

## Appendix N – Childcare Needs Assessment



**Brion Economics**  
INCORPORATED

## M E M O R A N D U M

To: Tyler Rogers, Project Manager  
David J. Powers & Associates, Inc.

From: Joanne Brion and Michelle Nilsson, Brion Economics, Inc.

Subject: Administrative Draft Child Care Needs Assessment for Spieker Senior Continuing Care Community Project, Walnut Creek, CA; BEI #2560

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### Introduction

This memorandum summarizes the estimated demand for child care generated by expected future employees of the proposed Spieker Senior Continuing Care Community Project (Spieker Project) located in the unincorporated area of Walnut Creek, California. The project is located on a 30.6-acre site along Seven Hills Ranch Road in central Contra Costa County, between Walden Road/Cherry Lane and North San Carlos Drive. The APNs for the project are 172-150-012 and 172-080-007.

David J. Powers & Associates, County EIR consultants for the proposed Spieker Project, have requested this child care study. The study is in accordance with the Contra Costa County Child Care Fee Ordinance 82-22. All new development projects over 15,000 square feet in the County are required to submit a child care needs assessment that estimates new child care demand that the project will generate. This study is required based on the Contra Costa County Child Care Fee Ordinance (82-22), which states:

**82-22.808 - Facility required.**

(a)

The developer of a nonresidential project having one hundred or more potential employees or having a floor area of fifteen thousand gross square feet or more shall provide for a child care facility (and the initiation of its use) on-site or off-site as part of the project consistent with the needs assessment and response program as required by this chapter or shall demonstrate that the child care needs of the project are mitigated through the use of existing facilities.

(b)

The applicant or developer of a residential project of thirty or more units shall provide a child care facility on-site or off-site consistent with the needs assessment and response program required by this chapter or shall demonstrate that the child care needs of the project are mitigated through the use of existing facilities. The new facility constructed by the developer for the purposes of satisfying the requirement of this chapter shall be available on an ongoing basis to satisfy the public need for not fewer than twenty-five years unless approved for a change of use by the board on a recommendation by the zoning administrator through a public hearing process.

## Proposed Project Description

The proposed Spieker Project would consist of 354 independent living units and amenities for residents not needing daily assistance, and a health care center for 100 residents requiring daily assistance or daily medical attention. It is estimated that for the entire project there will be up to 225 full time equivalent (FTE) employees.

According to the project description, the Spieker Project will be licensed through the State of California Department of Social Services (DSS) Continuing Care Contracts Branch as a Residential Care Facility for the Elderly (RCFE) and the Health Care Center would also be licensed by the California Department of Public Health to provide skilled nursing. While the Spieker Project will provide residential units for senior citizens, the units themselves would not be owned or leased by the residents. Instead, residents would be provided a unit as part of their care contract. As such, the CCRC would be licensed by the State of California as a non-residential institution. The County has determined the Spieker Project does not contain any residential component for the purposes of implementing State and local land use regulations and ordinances.

## Proposed Project Demand for Child Care

Determining the number of project employees that live in the Walnut Creek area is the first step to estimating child care demand, as the demand factors are different for residents versus

those employees commuting in from other jurisdictions. As discussed above the project will have an estimated 225 FTEs. Based on Journey-to-Work data from the 2019 American Community Survey (ACS),<sup>1</sup> it is estimated that 29 percent or 65 of the new employees will reside in Walnut Creek (see **Table A**). The remaining 71% or 160 employees are assumed to live outside of Walnut Creek and commute to work based on average commuting data.

Child care demand from employees comes from two sources of demand: resident demand and employee demand. Resident demand is generated by the employees that live and work in the local area or city. In this case, the local area is Walnut Creek. The second source of demand is employee demand, which refers to employees who work in the specific area or city but live elsewhere. The demand factors and methodology for each of these sources of demand is different and based on most recent demographic data. These segments of demand are described below.

