Mayor's Office of Housing and Community Development
City and County of San Francisco

London N. Breed
Mayor

Daniel Adams
Director

MEMORANDUM

February 21, 2024

To: Supervisors Melgar, Chan, and Mandelman, Budget & Finance Committee

Fr: Sheila Nickolopoulos, Director of Policy and Legislative Affairs, MOHCD

RE: Request for Additional Information on Child Care at 78 Haight St (File 240092)

This memo provides follow up requested information at the Budget & Finance Committee hearing held on February 14, 2024 about the history of the originally proposed child care center at the 78 Haight Street affordable housing development, why the child care center is no longer feasible, and options being explored to create onsite family child care units to meet some of the demand.

A Commitment to Child Care in Affordable Housing Developments

MOHCD has encouraged the inclusion of child care centers in multifamily affordable housing developments wherever possible, and standard underwriting enables childcare providers to lease the space for $1/year. Child care providers must fund the tenant improvements and develop the space in partnership with the nonprofit developer. Through programs managed by the Office of Early Care and Education and LIIF, financial support for tenant improvements is available.

Child Care at 78 Haight

The original Octavia Boulevard Parcels R, S, &U Request for Proposal (RFP) was amended after it was issued to add the provision of a child care center on the ground floor within the three parcels, given the significant need for child care in San Francisco, and the particularly severe need in this neighborhood. The amendment noted the potential availability of childcare tenant improvement funding from Market-Octavia Child Care impact fees, and the potential need for childcare by parenting TAY. Due to the very small parcel size of Parcel U, the Citywide Affordable Housing Loan Committee conditioned that additional feasibility analysis needed to be done to determine if child care could work at this site.

Prior to the gap financing request, TNDC and their selected childcare provider, Wu Yee Children's Services, conducted due diligence to determine if the proposed child care center on the ground floor was feasible. They identified two hurdles:

a) Facility Size. Child care experts from the Low Income Investment Fund (LIIF) concluded that an approximate 3,500-square-foot childcare center could serve 35 children ages 0 to 5, and that size would be acceptable to childcare providers, but was on the small end for operational feasibility.

b) Open Space Waiver. California State Community Care Licensing for child care requires 75 square feet of onsite outdoor space per child. The licensing agency will grant a waiver to this requirement if age-appropriate and secured outdoor space is available at a nearby park and if a permit is obtained from the San Francisco Recreation and Parks Department (RPD). Wu Yee determined that they would be able to meet outdoor space obligations at either Patricia's Green and/or the nearby Koshland Playground. Wu Yee Children's Services was responsible for obtaining the waivers.

As described in the attached letter from Wu Yee Children's Services, once Wu Yee engaged with State Community Care Licensing, it was clear that the nearby parks would not be approved by licensing.

The play structures at Koshland Playground are designed for children five and older, and therefore not age-appropriate for those in child care. Patricia's Green, at the heart of Hayes Valley, has a single play structure, which is designed for older children. In addition, the play area is not enclosed by fencing. Lastly, the Hayes Valley Playground at Hayes and Buchanan is a six block walk from 78 Haight Street, which is too far for toddlers to do the round-trip daily.

Exploration of Family Child Care units on Site

As suggested at the Budget & Finance Committee, TNDC is looking at options for including Designated Family Child Care unit(s) (DCCUs) on the ground floor with design and permitting assistance of the project architect, Paulett Taggart Architects (PTA). If feasible, it will take several months for plan review and plan check for an amended design. In addition, MOHCD is adding a loan condition that this feasibility analysis be fully conducted as a condition of receiving additional loan funds.

At Budget and Finance Committee, Supervisor Melgar asked if the rooftop could meet open space needs for the childcare center. State Licensing will not permit a child care center to use a rooftop above the third floor; 78 Haight will be 8 stories tall.

Other resources in the neighborhood

The neighboring Mt. Trinity Baptist Church (MTBC) is exploring ways that their strengthened building can be of service to the wider community. Once the building work is complete, MTBC is considering the development of potential afterschool programs, providing meals for people experiencing homelessness, and opening a child care center. TNDC will explore a potential collaboration with MTBC for service provision such as childcare and youth counseling once these services become available. If they are able to provide child care, the appropriate City agencies will provide technical assistance to the church as needed.

WU Yee
CHILDREN'S SERVICES

February 21, 2024

Maurilio Leon
Chief Executive Officer
Tenderloin Neighborhood Development Corporation (TNDC)
201 Eddy Street
San Francisco, CA 94102

Dear Mr. Leon,

Due to the playground limitations, a child care center at 78 Haight Street is not feasible.

In early 2020, TNDC circulated an RFP to the local early care and education (ECE) organizations regarding a brand-new child care center. This space was going to be part of TNDC's new housing development located at 78 Haight Street. Wu Yee Children's Services (Wu Yee) responded to the proposal. We proposed to serve 34 children at this site, with three classrooms to serve six infants, eight toddlers, and 20 preschoolers. We were interviewed by a panel consisting of TNDC and City staff, and were selected to be the operator of this project. We were very excited!

During the operator selection process, TNDC and City staff made it clear that there was not an on-site playground. At the time, no one thought that this limitation would make the project unfeasible. We thought the neighborhood park at Koshland, Patricia's Green, or the possibility of finding an outdoor space nearby would work.

TNDC anticipated construction completion for this project to be June, 2022, but it encountered setbacks and the project was severely delayed. As a result, Wu Yee stepped back from the project and focused on developing other child care centers. We have opened three brand-new child care centers during the past eighteen months.

In 2023, TNDC and Wu Yee were in discussion again as TNDC expected to break ground for this project soon. When we looked at it closely, we realized that both Koshland and Patricia's Green were not suitable playgrounds for a number of reasons. First, Koshland playground is certificated for children five years old or older, and Patricia's Green is unfenced and age inappropriate. Second, both playgrounds would require our children to cross busy streets to reach them, which is a serious safety issue. Section 101238.2 of the state licensing requirement states that 'the outdoor activity space shall be situated to permit children to reach the outdoor activity space safely (See enclosed).

We then examined the nearby green spaces. There are two, one is one block away from the 78 Haight Street project, on Octavia Street between Page and Lily Street, and the other is in the next block on Octavia Street between Lily and Oak Street. Unfortunately, we were told that both parcels are not available as they are going to be developed into housing. Another consideration is to open up a portion of the 78 Haight Street space to make it a covered playground. This option, however, would reduce the number of children we could serve by half. We could not sustain that scenario financially.

For the reasons above, to our tremendous disappointment, we cannot move forward with this project. The Department of Early Childhood (DEC) and Low-Income Investment Fund (LIIF) staff have been actively involved in this project, and they also agree that no other ECE organizations can make it work for the very

same reasons. If there were any other possibility to make this project a reality, Wu Yee would be delighted to come back as the operator.

Should you have any questions, please contact me anytime. We deeply appreciate the dedication and support that the TNDC staff has demonstrated during this entire process.

Sincerely,

Monica Walters
Chief Executive Officer