

BOARD of SUPERVISORS



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# MEMORANDUM

TO: Regina Dick-Endrizzi, Director  
Small Business Commission, City Hall, Room 448

FROM:  Alisa Somera, Legislative Deputy Director  
Land Use and Transportation Committee

DATE: April 19, 2017

SUBJECT: REFERRAL FROM BOARD OF SUPERVISORS  
Land Use and Transportation Committee

The Board of Supervisors' Land Use and Transportation Committee has received the following **substitute** legislation, which is being referred to the Small Business Commission for comment and recommendation. The Commission may provide any response it deems appropriate within 12 days from the date of this referral.

**File No. 160019-3**

Ordinance amending the Administrative Code and the Planning Code to provide that if a developer of a project with 10 or more affordable units elects to provide one or more Designated Child Care Units in lieu of paying the Residential Child Care Impact Fee, Designated Child Care Unit(s) may be affordable unit(s); and affirming the Planning Department's determination under the California Environmental Quality Act, making findings of consistency with the General Plan, and the eight priority policies of Planning Code, Section 101.1, and making a finding of public necessity, convenience, and welfare pursuant to Planning Code, Section 302.

Please return this cover sheet with the Commission's response to me at the Board of Supervisors, City Hall, Room 244, 1 Dr. Carlton B. Goodlett Place, San Francisco, CA 94102.

\*\*\*\*\*

RESPONSE FROM SMALL BUSINESS COMMISSION - Date: \_\_\_\_\_

No Comment

Recommendation Attached

\_\_\_\_\_  
Chairperson, Small Business Commission

c: Menaka Mahajan, Small Business Commission

1 [Administrative Code, Planning Code - Designated Child Care Units]

2  
3 **Ordinance amending the Administrative Code and the Planning Code to provide that if**  
4 **a developer of a project with 10 or more affordable units elects to provide one or more**  
5 **Designated Child Care Units in lieu of paying the Residential Child Care Impact Fee,**  
6 **Designated Child Care Unit(s) may be affordable unit(s); and affirming the Planning**  
7 **Department's determination under the California Environmental Quality Act, making**  
8 **findings of consistency with the General Plan, and the eight priority policies of**  
9 **Planning Code, Section 101.1, and making a finding of public necessity, convenience,**  
10 **and welfare pursuant to Planning Code, Section 302.**

11 **NOTE:** **Unchanged Code text and uncodified text** are in plain Arial font.  
12 **Additions to Codes** are in *single-underline italics Times New Roman font*.  
13 **Deletions to Codes** are in *strikethrough italics Times New Roman font*.  
14 **Board amendment additions** are in double-underlined Arial font.  
15 **Board amendment deletions** are in ~~strikethrough Arial font~~.  
16 **Asterisks (\* \* \* \*)** indicate the omission of unchanged Code  
17 subsections or parts of tables.

18 Be it ordained by the People of the City and County of San Francisco:

19 Section 1. Environmental and Land Use Findings.

20 (a) The Planning Department has determined that the actions contemplated in this  
21 ordinance comply with the California Environmental Quality Act (California Public Resources  
22 Code Sections 21000 et seq.). Said determination is on file with the Clerk of the Board of  
23 Supervisors in File No. 160019, and is incorporated herein by reference. The Board affirms  
24 this determination.

25 (b) On October 15, 2015, the Planning Commission, in Resolution No. 19495, adopted  
findings that the actions contemplated in this ordinance are consistent, on balance, with the  
City's General Plan and eight priority policies of Planning Code Section 101.1. The Board

1 adopts these findings as its own. A copy of said Resolution is on file with the Clerk of the  
2 Board of Supervisors in File No. 150793, and is incorporated herein by reference.

3 (c) Pursuant to Planning Code Section 302, the Board of Supervisors finds that the  
4 proposed Planning Code and Administrative Code amendments will serve the public  
5 necessity, convenience, and welfare for the reasons set forth in Planning Commission  
6 Resolution No. 19495, and the Board incorporates such reasons herein by reference.