## Walnut Creek Resident Employee Demand

For the estimated 65 new employees that are expected to reside in Walnut Creek, the percent of children by age associated with these employee households is based on the age breakdown in the 2010 U.S. Census<sup>2</sup> for Walnut Creek. Each resident employee is assumed to represent one resident household. The percent of children citywide is applied to these employees by age group. In Walnut Creek, infants (birth to 24 months) make up 1.5% of the general population; preschoolers (2 to 4 years) make up 3.5%, and school age children (5 to 12 years) make up 6.5% of total population. In sum, 11.5% of the population is estimated to be children 0 to 12 years old. These factors result in one infant, two preschool age children, and four school age children, for a total of seven children from resident employees associated with the Spieker Project (see **Table A**).

Of the seven resident employee children, it is estimated that four will require licensed child care, based on Labor Force Participation Rates (LFPR) from 2019. LFPR is the percentage of households with children that have two working parents or a single working parent. The rates are calculated for families with children under the age of six and children six years and older. In Walnut Creek, 68.9% of children under six have two working parents or a single working parent. Applied to the number of children of resident employees, this generates demand for one infant and two preschool spaces. For children six years and over, the LFPR is 67.3% generating a need for one school age space (see **Table A**). Overall, we estimate a total of four resident employee children requiring a licensed child care space (see **Table A**).

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<sup>1</sup> 2019 American Community Survey data from the U.S. Census. Found at <https://www.census.gov/programs-surveys/acs/data.html>

<sup>2</sup> 2010 is the most recent Census data for breakdown of population by age by individual year.

## Non-Resident Employee Demand

For the projected 160 non-resident employees associated with the Spieker Project, it is estimated that 5% of them will require a licensed child care space in Walnut Creek, totaling eight spaces.<sup>3</sup> The demand for these eight child care spaces is split 40% for infants and 60% for preschool; it is assumed that school age children of non-resident employees will receive child care near their place of residence and school, not near the workplace of their parents (see **Table A**).

Overall, projected demand from both resident and non-resident employees of the Spieker Project totals 12 spaces, including four infants, seven preschoolers, and one school age space, as summarized below.

Demand from Spieker Project by Type of Employee				
Type of Demand	Infants	Preschool	School Age	Total
Resident Employees	1	2	1	4
Non-Resident Employees	3	5	-	8
<b>Total Employee Demand</b>	<b>4</b>	<b>7</b>	<b>1</b>	<b>12</b>

## Citywide Demand and Supply

### Current Demand

The total demand for licensed child care by age group in Walnut Creek is calculated in **Table B**. Resident employees may be included in this citywide estimate of need, assuming that these employees are currently employed elsewhere in Walnut Creek. Total 2021 city population, based on ABAG’s Projections 2040 (see **Table B** ), was 68,553. Applying the population by age factors discussed above, it is estimated that there are 1,059 infants, 2,374 preschool age children, and 4,459 school age children, for a total of 7,891 children ages 0 to 12 in Walnut Creek. Children ages 0 to 12 make up 11.5% of the total population.

Of those, it is estimated that 365 infants, 1,636 preschool age children, and 1,500 school age children require licensed care after applying working parent and demand factor percentages (LFPRs) to the totals. A total of 3,502 children ages 0 to 12 are estimated to need some form of child care, communitywide.

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<sup>3</sup> This 5% is standard methodology for estimating child care demand from employees. Most children attend child care near their place of residence.

## Current Supply

Contra Costa County Child Care Council (CocoKids<sup>4</sup>) provided the supply data for this analysis. CocoKids was able to provide the total current number of licensed center spaces by type and age group as of November 2021. The current 2021 supply of licensed child care includes 38 child care centers, 10 small family child care homes (small FCCHs), and 19 large family child care homes (large FCCHs), as shown in **Table C**. In child care centers, there are 95 spaces for infants, 1,865 spaces for preschoolers, and 1,540 spaces for school age children, for a total of 3,500 licensed center-based child care spaces.

There are 10 small FCCHs (licensed for up to eight children) in Walnut Creek. In small FCCHs in Walnut Creek, there are 20 infant spaces, 40 preschool spaces, and 20 spaces for school age children, for a total of 80 spaces (see **Table C**). There are 19 large FCCHs in Walnut Creek, which are licensed for 12 to 14 children. Cocokids reports there are 57 infant spaces, 171 preschool spaces, and 38 school age spaces in large FCCHs for a total of 266 licensed spaces. In total, there are 172 infant spaces, 2,076 preschool spaces, and 1,598 school age spaces in Walnut Creek, for a total of 3,846 spaces.

