

# Preserving Central City Childcare: A Key to Austin's Downtown Development

## The case for a central city childcare policy

How can we sustain a vibrant and fully developed downtown without enough centrally located childcare facilities for the businesses, workers, and residents of our central city? That is the emerging market failure our community's planning authorities must address before it's too late. Without access to high quality early childhood education, a critical piece of the social infrastructure required in a successful downtown will be missing and our plans for a thriving city center where people live, work, and play may not come to pass. Austin is at a crossroads where the city's decision makers and downtown stakeholders must work together to quickly correct an unintended consequence of downtown development-- the loss of central city childcare.

Currently, the City faces the loss of three first class independent preschools due to central city development, Escuelita de Alma, Austin Eco School, and Habibi's Hutch Preschool. The fate of these schools is hanging in the balance as parents scurry to negotiate with developers. Unfortunately, the parents find themselves negotiating at a disadvantage because city approval for the developments does not require the preservation of displaced childcare. <sup>1</sup>

## Current trends

At first blush, a childcare center may not sound like a critical Austin business worthy of public policy protection, but in fact, Austin is facing a childcare crisis in the central and south central area that will have a significant impact on downtown's vitality. From 2005 to 2006, Austin added more than 1.2 million square feet of new office, retail and residential space in downtown Austin. According to the Downtown Austin Alliance website, there are now 3,000 residential units downtown with many more on the way. However, from 2005 to 2006, the zip code 78704 and the ten closest zip codes (all downtown or in central Austin) suffered a loss in the total number of central city childcare facilities and enrollment capacity.<sup>2</sup>

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<sup>1</sup> On May 8<sup>th</sup>, Cypress Real Estate Advisors has a project before Planning Commission- VMU Determination: C14-2007-0011 - Cypress @ Manchaca & Lamar. The proposed conceptual plan will replace Habibi's Hutch, and several other local businesses including another child care facility, Austin Eco School, with a mixed apartment, town homes, and retail space with, at last count, 380 apartments and at least 45 townhomes without replacing the lost early childhood education for 80 students.

<sup>2</sup> "The Status of Child Care in Travis County, Texas 2006", prepared by Family Connections and supported by funding from the City of Austin.

Now, central Austin faces the loss of three more schools and the downward trend seems clear. Immediate action must be taken on this issue to reverse this trend and it's negative impact on the families that might otherwise choose to live and work downtown. As rents and land values continue to rise in our super charged market, relocation costs are making it impossible for these schools to relocate centrally on their own.

## **Why centrally located child care matters and how can we stop its loss**

It is time for the Planning Commission and City Council to consider the childcare needs of Austin's dynamic families through its planning process. In summer 2004, the Planning Commissioner's Journal published an article entitled "Child Care in our Communities".

This article noted the following points:

- Nationwide, licensed childcare facilities employ 2.8 million people, more Americans than are employed by public secondary schools.
- Locating childcare near residential areas or high employment centers can contribute to reduced commutes, cross-town traffic reductions, and increased transit rider ship.
- Some communities now consider the development of childcare centers as an acceptable mitigation measure for new developments

Further, this article recommended that cities:

- Consider a project's impact on child care as part of any required "environmental review" of the project
- Require direct mitigation or in-lieu fees to address the increased childcare needs created by new developments
- Encourage development agreements that allow for bonus densities or other incentives in exchange for inclusion of a childcare facility.

In fact following such recommendations would closely align with City of Austin's planning commission goals of:

- Working in partnership to promote economic vitality, social equity, and environment sustainability
- Preserve neighborhood character and increase neighborhood involvement
- Minimize sprawl and direct future growth on priority areas
- Enhance the quality of life in Austin neighborhoods, preserve old Austin and plan for new Austin

If the city does not acknowledge the childcare needs of Austin, its efforts to improve the economic vitality of central Austin, increase density to reduce sprawl, and enhance the quality of life in Austin neighborhoods will be weakened. Families will have little choice but to move out of the central city in search of high quality childcare. As a note, the six zip codes in Travis County with the largest increases in childcare facilities are 78660, 78728, 78727, 78753, 78653, and 78748. All of these zip codes are on the edge of Austin or mostly outside the city limits. The exporting of childcare to the Austin suburbs has already begun.

## **Policy recommendations for Austin**

The City of Austin can reverse this trend by approving this development with the following steps:

- Require developers seeking project approval to work with childcare providers to incorporate them into their development per, or
- Require developers to providing funding to providers for relocation in central Austin to equivalent facilities that are accessible to currently served families, and provide for any modifications required meet licensing requirements.
- Form a joint subcommittee between the Planning Commission and Child Care Council along with the Downtown Commission to develop policy recommendations on reviews and incentives to halt the erosion of early childhood education resources in the central city.

The City already has a precedent for requiring new development to extend financial assistance to unique Austin icons—currently this has only been extended to restaurants & bars. Shouldn't we extend the same concern and consideration to a truly needed service that directly impact the health and happiness of central city children and families – high quality early childhood education.