7  
8 Section 2. The Administrative Code is hereby amended by revising Sections 47.2 and  
9 47.3, to read as follows:

10 **SEC. 47.2. DEFINITIONS.**

11 \* \* \* \*

12 "Displaced Tenant" shall mean any person who applies to MOHCD and who MOHCD  
13 determines qualifies under any of the categories below. If a person disputes MOHCD's  
14 determination that he or she does not qualify as a "Displaced Tenant" under this Section 47.2,  
15 such person shall have the right to a hearing conducted by a Rent Board Administrative Law  
16 Judge (as defined in Administrative Code Section 37.2(f)), with MOHCD as the responding  
17 party:

18 Category 1: A tenant residing in San Francisco who on or after January 1, 2010  
19 receives a Notice of Intent to Withdraw Rental Units ("Notice of Intent to Withdraw") pursuant  
20 to the Ellis Act, Government Code Section 7060 et seq., and corresponding provisions of the  
21 Rent Ordinance. MOHCD shall establish a process for a tenant to verify his or her status as a  
22 "Displaced Tenant" under Category 1 that, at a minimum, shall require a tenant to show: (a)  
23 the landlord filed with the Rent Board a Notice of Intent to Withdraw; and (b) the tenant either:  
24 (1) is listed on the Notice of Intent to Withdraw; (2) is listed on the lease for the unit in  
25 question; or (3) has other evidence sufficient to establish, in MOHCD's reasonable discretion,

1 that he or she resided in the unit at the time the Notice of Intent to Withdraw was filed. If the  
2 Rent Board grants a landlord's request to rescind the Notice of Intent to Withdraw before a  
3 tenant moves out of his or her unit, such tenant shall no longer qualify as a "Displaced  
4 Tenant."

5 Category 2: A tenant residing in San Francisco who on or after January 1, 2010  
6 receives a notice that his or her landlord plans to recover possession of the unit under Section  
7 37.9(a)(8) of the Rent Ordinance. MOHCD shall establish a process for a tenant to verify his  
8 or her status as a "Displaced Tenant" under Category 2 that, at a minimum, shall require a  
9 tenant to show: (a) the landlord filed with the Rent Board the notice to vacate, as required  
10 under Rent Ordinance Section 37.9(c); and (b) the tenant either: (1) is listed on the notice to  
11 vacate; (2) is listed on the lease for the unit in question; or (3) has other evidence sufficient to  
12 establish, in MOHCD's reasonable discretion, that he or she resided in the unit at the time the  
13 notice to vacate was filed; and (c) that the tenant has resided in the unit for 10 years as of the  
14 date of receipt of the notice of withdrawal from the rental market.

15 Category 3: A tenant residing in San Francisco who is required to vacate his or  
16 her unit by a public safety official due to fire, and who can provide sufficient evidence to  
17 MOHCD that demonstrates that he or she cannot return to the unit within a period of six  
18 months from the date of the order to vacate the unit. MOHCD shall establish a process for a  
19 tenant to verify his or her status as a "Displaced Tenant" under Category 3 that, at a  
20 minimum, shall require a tenant to show: (a) a public safety official provided an order to  
21 vacate the unit to such tenant or to the owner of the unit; and (b) the tenant either: (1) is listed  
22 on the order to vacate; (2) is listed on the lease for the unit in question; or (3) has other  
23 evidence sufficient to establish, in MOHCD's reasonable discretion, that he or she resided in  
24 the unit at the time the order was provided. This Category 3 "Displaced Tenant" preference  
25 shall expire by operation of law on December 31, 2020, provided, however, that MOHCD may

1 determine after December 31, 2020 that a person who applied to MOHCD under Category 3  
2 on or prior to December 31, 2020 qualifies as a Displaced Tenant.

3 "Designated Child Care Unit" shall mean any On-site or Off-site Unit, as defined in Planning  
4 Code Section 415 et seq., establishing the Inclusionary Affordable Housing Program, designated for  
5 occupancy by an Operator as provided in Planning Code Section 414A.

6 "MOHCD" shall mean the Mayor's Office of Housing and Community Development or  
7 its successor.

