

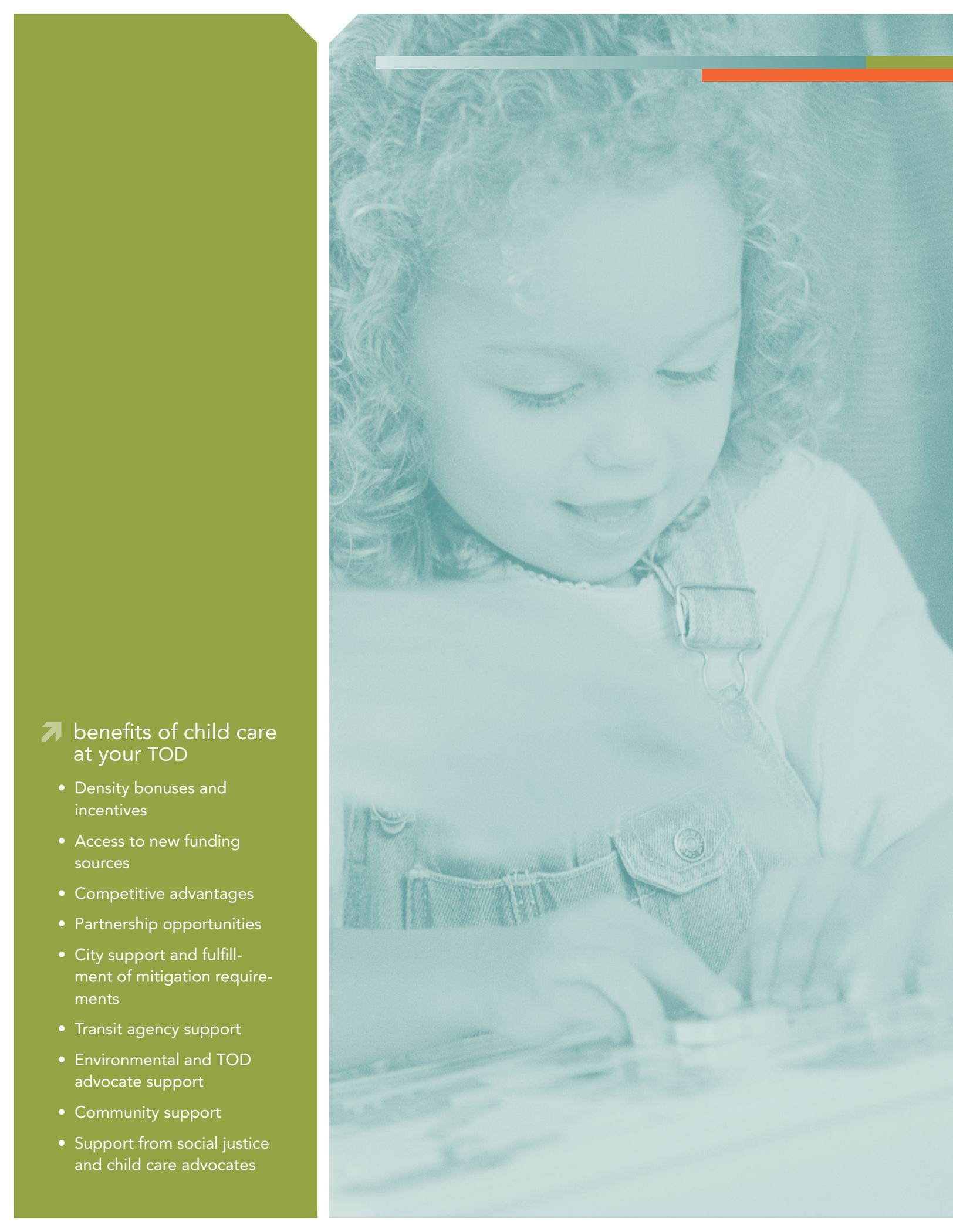


building child care into new developments

➤ a guide for creating child care facilities in
transit-oriented developments

➤ **inside**

- case studies
- planning tips
- key benefits



➤ benefits of child care
at your TOD

- Density bonuses and incentives
- Access to new funding sources
- Competitive advantages
- Partnership opportunities
- City support and fulfillment of mitigation requirements
- Transit agency support
- Environmental and TOD advocate support
- Community support
- Support from social justice and child care advocates



child care at transit-oriented developments—an innovative idea

Simply put, including a child care center in a transit-oriented development (TOD) can help move the project forward to completion. This guide will show you how other developers have benefited from incorporating child care centers in their plans. It's full of hands-on case studies, tips and resources for private and non-profit developers—and for city planning, transit, or redevelopment agencies.

