



Good Neighbors

San Diego  
Housing Commission

# REPORT

## ITEM 101

DATE: For the Housing Commission Agenda of November 17, 2000

REPORT NO.: HCR 00-107

SUBJECT: Request for Variance from the City's Housing Impact Fee by San Diego First Church of the Nazarene (Council District 2)

### SUMMARY

**Issue:** Should the Housing Commission grant a variance to San Diego First Church of the Nazarene, located at 3901 Lomaland Drive, for a conditional exemption from payment of the City's Housing Impact Fee in the amount of \$10,814?

**Recommendation:** That the Housing Commission grant this variance.

**Fiscal Impact:** Non-collection of \$10,814 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 Finance 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 San Diego First Church of the Nazarene

The City's Facilities Financing Section determined that San Diego First Church of the Nazarene would be assessed a fee of \$10,814 to construct a 16,897 square foot replacement for its chapel and other group meeting facilities. The Church filed for a variance on October 12, 2000. (See Attachment 1.) Because San Diego First Church of the Nazarene is a tax-exempt nonprofit organization with 501 (c)(3) status, the variance application fee was waived.

According to the variance application, the building plans call for construction of a chapel, a family life center, a children's ministry center, and a youth center. (See Attachment 2.) Located on the campus of Point Loma Nazarene University, the four building complex will replace three existing buildings scheduled for removal. The new facility will be utilized exclusively for the activities of San Diego First Church of the Nazarene.

San Diego First Church of the Nazarene employs 20 staff persons who will be located at the new facility. The Church will not 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, San Diego First Church of the Nazarene 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 \$10,814 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