8 \* \* \* \*

9 "Neighborhood Resident" shall mean any person who has a primary residence in a  
10 certain Neighborhood at the time he or she applies for a unit or assistance. MOHCD shall  
11 establish a process for a person to verify status as a "Neighborhood Resident" for a particular  
12 Neighborhood, which, at a minimum, shall require a person to show: (a) that he or she is listed  
13 on the lease for a unit in that Neighborhood; or (b) other evidence sufficient to establish, in  
14 MOHCD's reasonable discretion, that the person resides in a unit in that Neighborhood. If a  
15 person disputes a MOHCD determination that he or she does not qualify as a "Neighborhood  
16 Resident" under this Section 47.2, such person shall have the right to a hearing conducted by  
17 a Rent Board Administrative Law Judge (as defined in Administrative Code Section 37.2(f)),  
18 with MOHCD as the responding party.

19 "Operator" shall mean a licensed provider of a Small Family Daycare Home, as determined by  
20 the Office of Early Care and Education.

21 "Rent Board" shall mean the Residential Rent Stabilization and Arbitration Board.

22 \* \* \* \*

### 23 **SEC. 47.3. APPLICATION OF PREFERENCE.**

24 Except to the extent prohibited by an applicable State or Federal funding source,  
25 MOHCD shall give, or require project sponsors or their successors in interest funded through

1 MOHCD to give, preference in occupying units or receiving assistance under all City  
2 Affordable Housing Programs. Each preference enumerated below shall be applied as of the  
3 effective date of the legislation establishing each preference. The City established preference  
4 for holders of Certificates of Preference in Ordinance 232-08, Displaced Tenants, Category 1  
5 in Ordinance 277-13, and Displaced Tenants, Category 2 and Neighborhood Residents in  
6 legislation adding this Chapter 47. The preference requirements are intended to have  
7 prospective effect only, and shall not be interpreted to impair the obligations of any pre-  
8 existing contract entered into by the City. Notwithstanding the prior sentence, the preference  
9 requirements shall apply to contracts entered into by the City on or after the effective date of  
10 the legislation establishing each preference, including contracts materially amended on or  
11 after the effective date. Preference shall be given:

12 (a) First, to Operators who meet all of the qualifications for a Designated Child Care  
13 Unit and have previous experience as licensed child care providers, as determined by the Office of  
14 Early Care and Education.

15 (b) Second, to Operators who meet all of the qualifications for a Designated Child Care  
16 Unit, as determined by the Office of Early Care and Education.

17 (c) Third, to Residential Certificate of Preference Holders, who meet all of the  
18 qualifications for the unit or assistance. Preference under this subsection ~~(a)~~(c) shall be given  
19 in 100% of the all units remaining after preferences (a) and (b) above in all initial sales, re-sales,  
20 initial leases, and subsequent leases.

21 ~~(b) Second~~(d) Fourth, to any Displaced Tenant who meets all of the qualifications  
22 for the unit or assistance. For any Displaced Tenant displaced prior to the effective date of this  
23 Chapter 47, preference under this subsection ~~(b)~~(d) shall expire six years from the effective  
24 date of this Chapter 47. For any Displaced Tenant displaced after the effective date of this  
25 Chapter 47, preference under this subsection ~~(b)~~(d) shall expire, for Category 1, six years from

1 the date the landlord filed with the Rent Board a Notice of Intent to Withdraw, for Category 2,  
2 six years from the date the landlord filed with the Rent Board the notice to vacate pursuant to  
3 the Rent Ordinance Section 37.9(c), or, for Category 3, three years from the date of the order  
4 to vacate. Preference under this subsection ~~(b)~~(d) shall be applicable to:

- 5 (1) 20% of the units in any new residential development that is part of a  
6 City Affordable Housing Program going through the initial occupancy or sale process; and  
7 (2) units in all re-sales and subsequent leases until 20% of all units that  
8 are part of a City Affordable Housing Program in a building are occupied by tenants who have  
9 exercised this preference.

10 The Displaced Tenant's preference shall still apply even if such Displaced  
11 Tenant declines a unit offered through application of the preference, but upon accepting and  
12 occupying a unit obtained using the preference, such Displaced Tenant's preference  
13 terminates.