Whether your TOD is creating a new urban destination, rejuvenating a dormant downtown, or crafting a lively new suburban village, including a child care facility can help you win projects, obtain incentives and bonuses, garner community support and attract financial partners.

Communities, cities and development and transit agencies are increasingly recognizing child care as an economic driver—as essential as jobs and housing. As a result, they are finding innovative ways to help support child care facilities, such as using transportation funds. Smart growth and congestion management, air quality, green industry and other funding sources can also be tapped.

Many local governments are even incorporating child care goals and policies into their general plans. San Leandro, California, intends to grant incentives to developers to create child care facilities in projects that meet a certain size threshold. And San Diego County, California, aims to support child care facilities at transportation hubs and to require mitigation or incentives to encourage developers to include child care facilities in new developments. Transit agencies, such as Bay Area Rapid Transit (BART) are providing for child care in their planning documents.

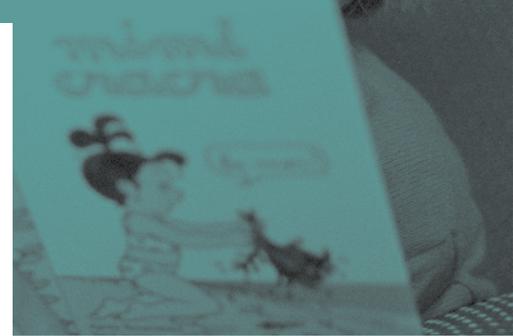
Across the nation, in both urban and rural areas, near rail stations and bus hubs, at-capacity child care centers are proving to be an important community component, along with housing and retail. In California, there are already a dozen TODs with child care, and more are in the planning stages.

This is an exciting time to include child care in a TOD. TODs are exploding in popularity—driven by population growth, long commutes, and our search for a better quality of life. The overall market demand for child care is also high, driven by the need for new child care facilities and for improved facilities for existing child care programs.

We hope that you'll find these ideas, tools and tips helpful as you plan for including child care in your TOD.



photo: McCormack Baroi Salazar



In addition to playing a major supporting role for retail and housing tenants, child care facilities themselves are in tremendous demand across the nation. They make great anchor tenants at TOD—they are

likely to be stable, long-term tenants who can take occupancy rapidly. Many child care centers have waiting lists before they even open, because there are simply not enough licensed child care spots available for working parents. And child care at TOD appeals to a large group, including TOD residents, employees who work near the TOD, commuters who can avoid an extra stop by using child care at their transit station, and anyone who is interested in high-quality child care in a convenient location.

Many transit agencies are already on board. Why? Because the presence of an in-demand service at the station increases ridership. Studies show that when their children's child care is within one-third mile of transit, 34% of people walked or used transit to commute to their final destination, on average, with higher numbers in major urban areas and in low income areas.

Transit agencies may want to partner with developers who bring child care to a TOD. Many such projects have been completed in Los Angeles at Metro train stations and in the Bay Area at BART

➤ a growing trend

Including child care in transit-oriented developments (TODs) is a cutting-edge trend. Across the nation, developers and transit agencies are finding that child care at transit hubs is a highly successful use of space that helps attract other tenants and increases transit ridership.

Transit-oriented development offers many benefits. People will pay more to live within walking distance of transit. Studies show that TOD housing properties are actually worth more—up to 20 to 25 percent more than similar properties not near transit. And experts predict that demand for housing within walking distance of transit will more than double by 2025.

Here's where child care comes into the picture. Child care can increase the desirability of housing at TOD for families, making properties sell for even more, which in turn attracts retail tenants.



rail stations. And in Kansas City, the transit authority developed a 15,000-square foot child care center in the city's busiest transit hub, which serves 1,300 daily riders. The child care center has increased transit ridership and helped revitalize the station area with its constant hum of family-oriented activity.

