



SAN FRANCISCO PLANNING DEPARTMENT

Planning Commission Resolution No.19495

HEARING DATE OCTOBER 15, 2015

Project Name: **Child Care in Lieu Fee Increase and Application**
Case Number: **2015-009771PCA [Board File No. 150793]**
Initiated by: Supervisor Yee / Introduced July 29, 2015
Staff Contact: Menaka Mohan, Legislative Affairs
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Reviewed by: Aaron Starr, Manager of Legislative Affairs
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Recommendation: **Recommend Approval with Modifications**

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RECOMMENDING THAT THE BOARD OF SUPERVISORS ADOPT WITH MODIFICATIONS A PROPOSED ORDINANCE THAT WOULD AMEND THE PLANNING CODE TO INCREASE THE CHILD CARE IN LIEU FEE FOR OFFICE AND HOTEL DEVELOPMENT PROJECTS OF UP TO \$1.57 PER GROSS SQUARE FOOT AND APPLY THE FEE TO PROJECTS OF 25,000 OR MORE GROSS SQUARE FEET; TO IMPOSE A TIERED CHILD CARE FEE FOR RESIDENTIAL DEVELOPMENT PROJECTS OF UP TO \$1.83 PER GROSS SQUARE FEET; TO ALLOW DEVELOPERS THE OPTION TO PROVIDE ONSITE SMALL FAMILY DAYCARE HOMES IN LIEU OF THE FEE; AND AFFIRMING THE PLANNING DEPARTMENT'S DETERMINATION UNDER THE CALIFORNIA ENVIRONMENTAL QUALITY ACT, AND MAKING FINDINGS OF CONSISTENCY WITH THE GENERAL PLAN AND THE EIGHT PRIORITY POLICIES OF PLANNING CODE SECTION 101.1

WHEREAS, on July 29, 2015, Supervisor Yee introduced a proposed Ordinance under Board of Supervisors (hereinafter "Board") File Number 150793, which would amend the Planning Code to increase the increase the Child Care In Lieu Fee for office and hotel development projects of up to \$1.57 per gross square foot and apply the Fee to projects of 25,000 or more gross square feet; to impose a tiered Child Care Fee (hereinafter "Fee") for residential development projects of up to \$1.83 per gross square foot; to allow developers the option to provide onsite Small Family Daycare Homes in lieu of the fee and;

WHEREAS, the proposed fee is based on the 2014 San Francisco Citywide Nexus Analysis adjusted fee rates for 2015 and;

WHEREAS, the proposed ordinance adds a new Citywide tiered Residential Child Care Fee (hereinafter "Fee") where projects up to nine units would be subject to \$0.91/GSF and projects of ten or more would be subject to \$1.83/GSF and;

WHEREAS, the proposed ordinance provides the option for developers to add a Designated Child Care Unit, which would provide Small Family Day Care Homes defined in California Health and Safety Code Section 1596.78(c) in lieu of a portion or the full Fee and would count towards the requirements of Planning Code Section 415 and;

WHEREAS , the proposed ordinance provides the option for developers to receive credit for providing on-site childcare facilities subject to the In-kind Agreement rules outlined in Planning Code Section 421.3(d), subsections (2) through (5) and;

WHEREAS, The Planning Commission (hereinafter "Commission") conducted a duly noticed public hearing at a regularly scheduled meeting to consider the proposed Ordinance on October 15, 2015; and,

WHEREAS, the proposed Ordinance has been determined to be categorically exempt from environmental review under the California Environmental Quality Act Section 150152723 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

MOVED, that the Planning Commission hereby recommends that the Board of Supervisors **approve with modifications** the proposed ordinance. Specifically, the Commission recommends the following modifications:

1. Remove the Designated Child Care Unit (DCCU) from this ordinance and consider the DCCU section as a separate piece of legislation.
2. Clarify Child Care Fees levied in Area Plans remain in Area Plans.

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. Residential developments in the City are benefited by the availability of childcare for persons residing in such developments. However, the supply of childcare in the City has not kept pace with the demand for childcare created by new residents. Due to this shortage of childcare, residents unable to find accessible and affordable quality childcare will be forced either to live where such services are available outside of San Francisco or leave the work force, in some cases seeking public assistance to support their children. In either case, there will be a detrimental effect on San Francisco's economy and its quality of life.
2. The San Francisco General Plan requires that the City "balance housing growth with adequate infrastructure that serves the city's growing population." In light of this provision, the City should impose requirements on developers of certain residential projects designed to mitigate the adverse effects of the increase in population facilitated by such projects.
3. In adopting Ordinance No. 50-15, the Board of Supervisors reviewed the San Francisco Citywide Nexus Analysis prepared by AECOM dated March 2014 ("Nexus Analysis"), and the San

Francisco Infrastructure Level of Service Analysis prepared by AECOM dated March 2014, both on file with the Clerk of the Board of Supervisors in File No. 150149. The Board of Supervisors reaffirms the findings and conclusions of those studies as they relate to the impact of residential development on childcare and hereby readopts the findings contained in Ordinance 50-15, including the General Findings in Section 401A(a) of the Planning Code and the Specific Findings in Section 401A(b) of the Planning Code relating to childcare.