14 ~~(e)~~ Third(e) Fifth, to a Neighborhood Resident, who meets all of the  
15 qualifications for the unit or assistance. Preference under this subsection ~~(e)~~(e) shall be given:

- 16 (1) for units located in the same Neighborhood as the person resides;  
17 (2) only for any new residential development in that Neighborhood going  
18 through the initial occupancy or sale process, and only to 40% of the units in such  
19 development.

20 ~~(d)~~ Fourth(f) Sixth, to any person who lives or works in San Francisco who  
21 meets all of the qualifications for the unit or assistance. Preference under this subsection ~~(d)~~(f)  
22 shall be applicable to:

- 23 (1) any unit in any new residential development that is part of a City  
24 Affordable Housing Program going through the initial occupancy or sale process; and  
25 (2) units in all re-sales and subsequent leases.

1 Section 3. The Planning Code is hereby amended by revising Section 414A, to read as  
2 follows:

3 **SEC. 414A. CHILD CARE REQUIREMENTS FOR RESIDENTIAL PROJECTS.**

4 **SEC. 414A.1. PURPOSE AND FINDINGS.**

5 (a) **Purpose.** Residential developments in the City are benefitted by the availability of  
6 childcare for persons residing in such developments. However, the supply of childcare in the  
7 City has not kept pace with the demand for childcare created by new residents. The difficulty in  
8 securing stable, affordable housing has also impacted the ability for childcare providers to continue  
9 operating and living in San Francisco. Due to this shortage of childcare, residents unable to find  
10 accessible and affordable quality childcare will be forced either to live where such services are  
11 available outside of San Francisco or leave the work force, in some cases seeking public  
12 assistance to support their children. In either case, there will be a detrimental effect on San  
13 Francisco's economy and its quality of life.

14 The San Francisco General Plan requires that the City "balance housing growth with  
15 adequate infrastructure that serves the city's growing population." In light of this provision, the  
16 City should impose requirements on developers of certain residential projects designed to  
17 mitigate the adverse effects of the increase in population facilitated by such projects.

18 (b) **Findings.** In adopting Ordinance No. 50-15, the Board of Supervisors reviewed the  
19 San Francisco Citywide Nexus Analysis prepared by AECOM dated March 2014 ("Nexus  
20 Analysis"), and the San Francisco Infrastructure Level of Service Analysis prepared by  
21 AECOM dated March 2014, both on file with the Clerk of the Board of Supervisors in File No.  
22 150149. The Board of Supervisors reaffirms the findings and conclusions of those studies as  
23 they relate to the impact of residential development on childcare and hereby readopts the  
24 findings contained in Ordinance 50-15, including the General Findings in Section 401A(a) of  
25



1 the Planning Code and the Specific Findings in Section 401A(b) of the Planning Code relating  
2 to childcare.

3 **SEC. 414A.2. DEFINITIONS.**

4 See Section 401 of this Article for definitions applicable to Section 414A et seq.

5 **SEC. 414A.3. APPLICATION OF RESIDENTIAL CHILD CARE IMPACT FEE.**

6 (a) **Application.**

7 (1) Section 414A.1 et seq. shall apply to any residential development project that  
8 results in:

9 (A) At least one net new residential unit;

10 (B) Additional space in an existing residential unit of more than 800 gross  
11 square feet;

12 (C) At least one net new group housing facility or residential care facility;

13 or

14 (D) Additional space in an existing group housing or residential care  
15 facility of more than 800 gross square feet.

16 (2) Section 414A.1 et seq. shall not apply to:

17 (A) That portion of a residential development project consisting of a retail  
18 use;

19 (B) That portion of a residential development project located on property  
20 owned by the United States or any of its agencies;

21 (C) That portion of a residential development project located on property  
22 owned by the State of California or any of its agencies, with the exception of such property not  
23 used for a governmental purpose;

24 (D) That portion of a residential development project located on property  
25 under the jurisdiction of the Port of San Francisco or the San Francisco Office of Community

1 Investment and Infrastructure where the application of this Section ~~414A.1-44A~~ is prohibited  
2 by State or local law; and

3 (E) Any residential development project that has obtained its First  
4 Construction Document prior to the effective date of Section 414A.1et seq.

