



REPORT

DATE ISSUED: October 17, 2003

ITEM 103

REPORT NO.: HCR03-090
For the Agenda of October 24, 2003

SUBJECT: Request by Marian Catholic High School for a Variance From Payment of Housing Trust Fund Impact Fees (Council District 8)

SUMMARY

Issue: Should the Housing Commission grant a request from Marian Catholic High School for a Low Employee Density Variance?

Recommendation: It is recommended that the Housing Commission approve the variance request and waive the payment of \$1,152 in Housing Impact Fees.

Fiscal Impact – Approval of this action will result in the non-collection of \$1,152 in Housing Impact Fees.

BACKGROUND

The Housing Commission is responsible for administering the Housing Trust Fund as provided in Municipal Code Sections 98.0501 through 98.0618 and in Housing Commission Policy No. 300.501. The San Diego Municipal Code provides guidance regarding projects that are responsible for payment of Housing Impact Fees, the uses that are exempt from Housing Impact Fees, determination of the fee, land or air rights in lieu of payment of the fee, and variance from the provisions of the Ordinance.

Municipal Code Sections 98.0614 through 98.0617 provide the standards for granting variances which include development projects that consist of construction built for and suitable solely for a specific use involving few or no employees.



The Housing Commission has granted fifty variance requests since 1990, waiving over \$700,000 in Housing Impact Fees while collecting over \$38 million. The most recent variance request granted was in December 2000. The number of variance requests received has fluctuated between two and ten variance requests annually. The most common application for variance has been for specific uses that involve few employees, such as church sanctuary space or Sunday school classrooms (most “staff” are volunteers or part-time employees). Another fairly common circumstance is the upgrading of educational or recreational space that expands capacity with little or no impact on staffing.

DISCUSSION

Marian Catholic High School is a private high school in the Otay Nestor area of San Diego. This development consists of the addition of two new classrooms. The classrooms are 24’ x 30’ commercial coaches that will be placed on existing paving. Marian Catholic High School asserts that each classroom will be staffed by one teacher, for a total increase of two teachers.

Housing Impact Fees totaling \$1,152 were calculated by the City’s Facilities Financing Department.

Municipal Code Section 98.0616 states that a variance may be granted for development projects that consist of construction built for and suitable solely for a specific use involving few or no employees. The Housing Commission Board has interpreted “few or no employees” to mean no more than two full-time employees for the requirement for fee waiver.

From the application and construction plans, staff has determined that the proposed project qualifies for a Low Employee Density Variance.

The Housing Trust Fund Ordinance provides that any variance granted pursuant to Section 98.0616 shall expire on the conversion of the building to another use. As a condition of this variance, Marian Catholic High School will be required to:

- 1) Inform the Housing Commission if the use of space changes from what has been represented on this application, or the number of employees increases due to the additional space; and
- 2) Acknowledge that should the construction described in the application result in an addition of more than two employees, the housing impact fee is due and payable.

ALTERNATIVE

The Board could deny the variance request. However, this request is typical of other variance requests that have been granted to date under the Housing Trust Fund Ordinance.

Respectfully submitted,

Approved by,

Signature on File with Original Document

Jack D. Farris
Manager, Housing Finance & Development

Elizabeth C. Morris
Chief Executive Officer

Attachments: 1) Application For Variance

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