps families thrive. When parents can find child care that meets their needs, they can maintain employment or enrollment in school, improve their ability to support their families, and advance economically.

Quality child care also means more success down the road. A child's brain develops most significantly during the first five years of life—and the quality of child care in these early years can make a difference between a healthy start and falling behind. Substantial research demonstrates that accessible high quality early care and education positively affects childhood growth, physical development, health, cognitive, behavioral and school related outcomes.

Child Care Options in San Francisco Today

San Francisco has a severe shortage of child care spots in family child care and facilities for all age levels between 0 and 5 years old, but the lack of facilities is particularly acute for infants: in 2014-16, San Francisco had 1,414 spots for an infant population of 23,254 (see attachment B:2). Throughout San Francisco, there are 21,991 child care spots for 43,020 children (51% of the City's child population), but the majority (at least 64%) of those spots are for preschoolers. San Francisco offers far fewer child care spots than are needed, creating a significant burden for families.

Child Care in San Francisco (2014-16)



These numbers convey the limited number of spots, but they don't paint the full picture of how hard it is to match child care to families' needs. Location, daily hours of operation, seasonal closures, price, and program structure are all factors that make securing child care even more difficult for families. Commutes to child care can be difficult because child care is not necessarily located where children live, and waitlists are very long--as of January 2017, San Francisco child care facilities had wait lists totally 2,463 children.

Family Child Care Homes

A child care provider is licensed by the State of California to offer child care in their homes. Small family child care homes usually enroll 6-8 children aging from infants to preschoolers. These home-based businesses are mostly operated by women and an important source of income to families. Family child care homes are an incredibly important resource for working parents, primarily because they can care for infants, which many larger child care centers cannot.

Ground floor BMR DCCUs would need to comply with the Draft Guidelines for Ground Floor Residential Design, which includes design principles, including:

- Modulate facades to express individual ground floor residences
- Set back frontages to create a usable transition space between the street and the individual dwelling unit
- Raise the floor level of residences to enhance livability, or create setbacks with landscaping
- Design protected and identifiable entries
- Create defensible spaces with screening elements

Need For Child Care

San Francisco desperately needs child care options, particularly for infants. In an OECE survey from 2016, there were 23,000 children ages 0-2 in San Francisco, but only 3,400 child care spots for them. Home based child care is an important source of care for infants because so few child care centers are licensed to care for babies. Family child care homes, which operates out of providers' homes, are at risk of displacement. For example, in the Mission there were 53 family child care providers in 2006, and in 2017 there were only 27. Home based child care is an important source of income for women and their families.

Filling Ground Floor Commercial Spaces

Although vacancy rates in ground floor commercial spaces differ among neighborhoods, many neighborhoods increasingly struggle to fill ground floors with active uses. As the nature of retail and

commerce shift, ground floor DCCUs provide another option for developers while also meeting a community need. In focus groups with developers held during the development of this legislation, they indicated a preference for having more options for ground floor uses and suggested that a ground floor moderate-income affordable DCCU would provide more income than vacant space or temporary retail uses and offer a community amenity without impacting the allowable number of market rate units. In addition, in districts where a dwelling unit could not otherwise be placed on the ground floor, a ground floor DCCU would only be permitted if the unit is a moderate-income affordable DCCU.

General Plan Compliance

This legislation would support key Objectives and Policies from the General Plan:

- The Housing Element supports the production of affordable housing and housing for families with children, as well as locating child care and housing in close proximity.
- Policy 2.3 of the Commerce and Industry Element calls for the City to maintain a favorable social and cultural climate in order to enhance its attractiveness as a firm location. Reliable, quality Child Care enables parents and guardians to pursue education, job training, and employment opportunities. Increasing the number and variety of child care options throughout San Francisco will give parents more options, provide children with the play and early learning that is the foundation for a successful school experience, and ensure that child care providers have the dedicated space needed to provide their service.
- Both the Mission Area Plan and the Bayview Hunters Point Area Plan identify the need for child care, which this Ordinance would provide.

Implementation

The Department will need to prepare Costa-Hawkins Rental Housing Act agreement letters with applicants seeking to include a moderate-income affordable DCCU, and relevant application forms and templates will need to be revised to allow for tracking of proposed DCCU units. The Department has determined that this ordinance will not otherwise impact our current implementation procedures.

RECOMMENDATION

The Department recommends that the Commission *approve* the proposed Ordinance and adopt the attached Draft Resolution to that effect.

BASIS FOR RECOMMENDATION

The Department supports the proposed ordinance because in developments that elect to include a ground floor BMR DCCU, that unit would be in addition to any required inclusionary units, thus producing additional BMR units. The legislation will also ensure that child care providers can provide their services to the community. Allowing developments to include a ground floor moderate-income affordable DCCU provides affordable housing, stable housing for child care providers, who are predominantly women, and child care for families who, with their children in the care of a licensed provider, can work or attend school. Rent for these BMR units would be set at 80% AMI, which is a median income for family child care home providers (based on a survey of 31 providers in May 2017 by the Office of Early Care and Education).

Supervisor Yee worked closely with Planning, the City Attorney, the Mayor's Office of Housing and Community Development, and the Office of Early Care and Education to develop this legislation. Developers were also consulted to gauge their support for the proposed changes.

REQUIRED COMMISSION ACTION

The proposed Ordinance is before the Commission so that it may approve it, reject it, or approve it with modifications.

ENVIRONMENTAL REVIEW

The proposed amendments are not defined as a project under CEQA Guidelines Section 15060(c) and 15378 because they do not result in a physical change in the environment.

PUBLIC COMMENT

As of the date of this report, the Planning Department has received one public comment in support of the Ordinance.

Attachments:

- Exhibit A: Draft Planning Commission Resolution
- Exhibit B: Maps of proposed areas allowing ground floor moderate income affordable DCCUs
- Exhibit C: Letters of Support/Opposition or other supporting documentation, etc.
- Exhibit D: Board of Supervisors File No. 180917