



Good Neighbors

San Diego
Housing Commission

REPORT

DATE: For the Agenda of March 23, 2001 **ITEM 105**

REPORT NO.: HCR01-028 Supplemental

SUBJECT: Methods and Standards for Housing Trust Fund Fee
Variance Requests (Citywide)

SUMMARY

Issue: Should the Housing Commission change its method or standards for review of requests for variance from the payment of Housing Trust Fund Linkage Fees?

Recommendation: That the Housing Commission maintain its current methods and standards for review and approval of variance requests, except that the Commission initiate a charge of \$500 for processing any variance request that results in a variance or a reduction in the Linkage Fee.

Fiscal Impact: Collection of approximately \$2,000 in fees per year.

BACKGROUND

This item, "Methods and Standards for Housing Trust Fund Fee Variance Requests," was on the agenda of March 2, 2001, but was continued to a future meeting due to time constraints. With the continuance, staff was asked to consider making changes to the current fee structure.



DISCUSSION

Methods and Standards for Considering Variance Requests

Housing Commission Report Number 01-028 (Attachment One) sets out standards currently employed for reviewing variance requests along with legal authority to do so. Staff continues to recommend that current methods be retained.

Processing Fee

As stated in HCR01-028, for-profit developers are currently charged a fee of \$1,000 for processing of variance requests. Prior to submitting a variance request, project sponsors confer with Housing Commission staff regarding the variance process. Often, this discussion results in a decision to not pursue a variance and thus no fee is collected. To date, only \$2,000 in fees has been collected because almost all of the variance applications have been received from nonprofit organizations.

Reducing the fee and applying it to all successful applications would more accurately link fees to the cost of processing requests for a variance. Staff recommends not collecting the fee for variance requests that are denied because those projects will pay the full Linkage Fee.

Alternatives

The Commission may:

- Set forth other criteria for granting variances; or
- Continue the current practice of charging a processing fee of \$1,000 to for-profit developers; or
- Discontinue the fee.

Submitted by,

Pat Duplechan
Director, Housing Programs

Approved by,

Elizabeth C. Morris
Chief Executive Officer

Attachment: HCR01-028

**Signature on File
With Original Document**