## Citywide Demand Compared to Supply

Based on the demand and supply described above and shown in **Table B**, there is currently a shortage of 193 infant spaces, a surplus of 440 preschool spaces, and a surplus of 98 school age spaces in Walnut Creek, or a total overall surplus of 344 licensed child care spaces. However, a surplus in one category of care cannot meet the need for another age group. This analysis compares the supply of licensed spaces to an estimate of the demand for licensed care serving working parents. Other parents may use this care for social developmental reasons.

Overall, 110% of demand for licensed care is met by current supply of child care in Walnut Creek. Only 47% of demand for infant care is met citywide, while preschool and school age care are well served relative to demand.

Detailed supply data and vacancy rates by type of provider in Walnut Creek is shown in **Table C**. There is currently an average vacancy rate of about 7% for child care centers and 15% for Family Child Care Homes in Walnut Creek. This results 285 total available spaces for all age groups. This is likely due to the impacts of COVID-19, families being out of work, or other affordability reasons.

Based on this data, there are currently sufficient vacant spaces to accommodate the estimated eight new child care spaces that would be needed by the proposed project for preschool and school age children. These new spaces represent 3% of the current vacant supply of child care spaces. Infant care is currently underserved by 193 licensed spaces. However, there are

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<sup>4</sup> See <https://www.cocokids.org/>. Data was provided in November 2021.

currently seven vacant infant care space in Walnut Creek. This is a small number and given price, location, and other quality considerations may not serve the project's demand for infant care. The project generates a demand for four infant care spaces.

## Cost of Child Care

The monthly cost of child care in Walnut Creek is shown in **Table D**.<sup>5</sup> The average cost for infant care is the highest at around \$499 per week for center-based care. The average cost of center-based care for preschool children is \$374 per week, while the cost of care for school age children is lower at \$358 per week. School age care has lower child-to-teacher ratio requirements, which makes the cost of providing this care less expensive than infant and preschool care. In general, care at FCCHs is lower than center-based care, as shown in **Table D**.

## Project Findings

Overall, the Spieker Project will generate some demand for licensed child care, with a total need for **12 child care spaces**, of which four are from resident employee demand. Employee demand from outside Walnut Creek generates demand for an additional eight child care spaces. This newly added demand for eight more spaces includes three infant and five preschool age spaces. As discussed above, there is a surplus of 440 preschool spaces in Walnut Creek that could accommodate the additional demand for the five preschool spaces. Infant care currently has a shortage of 193 licensed spaces and seven vacant spaces.<sup>6</sup> The four new employees in need of infant care may have difficulty finding a space.

The project proponent will need to work with the planning department to figure out the best method to meet this new demand for infant child care and how to best mitigate the impact from the Spieker Project. It is not possible to identify specific child care providers that would accommodate these 12 children as it depends on personal decisions from parents about quality, price, size, and location of child care providers. CocoKids is the local Resource & Referral agency that works with families to help them find child care that meets their needs and specific situations. It should also be noted that some families choose unlicensed care, such as a nanny, or have family that helps to provide care, which is why it is not assumed that all children require a licensed child care slot.

Given the small overall impact of the Spieker Project on the need for new child care in Walnut Creek, we suggest a one-time payment or mitigation fee payment as a suggested way to contribute to the small increased demand presented by the project. It would be up to CocoKids to determine the appropriate cost of mitigation. A new challenge for many providers is

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<sup>5</sup> Cost data provided by CocoKids as of November 2021.

<sup>6</sup> Based on demand factors, the infant care shortage is calculated as 193. The seven infant vacancies are from a single day in time, and likely reflect current fluctuations in enrollment and should not be considered available spaces.

meeting the new health and safety requirements associated with COVID-19, including air filtration systems, additional sanitary wash stations, and other supplies such as masks and gloves for staff.