5 **SEC. 414A.4. IMPOSITION OF RESIDENTIAL CHILD CARE IMPACT FEE**  
6 **REQUIREMENT.**

7 (a) **Determination of Requirements.** The Department shall determine the applicability  
8 of Section 414A to any development project requiring a First Construction Document and, if  
9 Section 414A is applicable, the number of gross square feet of space subject to its  
10 requirements, and shall impose these requirements as a condition of approval for issuance of  
11 the First Construction Document for the development project to mitigate the impact on the  
12 availability of child-care facilities that will be caused by the residents attracted to the proposed  
13 development project. The project sponsor shall supply any information necessary to assist the  
14 Department in this determination.

15 (b) **Department Notice to Development Fee Collection Unit at DBI.** After the  
16 Department has made its final determination of the net addition of gross square feet of the  
17 space subject to Section 414A.1et seq., it shall immediately notify the Development Fee  
18 Collection Unit at the Department of Building Inspection (DBI) of its determination in addition  
19 to the other information required by Section 402(b) of this Article.

20 (c) **Timing of Fee Payments.** The Residential Child Care Impact Fee shall be paid at  
21 the time of and in no event later than the City issues a First Construction Document.

22 (d) **Development Fee Collection Unit Notice to Department Prior to Issuance of**  
23 **the First Certificate of Occupancy.** The Development Fee Collection Unit at DBI shall  
24 provide notice in writing or electronically to the Department prior to issuing the First Certificate  
25 of Occupancy for any development project subject to this Section 414A whether the project

1 sponsor has paid the required Residential Child Care Impact Fee. If the Department notifies  
2 the Unit at such time that the sponsor has not paid this fee in full, the Director of DBI shall  
3 deny any and all Certificates of Occupancy until the subject project is brought into compliance  
4 with the requirements of this Section 414A.

5 (e) **Process for Revisions of Determination of Requirements.** In the event that the  
6 Department or Commission takes action affecting any development project subject to Section  
7 414A, and such action is subsequently modified, superseded, vacated, or reversed by the  
8 Board of Appeals, the Board of Supervisors, or by a court, the procedures of Section 402(c) of  
9 this Article 4 shall be followed.

10 (f) **Waiver or Reduction.** Development projects may be eligible for a waiver or  
11 reduction of impact fees, per Section 406 of this Article 4, including Section 406(d), in the  
12 event a project located in an Area Plan may be assessed a child care fee.

13 **SEC. 414A.5. CALCULATION OF THE RESIDENTIAL CHILD CARE IMPACT FEE.**

14 (a) For development projects for which the Residential Child Care Impact Fee is  
15 applicable:

- 16 (1) Any net addition of gross square feet shall pay per the Fee Schedule in  
17 Table 414A.5A; and
- 18 (2) Any replacement of gross square feet or change of use shall pay per the  
19 Fee Schedule in Table 414A.5B.

20 <b>TABLE 414A.5A</b>	
21 <b>FEE SCHEDULE FOR NET ADDITIONS OF GROSS SQUARE FEET</b>	
22 Residential projects of 10 or more units	22 Residential <del>Projects</del> Projects of up to 9 units
23 \$1.83/gsf	23 \$0.91/gsf

24  
25 **TABLE 414A.5B**

FEE SCHEDULE FOR REPLACEMENT OF USE OR CHANGE OF USE			
	Residential Use to Residential Use	Non-Residential to Residential	PDR to Residential
Residential Projects of 10 or more units	\$0/gsf	\$0.26/gsf	\$0.26/gsf
Residential Projects of up to 9 units	\$0/gsf	\$0.13/gsf	\$0.13/gsf

(b) **Credit for On-Site Childcare Facilities.** A project may be eligible for a credit for on-site Childcare Facilities: The project sponsor must apply to the Planning Department to receive a credit for on-site child care facilities. To qualify for a credit, the facility shall be open and available to the general public on the same terms and conditions as to residents of the residential development project in which the facilities are located. Subject to the review and approval of the Planning Commission, the project sponsor may apply for a credit up to 100% of the required fee. The City shall enter into an In-Kind Agreement with the Project Sponsor under the conditions described for In-Kind Agreements in Section 421.3(d), subsections (2) through (5).

