

SOUTH MAIN MIXED-USE: A CASE STUDY

GREYSTAR



Build Up
San Mateo County

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Build Up San Mateo County
Greystar Development Inc.



South Main Mixed-Use: A Case Study

The Start of a Community-Based Relationship

In 2018, a partnership began between Greystar and Build Up San Mateo County (Build Up) to support a development project with community needs in mind. The Greystar development group embarked on their vision to engage local voices in creating an architectural marvel that would encompass the diverse necessities for a more vibrant downtown neighborhood in the heart of Redwood City.

In a steadfast commitment to collaborate with the public on this project, Greystar took all the necessary steps in listening to community concerns, understanding the community's needs, and incorporating the suggestions for continuous evolution of the project consistent with the feedback provided by City Council, board commission, and the broader community.

From the beginning, Greystar was dedicated to including space to develop a Child Care center. In their search to better understand the unique needs of developing child care, Jonathan Fearn (Senior Director of Development at Greystar) reached out to Christine Padilla (Director of Build Up) to receive input on their project in its early stages. The first meeting began with Jonathan asking, "How can Greystar create public child care at the South Main site with as many affordable slots as possible to support low-income families in Redwood City?" In this brief, Build Up addresses major barriers faced by child care providers struggling to start up a new child care center and the solutions that work.

“Child care co-located with housing, near jobs and transit benefits families and is a critical piece of infrastructure that allows families to thrive and create sustainable communities ” – Christine Padilla,

Director of Build Up San Mateo County

Challenges in Developing New Child Care Facilities

Over the course of 2 years, Greystar and Build Up worked together in addressing the challenges for developing child care spaces. With time, Greystar became well-versed in understanding the complex nature of creating high-quality child care facilities.

First and foremost, access to facility space has always been the greatest barrier for developing child care. This is especially true in the Bay Area real estate market, where a decades-long housing shortage has resulted in fewer spaces available for developing critical community infrastructure, such as early care and education facilities.

The second largest hurdle for creating new child care spaces is financing and capital expenses associated with new developments. On average, it costs between \$300-400 per square foot to develop a new quality early care and education environment designed specifically for the needs of parents, caregivers, educators, administrators, and the young children who are in those spaces.

Additionally, for most child care operators there exists a lack of expertise in navigating real estate and development projects, understanding the supply and demand needs of local markets, as well as the organizational capacity to take on such a time-consuming and ambitious effort, which often times encumbers the work-load of a full-time job.ⁱ

As a result, we encounter corporate child care operators serving affluent families are in a better financial position to cover the significant upfront costs of building out a new child care facility. This leaves family child care providers (FCCs) and locally owned-and-operated child care centers with less access to expand and grow their business.

Despite having long waitlists, child care providers operating on narrow profit margins rarely have an opportunity to manage the time and costs associated with growing their business to supply more care. When communities bring resources together, viable solutions can come forward to tackle this issue, and Greystar is helping lead the way.

Developer Best Practices for Supporting Child Care

The South Main Mixed-Use project kicked off with the ambitious goal to deliver on the strategic initiatives of Redwood City Council in the areas of transportation, housing, children and youth. At every project milestone, Greystar held community listening sessions and responded accordingly with amendments to their initial plan, honoring a fidelity to residents advocating for the needs of their community.

Greystar acted on the suggestions of Build Up, and their commitment has raised the bar for a new standard of excellence in developing child care for our community. The extraordinary level of investment includes Greystar-funded tenant improvements at an estimated cost of \$3-4 million, no rent payments, no rent escalation, and a 10–15-year lease term. This is all intended to attract a child care operator who will offer subsidized slots to low-income families, infant and toddler care. These financial subsidies allow for an operator to provide income-based scholarships for the residents in the BMR (below market rate) units and surrounding neighborhoods.

PUBLIC CHILDCARE CENTER

	GOOD	BETTER	BEST
RENT	\$3/sq ft.	\$1-2/sq ft.	\$0.00
TENANT IMPROVEMENTS	Cold shell provided	Warm shell provided	Built out (\$350-400/sf)
LEASE TERM		10 years	10-15 years
RENT GROWTH	Linked to CPI		0
SUBSIDIZED SLOTS (PUBLIC)		Vouchers Accepted	30%
SCHOLARSHIPS/ SLIDING FEE SCALE			Yes
INFANT/TODDLER COMPONENT	Preschool age only	Toddler class, at least	Yes (min ~1/4 of capacity)

Greystar Commitment

Designing a Child Care Center Made for Care and Early Learning



Greystar hired Dorman Associates, an architect with extensive experience specializing in child care center design, to support the development of this project. Although architecture firms can specialize in a variety of projects or facility types, there are very few who specialize in child care facility design.ⁱⁱ Having the support of an architect who understands the complexities of design and the requirements from the State for early care and education facilities is a luxury most directors, owners, and operators of child care have limited access to or experience with. An architect experienced in

child care design sets the stage for a center that can support children's growth while allowing caregivers and educators to work more efficiently.