**Table A**  
**Project Estimated Child Care Demand**  
**Speiker CCRC Project, Walnut Creek**

Citywide Child Care Demand - Walnut Creek	Notes & Assumptions	Estimated Child Care Demand by Age - 2021			
		Birth to 24 months or Infant	2 to 5 or Preschool	6 to 12 or School Age	Total, 0 to 12 Years
<b>Resident Employee Demand</b>					
Total Estimated Employees	(1)	225			
% of Employees that Live and work in Walnut Creek	(2)	29.0%			
Employees that work and live in Walnut Creek		65			
Children as % of Total Population	(3)	1.5%	3.5%	6.5%	11.5%
Estimated Children of Resident Employees		1	2	4	7
Avg. Labor Force Participation Rates	(4)	68.9%	68.9%	67.3%	68.0%
Children With Working Parents		1	2	3	5
% of Resident Employees that need licensed child care	(5)	50%	100%	50%	65%
<b>Estimated Child Care Spaces Needed by age group</b>		<b>1</b>	<b>2</b>	<b>1</b>	<b>4</b>
<b>Non-Resident Employee Demand</b>					
% of Employees that Live Elsewhere & Work in WC	(2)	71.0%			
Est. Employees that Live Elsewhere & Work in WC		160			
Est. % that need licensed care in Walnut Creek	(6)	5%			
Estimate of children needing care		8			
<b>Distribution of Children needing spaces by age group</b>		<b>3</b>	<b>5</b>	<b>-</b>	<b>8</b>
<b>Total number of children needing a licensed child care space</b>		<b>4</b>	<b>7</b>	<b>1</b>	<b>12</b>

(1) Total FTE employees is estimated at 225 per data provided by Panattoni Development Company. Assumes child care demand for resident employees is similar to that of residents of Contra Costa County.  
 (2) Based on Journey to Work data from 2019 American Community Survey 5-Year Estimates for Walnut Creek, California.  
 (3) Based on ABAG Projections 2010 - 2040 population estimates for 2021. Breakdown of population by age from the 2010 Census was applied to 2021 total population.  
 (4) Labor force participation rates are from the 2019 American Community Survey and include children with two working parents or single working parents. Rates vary by age, under 6 years, and 6 years and over.  
 (5) Not all children with working parents are assumed to need licensed care: percentage assumptions under each age category are used. The remaining children are assumed to be cared for by family members, nannies, friends, and unlicensed care. These percentages are used throughout the State by the California Child Care Coordinators Association Version 11, May 2012.  
 (6) Based on standard methodology for estimating child care demand from non-resident employees.  
 Sources: David J. Powers & Associates; Brion Economics, Inc.



**Table B**  
**Citywide Child Care Demand - Walnut Creek**  
**Spieker CCRC Project, Walnut Creek**

Citywide Child Care Demand - Walnut Creek	Notes & Assumptions	Estimated Child Care Demand by Age - 2021			
		Birth to 24 months or Infant	2 to 5 or Preschool	6 to 12 or School Age	Total, 0 to 12 Years
<b>Residential Demand</b>					
Estimated Total Population - See Table A-1	68,553				
Children as Percent of Population	(1)	1.5%	3.5%	6.5%	11.5%
Estimated Total Children		1,059	2,374	4,459	7,891
Avg. Labor Force Participation Rates	(1,2)	68.9%	68.9%	67.3%	68.0%
Children With Working Parents		730	1,636	3,001	5,367
Demand for License Care Factors	(3)	50%	100%	50%	65%
<b>Resident Children Needing Licensed Care</b>		<b>365</b>	<b>1,636</b>	<b>1,500</b>	<b>3,502</b>
% of Total Children Needing Licensed Care		34%	69%	34%	44%
<b>EXISTING SUPPLY</b>					
Family Child Care Home Spaces	(4)	77	211	58	346
Center-Based Spaces		95	1,865	1,540	3,500
<b>Total Child Care Spaces</b>		<b>172</b>	<b>2,076</b>	<b>1,598</b>	<b>3,846</b>
Percent Distribution		4%	54%	42%	100%
<b>EXISTING SURPLUS/(SHORTAGE)</b>					
		<b>(193)</b>	<b>440</b>	<b>98</b>	<b>344</b>
% of Demand Met by Existing Supply		47%	127%	107%	110%

(1) Based on ABAG Projections 2010 - 2040 population estimates for 2021. Breakdown of population by age from the 2010 Census was applied to 2021 total population.