Local jurisdictions are also beginning to adapt their land use planning to actively encourage developers to include child care. For instance, San Mateo County, California, plans to encourage child care development by providing incentives for developers—including density bonuses, increases in floor area ratios, modifications to zoning regulations, and allowing child care facilities to serve as traffic mitigation measures. The Union City, California General Plan intends to mitigate the effects of residential and commercial projects on the supply of child care by requiring new facilities or fees.

Including child care also helps solidify community support for a development project. When a community voices opposition to a project based, for instance, on perceived traffic increases, including child care can assuage those fears, since it decreases

the need to drive. And by providing a core community service, including a child care center in your project can show local residents that you care

➤ great examples of child care at TOD

- In Los Angeles, California, a major new development at the **Metro Hollywood Transit Village**, with more than 120 apartments, as well as office and retail space, includes a child care center for 52 children.
- In Maryland, the **Shady Grove Metro Station** has a child care center that was a unique public-private partnership with eleven corporate sponsors.
- In Watsonville, an agricultural town in California, **Via del Mar** is a 40-unit high density development at a major transit center that has a child care center for 32 children.
- In Vallejo, California, the **Sereno Transit Village**, a TOD with 125 housing units, includes a child care center and a community center.
- A 4,000 square foot child care center in **Ohlone-Chynoweth Commons**, in San Jose, California, is a central part of this urban 194-unit TOD (27 units/acre) at a busy light rail station.
- **The Fruitvale Transit Village**, an award-winning TOD in the San Francisco Bay Area, has a 24,000 square foot child care center.



fruitvale transit village

OAKLAND, CALIFORNIA

The Fruitvale Transit Village is a \$100-million transit-oriented development adjacent to the Fruitvale BART station. It has a 24,000 square foot child care center, 47 apartments and 20 retail spaces. Two mixed-use buildings center on a Mediterranean-style pedestrian plaza. The developer successfully overcame land use, zoning and financial hurdles to complete the project. The child care center is a thriving component of Fruitvale Transit Village.

One of the most successful examples of TOD in California, Fruitvale Village is a 19-acre site developed by the Fruitvale Development Corporation (created by the Unity Council, a nonprofit). Near a BART station with 6,240 weekday exits, a bus hub and a major freeway, Fruitvale Village has received more than five awards for mixed-use design.

Fruitvale Child Care Center

The De Colores Head Start Center is licensed for 120 child care spots, and operates at capacity with a waiting list. De Colores serves low income

children in a federally-funded Head Start program. The City created a new parking zone to allow five curbside drop-off and pick-up spaces adjacent to the entrance. Parents can use free 30-minute spots in the parking garage. More than 50% of families walk to the child care center. The outdoor play area is on the second floor, above parking. The total facility has 14,000 square feet of indoor space. It cost \$2.5 million to build and opened in 2004.

➤ overcoming barriers

➤ **challenge** The area, previously a BART surface parking lot, was not zoned to allow multiple uses, including child care.

✓ **solution** The developer worked with the City to create a new TOD District zoning classification. The new zone allows high-density, mixed-use development around transit hubs, provides density bonuses, allows civic uses, such as child care, and decreases the number of parking spaces needed.

➤ **challenge** Funding.

✓ **solution** Partnerships and creativity. Funding involved more than 20 entities, including the Federal Transit Administration's first Livable Communities grant (\$7.5 million), grants from private foundations and public money. The City of Oakland provided a HUD Enhanced Enterprise Community grant for \$3.3 million, and issued nearly \$20 million in tax-exempt bonds.

➤ **challenge** Competition for prime ground-floor space.