This public child care center includes amenities and design features that are important for children and teachers. On the ground floor, each classroom includes a teacher support area with child appropriate toileting areas. The classrooms designated for the youngest groups of infants, toddlers, and 2-year-olds have direct access to their respective outdoor spaces, which facilitates the efficiency in transition from classroom to outdoor time. A mezzanine area located on the second floor provides ample space for administrative offices, storage, and additional resource areas for staff. The dedicated area of 8,367 square feet indoor space will accommodate 70 spaces for preschool learning as well as much-needed infant and toddler care in the community.

Transit Oriented Child Care

Throughout the history of development projects in the Bay Area, buildings have quickly gone up without appropriately engaging the needs of local community members. A haste to advance infrastructure projects without consideration of its environmental and socio-economic impacts have created genuine obstacles such as increased traffic, poor air quality, and insufficient pedestrian access to neighborhood services and businesses.

Few developers recognize the valuable community infrastructure in providing child care spaces and even fewer have made the conscious effort to include child care in their housing development and transit corridor projects. As a result, it is exceedingly rare for a neighborhood to have affordable housing, job opportunities, public transit, as well as high-quality child care and education options.ⁱⁱⁱ Studies show that child care located near housing, jobs, and transit reduce trip counts and traffic congestions, which is a great community benefit that provides shorter commutes and a better quality of life.^{iv}

Greystar's South Main Mixed-Use project joins an esteemed group of certified projects with low traffic and excellent transportation amenities by the Green T.R.I.P. (Traffic Reduction and Innovative Parking).^v As communities, cities, and transit corridors develop, it is critical that child care be recognized as an economic driver that is just as essential as housing, office and retail space.^{vi}

In Conclusion

Across the nation, child care infrastructure has become another facet of our society whose vulnerabilities were exposed in the COVID-19 public health crisis.^{vii} As regional economies strategize their recovery, we encourage communities to build back better, leaving behind oppressive systems that are unsupportive to its child care consumers and workforce alike. Now, more than ever, we need innovative collaboration and partnerships to develop impactful and lasting solutions that address our crises.

A key goal of Build Up San Mateo County is to garner champions and allies from outside the field of early education. The South Main Mixed-Use Project includes two key partnerships with Greystar Development and Redwood City. A demonstrated history of supporting the ECE field and recent vote by Redwood City Council to name Children and Youth a priority in the 2020 Strategic Plan were factors that paved the way for Greystar’s landmark early care and education investment.

The future child care center at Greystar’s South Main Mixed-Use project demonstrates the level of innovative community engagement and commitment necessary to ensure cities can recover economically and replenish their workforce. Available child care is a quality of life and workforce issue for all residents and employers. The child care shortage offers working parents little choice between challenging arrangements or turning down employment opportunities. Tackling this community issue requires creative solutions from innovative partnerships, such as those evidenced in the Redwood City South Main Mixed-Use project.

For far too long, solutions in developing high-quality early care and education (ECE) facilities have befallen the ECE communities that utilize those spaces. Early learning programs looking to open new sites or expand face challenges, such as lack of usable space, affordable space, extreme development expenses and rigid timelines causing many to give up on their expansion dreams before they begin.

Build Up San Mateo County recognizes the need for a diverse cross-sector approach, including developers, planning commissions, elected officials, business leaders, and housing advocates, among other community officials, all engaged in finding solutions to developing accessible high-quality early care and education facilities. We are proud to support projects actively seeking solutions in providing equitable access for early care and education opportunities throughout San Mateo County and we will continue to advocate for multi-sector collaboration that meets the needs of our community.

References

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- ^{iv} *Building Child Care Into New Developments: A Guide for Creating Child Care Facilities in Transit-Oriented Developments* (pp. 1-16, Issue brief). Oakland, CA: Local Investment in Child Care (LINCC).
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