

LEGISLATIVE DIGEST

[Planning Code - Child Care Requirements for Office and Residential Projects]

Ordinance amending 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.

Existing Law

The Planning Code requires that office and hotel development projects of 50,000 or more gross square feet must meet certain Child Care Requirements, including the option to pay \$1.00 per gross square feet. The Planning Code does not have a citywide requirement on residential development to meet Child Care requirements, but some Area Plans have community impact fees that include a fee for child care.

Amendments to Current Law

The Proposed Legislation will require that office and hotel development projects of 25,000 or more gross square feet meet certain Child Care Requirements and increases the in lieu fee to \$1.57 per gross square feet.

The Proposed Legislation will impose a new Child Care Fee for residential projects of \$1.83 for projects containing 10 or more units and 50% of that amount or \$0.91 for projects of up to 9 units. The Proposed Legislation provides for an option to provide on-site day care facilities and receive a full or partial waiver of the Fee. The Proposed Legislation also includes an option for a project sponsor to receive a full or partial waiver of the Fee if they designate one or more of those units as Designated Childcare Units that will be rented to a household operating a Small Family Daycare Home as defined in State law for at least 10 years.

Background Information

San Francisco conducted a Citywide Nexus Study dated March 2014 prepared by the consultant AECOM. The fee amounts in the Proposed Ordinance are based on the results of that analysis.

On January 12, 2016, the Board of Supervisors duplicated the ordinance, passing the ordinance on second reading and referring the duplicated ordinance to committee.

n:\legana\as2015\1500578\01066684.doc