✓ **solution** Child care does not need to be located exclusively on the ground floor. The child care center at Fruitvale Village occupies space both on the first and second floor. The center has a private entrance with its own elevator and stairwell.



photo: McLaren Vasquez Emsiek & Partners



photo: McLaren Vasquez Emsiek & Partners

➤ fruitvale village fast facts

DEVELOPER

The Fruitvale Development Corporation

ARCHITECT

McLarand Vasquez Emsiek & Partners

COST TO DEVELOP CHILD CARE CENTER

\$2.5 million

TOTAL SITE SIZE

257,000 square feet

OFFICE/CIVIC

114,000 square feet

HOUSING

53,000 square feet

RETAIL

39,000 square feet

CHILD CARE

24,000 square feet

PARTNERS

BART, the City of Oakland, the Metropolitan Transportation Commission, Alameda County Transit, the Federal Transit Administration, the U.S. Dept. of Housing

learn more

www.mve-architects.com

www.fruitvalevillage.net



➤ **challenge** The ideal site for the development was a BART parking lot.

✓ **solution** The City completed a land swap with BART—allowing the developer to get ideal land for the TOD, and allowing BART to build a new parking structure close to the station.

➤ **challenge** Sufficient outdoor playground space—about 75 square feet per child.

✓ **solution** The child care center has a second-floor outdoor play area. Some projects with space constraints have also obtained waivers of licensing requirements through staggered use of playgrounds.

➤ **challenge** Cost of the lease for the child care center.

✓ **solution** The City of Oakland paid the lease for the child care center for 20 years. Why? They saw the TOD as crucial to revitalizing a historic inner-city neighborhood. Child care at Fruitvale Village would provide a needed service to the immediate community. The investment has paid off, as the area has seen rising housing values and dramatic business expansion. The child care center has served as a vibrant anchor site that operates with a waiting list, while retail has been slower to develop.

↑ case study

metro center transfer point

KANSAS CITY, MISSOURI

The Kansas City Area Transportation Authority (KCATA) developed a child care center at the Metro Center Transfer Point, its busiest transfer station, alongside an indoor transit center. The child care center, a public-private partnership with the KCMC Child Development Corporation, a child care operator, has resulted in high levels of ridership, helps fund other transit projects, and has helped revitalize the surrounding neighborhood.

The Metro Early Learning Center, which opened in 2002, takes 100 children 6 weeks to 5 years old and operates

a full day Head Start program. As a result, it creates a nearly constant buzz of activity and has helped to revitalize the area. The outdoor play area, located behind the building, is protected from the busiest traffic areas.

Funding Strategy

The Federal Transit Administration provided \$2.2 million in 2002 to build the exterior shell (to which the local transit authority added \$560,000) for the child care facility. The child care operator paid for all interior improvements, which cost \$656,000. The transit authority owns the building and leases it to KCMC. Today, the child care operator pays market rate rent for the space, which includes extra security for the child care center.



photo: Gould Evans



The Metro Early Learning Center (Illustration: Gould Evans)

↑ metro center fast facts

DEVELOPER

Kansas City Area Transportation Authority

ARCHITECT

Gould Evans

COST TO DEVELOP

CHILD CARE CENTER
\$3.4 million in 2002

COST PER SQUARE FOOT

\$204 in 2002

TOTAL SITE SIZE

1.2 acres

CHILD CARE

15,000 indoor square feet

CHILD CARE OUTDOOR PLAYGROUND

7,000 square feet

OTHER USES

1,200 square feet indoor transit center

PARKING

43 spaces

TYPE OF TRANSIT

Bus transfer station

DAILY TRANSIT RIDERS

1,300

learn more

Gould Evans

www.gouldevans.com

case study

via del mar

WATSONVILLE, CALIFORNIA

Via del Mar is a high density transit-oriented development. It has 40 units of affordable housing and a 32-slot child care center near the Watsonville Transit Center, a major bus hub in a rural area. The city of Watsonville supported the development and approved a special use permit because child care is a high priority in a city with a large youth population. The village-style project was made possible through land transfers and multiple funding sources, including a land lease at \$1/year provided by the transit district.

The GoKids, Inc. child care center is located on the first floor, with housing built above it. It is used by downtown workers and TOD residents, although TOD residents have priority. The child care center has a drop-off curb, and a few parking spaces for staff. The child care center's playground is available to TOD residents on off hours. A pedestrian pathway between the child care center and the station encourages transit use. The total project cost of \$12.2 million was funded from multiple sources.



photo: Go Kids, Inc.