**SEC. 414A.6. OPTION TO PROVIDE ONSITE SMALL FAMILY DAYCARE HOME IN LIEU OF FEE.**

(a) **Election to Provide Designated Child Care Units in Lieu of Residential Child Care Impact Fee.** Consistent with the timing to elect the option to provide On- or Off-site Units under Section 415.5(g), the sponsor of a development project subject to the requirements of Section 414A.1 et seq., may elect to fulfill all or a portion of the Residential Child Care *Impact* Fee requirement imposed as a condition of approval by creating one or more Designated Child Care Units in the project, as follows:

1 (1) A Designated Child Care Unit(s) may be an On-site or Off-site Unit(s), as defined in  
2 Section 415 et seq., establishing the Inclusionary Affordable Housing Program, if the development  
3 project provides 10 or more On-site or Off-site units. If the development project provides fewer than 10  
4 On-site or Off-site units, a Designated Child Care Unit may not be an On-site or Off-site Unit.

5 (2) The number of Designated Child Care Units in a project subject to this  
6 Section 414A shall be as follows:

<b><u>TABLE 414A.6A</u></b>	
<b><u>NUMBER OF DESIGNATED CHILD CARE UNITS</u></b>	
<b><u>Residential Project Size</u></b>	<b>Maximum allowable Designated Child Care Units</b>
<i>Residential Projects of 25-100 Residential</i> <i>#Units</i>	1 Unit
<i>Residential Projects of 101-200 Residential</i> <i>#Units</i>	2 Units
<i>Residential Projects of 201 or more Residential</i> <i>#Units</i>	3 Units

17 ~~(2)~~(3) A Designated Child Care Unit shall have two or more bedrooms and shall  
18 be 1,000 square feet or more;

19 ~~(3)~~(4) A Designated Child Care Unit would preferably be located at or close to the  
20 ground floor;

21 (5) A Designated Child Care Unit shall be offered only for rent and only to a  
22 tenant who agrees to operate a licensed Small Family Daycare Home in the Unit;

23 ~~(4)~~(6) A Designated Child Care Unit shall be reserved for a period of at least ten  
24 years from the date the Designated Unit is first leased to a tenant for use as a licensed Small  
25 Family Daycare Home; and

1                   ~~(5)(7) A Designated Child Care Unit may not be an On-site or Off-site Unit, as defined~~  
2 ~~in Planning Code Section 415 et seq. establishing the Inclusionary Affordable Housing Program.~~  
3 ~~Applicants with previous experience as licensed childcare providers shall receive a preference.~~

4                   **(b) Calculation of Value of Designated Child Care Unit in Lieu of Residential**  
5 **Child Care Impact Fee.** For purposes of determining the value of a Designated Child Care  
6 Unit to calculate a waiver of the Child Care Fee, the City shall calculate the number  
7 Designated Child Care Units being provided multiplied by the average number of children per  
8 Unit multiplied by the cost per childcare space. The following formula, using numbers derived  
9 from the 2014 San Francisco Citywide Nexus Study shall be used:

10                   
$$\frac{\text{(Total number of gross square feet of the residential unit or units designated as$$
  
11 
$$\text{Designated Child Care Units}) * (\text{Residential Child Care Impact Fee}) * 2015.}{\text{}}$$

12                   This value shall be deducted from the amount of the Residential Child Care Impact  
13 Fee owed.

14                   **(c) Responsibilities of Operators of Small Family Daycare Homes in Designated**  
15 **Child Care Units.** The Office of Early Care and Education shall monitor Designated Child  
16 Care Units and refer any instances of noncompliance to the Planning Department for  
17 enforcement. A tenant of any Designated Child Care Unit shall agree to operate a licensed  
18 Small Family Daycare Home in the unit for a minimum of 10 years as follows:

