Expanding Access to Childcare
Plan Area Impact Fees

Discussion Guide
Eastern Neighborhoods CAC
Market & Octavia CAC
October 17, 2016
Overview: Childcare impact fees

• Citywide and Plan Area fees
• Use of fees
  – New or expanded childcare facilities
  – 20% serving low-income families
• Plan Area fee projections
  – Market & Octavia: $5,500,000 through 2022
  – Eastern Neighborhoods: $5,000,000
  – Visitacion Valley: $4,600,000
  – Balboa Park: $200,000
Issue: Captive funds

- Plan Area childcare funds can only be spent in the Plan Area

- $1.3 million unallocated after 18 months in Market & Octavia
Proposal: Expand use of funds

• Objective: Remove geographic barrier to use of funds in a timely manner, when appropriate.

• Concern: Is this an appropriate use of Plan Area fee revenue?

• Policy options: If appropriate, how do we balance concerns?
Policy options

• Plan Area Priority
  – Use of funds in Plan Area is “first priority,” use in other areas “second priority,” use citywide “third priority.”

• “Good faith effort” standard
  – Funds can be spent citywide after specific conditions have been met (e.g. 12-month RFP)

• Discretionary
  – Apply “good faith effort” standard, but at discretion of Planning Director when conditions are met
Discussion

• Is it appropriate to spend childcare funds outside the Area in specific circumstances?

• Should this be done for all Areas?

• What policy options should we pursue?