Child Care Center Funding Strategy

- \$394,000 Child Care Facility Grant from the California Department of Parks and Recreation
- \$225,000 from the Santa Cruz Regional Transportation Commission
- \$400,000 in pre-development and development grants
- \$50,000 Packard Foundation grant for a child care feasibility study
- A 99-year land lease (\$1/year for TOD) from the transit district

via del mar fast facts

DEVELOPER
Mid-Peninsula
Housing Coalition

ARCHITECT
Pyatok Architects, Inc.

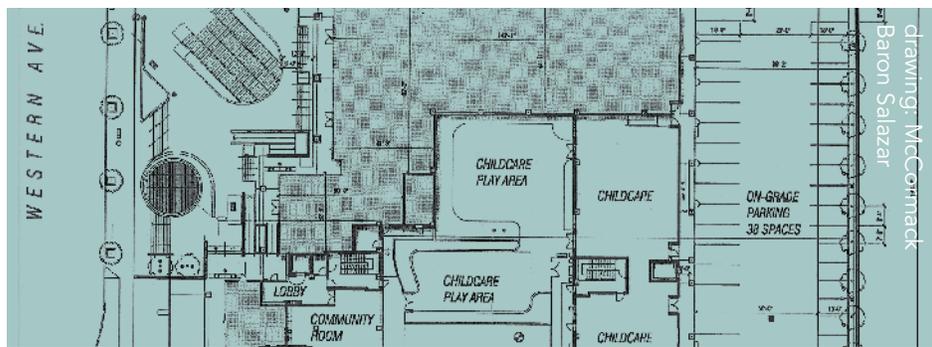
COST
Total: \$12.2 million in 2005
Child Care: \$707,000

SITE SIZE
.67 acre

DENSITY
61 units/acre

TYPE OF TRANSIT
Bus transit station

learn more
www.pyatok.com



metro hollywood transit village

LOS ANGELES, CALIFORNIA

The \$80-million mixed-use Metro Hollywood Transit Village sits directly above a Los Angeles Metro subway station. Retail, office space and housing coexist with a brand-new, 9,000-square foot child care center.

The project is a result of a strong partnership between a for-profit developer experienced in affordable housing, the non-profit Hollywood Community Housing Corporation, the Los Angeles County Metropolitan Transportation Agency, and the City of Los Angeles Redevelopment Agency. To satisfy the Redevelopment Agency requirement

that the development include a child care center, developer McCormack Baron Salazar (MBS) sought a child care expert, the non-profit Assistance League of Southern California (ALSC) to operate the center. Today, the Metro Hollywood Transit Village is a highly successful project. The child care center is just one of many amenities to serve families, alongside a bank, a thrift store and a bicycle shop.

The ALSC Child Development Center is licensed for 52 children in 3 classrooms. It is a full day (6am to 6pm) center for working parents with children ages 2 to 4.9. Tuition is between

40% and 50% of market rates; the remainder is subsidized. The operator pays for all costs of running the center—except for the lease. Similar centers nearby have waiting lists, and the director expects the new center will be full when it opens June 2008.

“My best advice? If you’re going to include child care, it has to be part of your plan from day one.”

— ANTONIO BERMUDEZ,
MCCORMACK BARON SALAZAR

↑ overcoming barriers

↑ **challenge** Cost of interior improvements to the child care space.

✓ **solution** The developer chose the location of the child care center within the overall development and paid for the building of the shell, including square footage for the outdoor playground. The child care operator raised all of the funds for interior improvements.

↑ **challenge** Parking.

✓ **solution** With 52 children enrolled in the center, the child care center only needs 8 spots. Why? Many of the families walk from the TOD housing or nearby neighborhoods. And most parents will park for less than ten minutes at staggered drop-off and pick-up times.

↑ **challenge** Estimating market demand for child care.

