



Good Neighbors

San Diego
Housing Commission

REPORT

DATE: For the Agenda of November 17, 2000 **ITEM 100**

REPORT NO.: HCR 00-101

SUBJECT: Request for Variance from the City's Housing Impact Fee by Pro Kids Golf Academy, Inc. (Council District 7)

SUMMARY

Issue: Should the Housing Commission grant a variance to Pro Kids Golf Academy, Inc., located at 4085 52nd Street, for a conditional exemption from payment of the City's Housing Impact Fee in the amount of \$2,432.51?

Recommendation: That the Housing Commission grant this variance.

Fiscal Impact: Non-collection of \$2,432.51 in Housing Impact Fees.

BACKGROUND

Housing Commission responsibilities related to the administration of the Housing Trust Fund, including consideration of variance requests, are established in Municipal Code Sections 98.0501 - 98.0618 and in Housing Commission Policy No. 300.501. Ordinance No. O-17454, which established the San Diego Housing Trust Fund, provides for a variance from the Housing Impact Fee in certain specific instances.

Section 98.0616 of the Housing Trust Fund ordinance provides for variances in the case of non-residential developments consisting of structures built for and suitable solely for specific uses involving few or no employees. Definitions contained in the San Diego Municipal Code are used to: 1) determine the category of the anticipated use of a non-residential development and establish impact fees, which are assessed on a square foot basis; and 2) to identify exempt uses. Housing Impact Fees are calculated by the City's Facilities Financing Section and collected by the City Treasurer. To obtain a variance, a developer files an Application For Variance From The Housing Impact Fee to be reviewed and considered for approval by the Board.

DISCUSSION

The Housing Impact Fee and Variance Process

Per Municipal Code Section 98.0501-98.0618, the two acceptable standards for variance are financial hardship (to date, no variances have been granted under this provision) and Low Density Employment Uses Requiring Specialized Structures. Forty-seven variances have been requested since the first application was received in 1990, for an average of approximately five applications per year. It has been the general practice of the Commission to grant variances to nonprofit organizations in cases where expansion or replacement of facilities results in a net increase in the employee base of less than two employees.

The Variance Request from Pro Kids Golf Academy, Inc.

The City's Facilities Financing Section determined that Pro Kids Golf Academy, Inc. would be assessed a fee of \$2,432.51 to construct a 7,067 square foot replacement for its clubhouse. Pro Kids Golf Academy, Inc. filed a for a variance on September 27, 2000. (See Attachment 1.) Because Pro Kids Golf Academy, Inc. is a tax-exempt nonprofit corporation with 501 (c)(3) status, the variance application fee was waived.

According to the variance application, the building plans call for the construction of a 7,067 square foot clubhouse and learning center. (See Attachment 2.) Located on the public golf course at Colina Park, the building site has already been prepared through demolition of the course's former clubhouse. The new facility will be built for the City of San Diego with private donations and will be occupied by Pro Kids Golf Academy, Inc. through a long-term lease. The clubhouse and learning center will be utilized for the instructional and administrative activities of the nonprofit organization and as a community recreation facility.

Pro Kids Golf Academy, Inc. employs 15 staff persons who will be located at the new facility. The academy has no current plans to add employees as a result of the development.

The 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 the proposed variance, Pro Kids Golf Academy, Inc. would be required to:

- (1) Inform the Housing Commission if the use of space changes from what is represented on the application or the number of employees increases due to expansion; and,
- (2) Acknowledge that a Housing Impact Fee, in the amount requested to be waived in the application, is due and payable upon the addition of employees due to expansion.

ALTERNATIVE

The Board may elect to deny the requested variance and uphold the \$2,432.51 Housing Impact Fee imposed.

Submitted by,

Pat Duplechan
Director, Housing Programs

**Signature on File
With Original Document**

Approved by,

Elizabeth C. Morris
Chief Executive Officer

- Attachments: 1. Application For Variance From The Housing Impact Fee On Non-Residential Development Within The City Of San Diego
2. Development Floor Plan