4. **General Plan Compliance.** The proposed Ordinance and the Commission's recommended modifications are, *on balance*, consistent with the Objectives and Policies of the General Plan (Staff discussion is added in *italic font* below):

COMMUNITY FACILITIES

OBJECTIVE 3

Assure that neighborhood residents have access to needed services and a focus for neighborhood activities.

The proposed fee would be applied to new residential development, hotel and office use, which in turn will be used to fund child care facilities.

HOUSING ELEMENT

OBJECTIVE 12

Balance housing growth with adequate infrastructure that serves the City's growing population.

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.

The proposed fee would be applied to new residential development, hotel and office use, which in turn will be used to fund child care facilities.

BAYVIEW HUNTERS POINT

OBJECTIVE 15

Combine social revitalization with physical and economic revitalization efforts.

The proposed fee will be applied to new residential development which in turn will be used to fund child care facilities.

CENTRAL WATERFRONT

OBJECTIVE 2.3

Require that a significant number of units in new developments have two or more bedrooms except senior housing and SRO developments unless all below market rate units are two or more bedroom units.

POLICY 2.3.4

Encourage the creation of family supportive services, such as child care facilities, parks and recreation, or other facilities, in affordable housing or mixed-use developments.

The proposed legislation would provide the option for developers to provide an on-site child care facility in lieu of the proposed fee.

EAST SOMA (SOUTH OF MARKET)

OBJECTIVE 2.3

Ensure that new residential developments satisfy an array of housing needs with respect to tenure, unit mix and community services.

Policy 2.3.4

Encourage the creation of family supportive services, such as childcare facilities, parks and recreation, or other facilities, in affordable housing or mixed use developments.

OBJECTIVE 7.1

Provide essential community services and facilities

The proposed legislation would provide the option for developers to provide an on-site child care facility in lieu of the proposed fee.

EXECUTIVE PARK

OBJECTIVE 9

Provide and enhance community facilities to serve existing and future residents.

Policy 9.1

Encourage development that provides the necessary community facilities to serve the intended population and to create a livable neighborhood.

The proposed legislation would provide the option for developers to provide an on-site child care facility in lieu of the proposed fee.

MISSION

OBJECTIVE 2.3

Ensure that new residential developments satisfy an array of housing needs with respect to tenure, unit mix and community services.

OBJECTIVE 7.2

Ensure continued support for human service providers throughout the Eastern Neighborhoods.

SHOWPLACE SQUARE

OBJECTIVE 2.3

Require that a significant number of units in new developments have two or more bedrooms except senior housing and SRO developments unless all below market rate units are two or more bedroom units.

Policy 2.3.4

Encourage the creation of family supportive services, such as childcare facilities, parks and recreation, or other facilities, in affordable housing or mixed use developments.

OBJECTIVE 7.1

Provide essential community services and facilities.

OBJECTIVE 7.2

Ensure continued support for human service providers throughout the Eastern Neighborhoods.

The proposed legislation would provide the option for developers to provide an on-site child care facility in lieu of the proposed fee.

WESTERN SOMA (SOUTH OF MARKET)

OBJECTIVE 3.5

Ensure that new residential developments satisfy an array of housing needs with respect to tenure, unit mix and community services.

Policy 3.5.4

In affordable housing and mixed-use developments, encourage the creation of family supportive services, such as childcare facilities, parks and recreation, or other facilities.

OBJECTIVE 9.2

Provide neighborhood childcare services where they will best serve local residents and workers.

POLICY 9.2.2

Locate childcare near residential areas, on-site in new residential complexes, near transit facilities, or near employment centers to support families by reducing the time spent going to and from daycare, and to support other plan goals of traffic reduction and increased transit ridership.

The proposed legislation would provide the option for developers to provide an on-site child care facility in lieu of the proposed fee.

5. **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 amendments will not have a negative effect on neighborhood serving retail uses and will not affect 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 amendments will not affect existing housing and neighborhood character.

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

The proposed amendments will not affect the supply of affordable housing.

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

The proposed amendments will 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 amendments 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 negatively affect preparedness in the case of an earthquake.

7. That the landmarks and historic buildings be preserved;

Landmarks and historic buildings would not be negatively affected by the proposed amendments.

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

The City's parks and open space and their access to sunlight and vistas would be unaffected by the proposed amendments.

6. **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 recommends that the Board ADOPT the proposed Ordinance with the modification as described in this Resolution.

I hereby certify that the foregoing Resolution was adopted by the Commission at its meeting on October 15, 2015.

Jonas P. Ionin
Commission Secretary

AYES: Fong, Wu, Antonini, Johnson, Richards

NOES:

ABSENT: Hillis, Moore

ADOPTED: October 15, 2015