✓ **solution** The developer was not familiar with market demand for child care in the area. They choose an experienced child care operator who runs another child care center two blocks away. The operator was so familiar with market demand—the quantity and the quality—that they were able to determine what kind of center would be appropriate without conducting a feasibility study.



photo: McCormack Baron Salazar



photo: McCormack Baron Salazar

metro hollywood fast facts

DEVELOPER
McCormack Baron Salazar

ARCHITECT
Kanner Architects

TOTAL COST TO DEVELOP
\$14 million in 2004

TOTAL SITE SIZE
2 acres

HOUSING
120 apartments

RETAIL
10,000 square feet

CHILD CARE
4,000 square feet

PARKING
45 underground spaces (.75 per unit); plus 38 shared spaces for child care and retail

TRANSIT TYPE
Subway and bus lines

learn more
McCormack Baron Salazar
www.mba-development.com



photo: McCormack Baron Salazar

challenge The expense of providing land for the outdoor play area in a dense urban area.

solution Since the developer planned to include child care from the beginning, they designed the project so that children who live in Phase 1 and Phase 2 housing can access one shared private playground. The remaining open space is dedicated to the child care center.

challenge Child care operator cannot afford a market rate lease.

solution The developer gave the non-profit child care operator, ALSC, a 25-year lease at \$1/year. ALSC is responsible for all other costs of running the center, which they pay for through tuition, subsidies and fundraising.

challenge Complex state licensing requirements for child care buildings.

solution The ALSC, the non-profit chosen by the developer, is highly experienced with state licensing requirements. ALSC also hired a child care specialty design-build firm for interior improvements. Because of their non-profit status, the architect provided discounted services.



photo: Kristen Anderson



care design from the earliest stages of planning. There are even experts in outdoor children's play areas. They can

advise you on optimal site placement, size, and can make sure that your facility adheres to all state and local building codes. An experienced child care operator can advise you on all interior design and licensing requirements.

➤ getting started: here's how

Incorporating child care in a transit-oriented development can help move your project forward. But how can you make it happen? Here, you'll find general guidelines to help you plan well and take advantage of resources and policies that encourage child care development. The **Key Resources** section at the back of this brochure will help you learn more about local requirements that apply to your development and resources in your area.