19                   ~~(1) If, in the determination of the Office of Early Care and Education, the tenant does~~  
20 ~~not begin to operate a licensed Small Family Daycare Home in the unit within nine months of~~  
21 ~~occupying the unit, or if the tenant ceases to operate a licensed Small Family Daycare Home at any~~  
22 ~~point in time within ten years from the date the Designated Unit is first leased to a tenant to operate a~~  
23 ~~licensed Small Family Daycare Home, all tenants in the Unit shall be required to vacate the unit within~~  
24 ~~180 days;~~

1           ~~(2)~~ At least 1/3 of the children served by the Small Family Daycare Home shall  
2 be from Households of Low- or Moderate-income, as defined in Section 401; and

3           ~~(3)~~(2) The Small Family Daycare Home established in any Designated Child  
4 Care Unit shall serve at least four children of whom the operator of the Small Family Daycare  
5 Home is not a parent or guardian, based on an average over the previous 12 months.

6           *(d) Replacement of Operator and/or Designated Unit. Notwithstanding anything to the*  
7 *contrary in this Section 414A, if a Designated Unit no longer provides a licensed Small Family*  
8 *Daycare Home in the unit, the owner of the project in which the unit is located shall provide notice to*  
9 *MOHCD and the Office of Early Care and Education of the next unit available for rent and allow*  
10 *MOHCD, as assisted by the Office of Early Care and Education, to attempt to fill that unit with a*  
11 *tenant eligible under the Inclusionary Affordable Housing Program who is also an eligible operator of*  
12 *a Small Family Daycare Home. If, in the determination of the Office of Early Care and Education, the*  
13 *tenant fraudulently did not intend to operate a licensed Small Family Daycare Home in the unit within*  
14 *nine months of occupying the unit, all tenants in the Unit shall be required to vacate the unit within 60*  
15 *days. If the Designated Unit is an On-site or Off-site unit, within the meaning of Section 415 et seq., for*  
16 *the initial and any subsequent vacancies of such unit, the Mayor's Office of Housing and Community*  
17 *Development (MOHCD) shall use its best efforts to fill such vacated unit with a tenant registered with*  
18 *the Office of Early Care and Education and licensed to provide Small Family Daycare Home who is*  
19 *also an eligible tenant under the City's Inclusionary Affordable Housing Program. If MOHCD is*  
20 *unable to do so within 60 days, the vacated unit shall become available to other eligible tenants*  
21 *pursuant to the City's Inclusionary Affordable Housing Program.*

22           **SEC. 414A.7. USE OF FEES.**

23           All monies contributed pursuant to the provisions of Section 414A shall be deposited in  
24 the Child Care Capital Fund established by Section 414.14 of this Code.

25           **SEC. 414A.8. NOTICE OF AVAILABLE DESIGNATED UNITS.**

1           Whenever a Designated Child Care Unit becomes available for rent, within five  
2 business days, the owner of the Unit shall notify governmental and nonprofit entities that can  
3 assist in publicizing the availability of the Unit, including, at a minimum, the following entities:  
4 the Office of Early Care and Education, the Family Child Care Association of San Francisco,  
5 the Children's Council, and Wu Yee Children's Services.  
6

7           Section 4. Effective Date. This ordinance shall become effective 30 days after  
8 enactment. Enactment occurs when the Mayor signs the ordinance, the Mayor returns the  
9 ordinance unsigned or does not sign the ordinance within ten days of receiving it, or the Board  
10 of Supervisors overrides the Mayor's veto of the ordinance.  
11

12           Section 5. Scope of Ordinance. In enacting this ordinance, the Board of Supervisors  
13 intends to amend only those words, phrases, paragraphs, subsections, sections, articles,  
14 numbers, punctuation marks, charts, diagrams, or any other constituent parts of the Municipal  
15 Code that are explicitly shown in this ordinance as additions, deletions, Board amendment  
16 additions, and Board amendment deletions in accordance with the "Note" that appears under  
17 the official title of the ordinance.  
18

19 APPROVED AS TO FORM:  
20 DENNIS J. HERRERA, City Attorney

21 By: 

22           MARLENA BYRNE  
23           Deputy City Attorney

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25