(2) Labor force participation rates are from the 2019 American Community Survey and include children with two working parents or single working parents. Rates vary by age, under 6 years, and 6 years and over.

(3) Not all children with working parents are assumed to need licensed care: percentages under each age category are used. The remaining children are assumed to be cared for by family members, nannies, friends, and unlicensed care.

(4) Based on data from CocoKids. Includes spaces at centers and Family Child Care Homes. See Table C.

Sources: ABAG; CocoKids; Brion Economics, Inc.

**Table C**  
**Summary of Child Care Supply in City of Walnut Creek - 2021**  
**Spieker CCRC Project, Walnut Creek**

Type of Provider (1)	# of Providers	Infant Spaces	Preschool Spaces	School Age Spaces	Total Spaces
Centers (2)	38	95	1,865	1,540	3,500
Small FCCH	10	20	40	20	80
Large FCCH	<u>19</u>	<u>57</u>	<u>171</u>	<u>38</u>	<u>266</u>
<b>Totals</b>	<b>67</b>	<b>172</b>	<b>2,076</b>	<b>1,598</b>	<b>3,846</b>
<b>Vacancy Rates</b>					
Centers		7.4%	9.1%	3.6%	6.6%
FCCHs		9.1%	19.0%	10.3%	15.3%
<b>Vacant Spaces</b>					
Centers		7	170	55	232
FCCHs		<u>7</u>	<u>40</u>	<u>6</u>	<u>53</u>
<b>Total Vacant Spaces</b>		<b>14</b>	<b>210</b>	<b>61</b>	<b>285</b>

(1) Child care supply data provided by CocoKids, November 2021.

(2) Includes license-exempt spaces.

Sources: CocoKids; Brion Economics, Inc.

**Table D**  
**Average Child Care Fee Rates by Age and Type of Provider - 2021**  
**Spieker CCRC Project, Walnut Creek**

Type of Care	Average Weekly Child Care Rates		
	Infant	Preschool	School Age

**Full Time Weekly Rates**

FCCH	\$381	\$328	\$304
Centers	\$499	\$374	\$358

Note: Rates are as of November 2021. Part time rates are generally less but there is not enough data to estimate reliable averages.

Sources: Contra Costa County Child Care Council; Brion Economics, Inc.

## Appendix Tables

**Table A-1**  
**Demographics for Child Care Assessment**  
**Spieker CCRC Project, Walnut Creek**

Demographic Item	Walnut Creek Estimates for 2021
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**ABAG Estimates (1)**

Population Estimate	68,553
Household Estimate	32,711
Persons per Household	2.10
Employment	57,593
Employed Residents	38,483
Employed Residents per Household	1.18

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(1) From ABAG 2040, for Walnut Creek; 2021 figures extrapolated using 2020 and 2025 estimates.

Sources: ABAG; Brion Economics, Inc.

**Table A-2**  
**Labor Force Participation Rates**  
**Spieker CCRC Project, Walnut Creek**

Employment Status of Residents	Totals
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Population 16 years and over	59,156
In labor force	33,696
Own children of the householder under 6 years	3,773
All parents in family in labor force	68.9%
Own children of the householder 6 to 17 years	7,886
All parents in family in labor force	67.3%

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Sources: American Community Survey 2019; Brion Economics, Inc.

**Table A-3**  
**Journey-to-Work Data for Walnut Creek Residents**  
**Spieker CCRC Project, Walnut Creek**

<b>Workers and Place of Work</b>	<b>Estimate 2021</b>
Total Workers 16 years and over	33,696
<b>Place of Work</b>	
Worked in state of residence	99.7%
Worked in county of residence	54.4%
Worked outside county of residence	45.3%
Worked outside state of residence	0.3%
Living in a place	100.0%
<b>Worked in place of residence</b>	<b>29.0%</b>
Worked outside place of residence	71.0%

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Sources: American Community Survey 2019; Brion Economics, Inc.