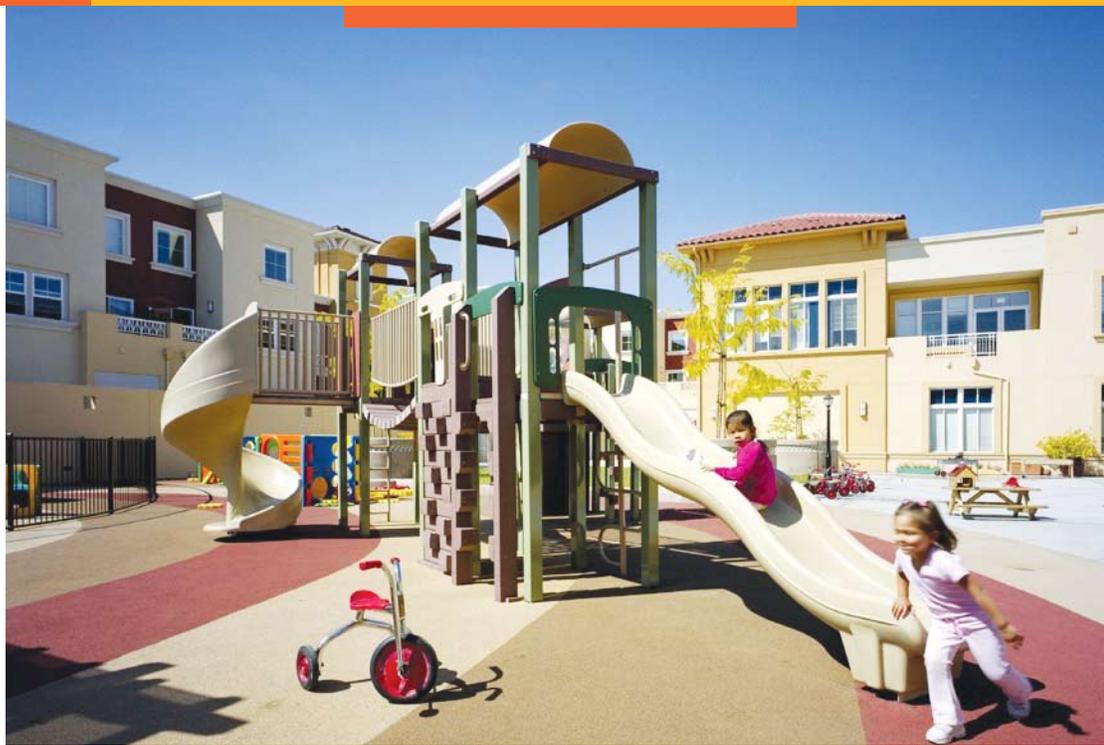
BUILDING CHILD CARE FROM THE GROUND UP

Once you have worked with a local child care intermediary to verify sufficient local child care demand, you can focus on the technical details. Child care buildings require indoor and outdoor areas, and both spaces have highly specialized requirements determined by state licensing laws, as well as industry quality standards. Many developers recommend working with an architect who specializes in child

SPACE REQUIREMENTS

Experts in child care design say that suitable space is an important factor in the quality and financial viability of a child care program. Yet state licensing requirements do not reflect industry standards for quality, so your design team is critical. Your total space needs for a 60-child center would be 9,500-10,500 square feet, with some adjustments possible depending on your ability to obtain waivers to reduce playground space. A 60-child center would require 50 square feet of usable space per child, for a total of 3,000 square feet. Additional indoor space needed for administrative, public and mechanical functions brings you to a total of 5,000-6,000 square feet. You also should estimate 75 square feet per child of fenced playground space or 4,500 square feet.

The more children a program serves, the more financially viable it is. Larger programs also attract a better and more diverse group of potential operators—the professionals who will be largely responsible for mak-



ing interior improvements and running a financially sustainable program. While there are a few examples of centers as small as 30 children, in most cases at least 60 to 80 children are required to make a program financially feasible. More commonly, successful centers are designed for about 80 to 120 children. A local child care expert can help you determine what size and type of child care center is appropriate for your development.



LAND USE AND ZONING

As child care gains recognition as an essential brick in our economic and social foundation, cities are adapting their general plans to support the development of new child care facilities. Your jurisdiction may have a child care policy, provision, zoning ordinance, or even a child care element in its general plan. Some jurisdictions require new developments to either include child care or pay an impact fee. Others provide a density bonus, parking or traffic fee reduction, or other incentive for including child care in a TOD. The fees, permits and zoning classifications for child care centers vary widely. For a list of cities and counties that address child care in general plans, go to www.lincc-childcare.com.



LOCATION

While most child care facilities are on the first floor, many developers find it economical to locate centers on the second floor, despite additional costs for more stringent fire and life safety features. This allows developers to retain all ground floor spaces for retail.

Child care centers at TODs are best sited as far from the streets, rail line or bus station as possible. For environmental, noise and air pollution reasons, consider choosing a protected location for the outdoor play area. The outdoor space should be easily accessible from the indoor classroom.

“Some communities now consider the development of child care centers as an acceptable mitigation measure for new developments with projected high traffic impacts.”

— DAVID FOSTER, PLANNING COMMISSIONER’S JOURNAL



PARKING

Child care facilities may not require substantial parking. Cities may create a drop-off or short-term parking zone, which is often a better solution for developers who have limited space for park-

➤ key benefits

Density Bonuses and Incentives

TODs that include child care facilities may be eligible for density bonuses or other incentives. Check your jurisdiction.

Traffic Impact Mitigation Credits

Some counties provide traffic mitigation credits for including child care at a TOD (such as San Mateo and Monterey Counties). Check with your local Congestion Management Agency.

Community Support

Including child care in your TOD can help garner community support, since it is a needed service in many communities, can help lessen traffic impacts, and shows the developer's interest in community needs.

Access to New Funding Sources

Including child care in your TOD can help you access funding sources, including federal sources like the U.S. Department of Housing and Urban Development, the Federal Housing Administration and the Federal Transit Administration.

Transit Agency Support

Transit agencies often have policies that explicitly support community development around stations—including child care—as a path to increasing ridership. That can translate to land trades, funding, loans or other forms of support. For instance, in Los Angeles, MTA's policy is to encourage community development around transit stations.

Fulfillment of City Requirements

Some cities now require child care to be included in any new development. Others have policies to encourage child care in new developments. Including a center can help you avoid an impact fee in some cases. It can also present a competitive advantage for projects in jurisdictions that prioritize community amenities in project proposals.

Support from Environmental, Smart Growth and TOD Advocacy Groups

Including child care in a TOD can increase support from Smart Growth and environmental, air quality, congestion management and other advocacy groups and agencies working to decrease traffic and improve quality of life through land use planning.

Strong Anchor

A child care center makes good use of ground floor space and doesn't compete with existing retail. It is also an "anchor" that can be occupied immediately, is likely to be in high demand, and creates constant activity in the area from morning until evening, which can add to security and help attract retail and housing tenants.

ing spots. It is also a more convenient option for parents delivering their children. Your city may also assume that some parking for transit riders will also serve parents who use both the child care center and transit. In some cases, child care can share parking with retail uses, since child care tends to need most spots only briefly in the early morning and evening. And many child care centers at TODs attract families who already live in or nearby the TOD and don't need a parking spot for child care.



COST

Child care facilities are more costly to build than many types of space due to physical plant requirements and quality standards. Some operators are able to access private and/or public funds to contribute to the project, such as to fund tenant improvements.

Good quality child care programs have slim profit margins that do not support high occupancy costs or significant debt. As a matter of practice, all child care programs need low or free leases and/or below market land costs to remain financially viable. However, they can be an important factor in a development's overall success.



CHOOSING A CHILD CARE OPERATOR

Choose an experienced child care operator whose services are a match for your target population. That could be a local, regional or national company or non-profit agency. For instance, the Shady Grove KidStop Child Care Center, at a Metro rail station in Maryland, is operated by a large national company, while the Ohlone-Chynoweth affordable housing TOD in San Jose selected a non-profit agency that operates other local state-subsidized child care programs. The child care operator, if brought in early, can help plan and pay for the interior improvements, contribute to the development of the site's specifics, and identify or access other funding sources. Your local child care Resource and Referral agency is a resource for child care experts and potential operators.

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www.ebcf.org



www.redwoodcity.org/cds/redevelopment

SILICON VALLEY | community foundation
SERVING SAN MATEO AND SANTA CLARA COUNTIES

www.siliconvalleycf.org

Additional copies of this brochure are available as a PDF at: www.lincc-childcare.com or by emailing: info@lincc-childcare.com

Front cover playground photo: McLarand Vasquez & Partners.

DISCLAIMER

While this publication strives for accuracy, timeliness, completeness and quality, the information in this brochure is not legal, design, financial or construction advice. Information such as codes, laws, requirements and industry standards may be out-of-date or not applicable. None of this information can be used in place of advice from a professional.



Research, writing and design by MIG, Inc.
www.migcom.com

➤ key resources

Building and Design

Facility design, development and financing; estimating market demand; and architects/contractors who specialize in child care facilities. Building Child Care Project: www.buildingchildcare.org

Child care facility planning checklist; child care center conditional use permits; sample child care site plans; California county child care development intermediaries. Low Income Investment Fund: www.liifund.org

Identifying Market Demand, Experts and Operators

Local child care design experts and operators; local data and market assessment to help identify local market demand. California Child Care Resource and Referral Network: www.rnetwork.org. National Resource and Referral Network: www.naccrra.org

Child Care Licensing

California child care licensing requirements. California Community Care Licensing Child Care: www.cclcd.ca.gov

State-by-state child care licensing regulations. National Child Care Information and Technical Assistance Center (NCCIC): www.nccic.org

Child Care and Development

Toolkit for developers and local governments, child care and transit research, list of TODs in California with child care. Local Investment in Child Care: www.lincc-childcare.com

Transit-Oriented Development

Transportation and Land Use Coalition: www.transcoalition.org

Reconnecting America: www.reconnectingamerica.org

Case studies of developments, including those with child care. The Urban Land Institute: www.uli.org

Examples of TODs in California, including those with child care. California Transit Oriented Development Database: <http://transitorienteddevelopment.dot.ca.gov>

About LINCC

Local Investment in Child Care (LINCC) is an innovative project working since 1998 to design and build an infrastructure that supports child care facilities development, renovation and expansion in California.



www.lincc-childcare.com