



Good Neighbors

San Diego
Housing Commission

REPORT

ITEM 100

DATE: For the Housing Commission Agenda of December 1, 2000

REPORT NO.: HCR 00-113

SUBJECT: Request for Variance from the City's Housing Impact Fee by Golden Triangle Self Storage (Council District 1)

SUMMARY

Issue No. 1: Should the Housing Commission grant a variance to Golden Triangle Self Storage, located at 10345 Sorrento Valley Road, for a conditional exemption from payment of the City's Housing Impact Fee in the amount of \$25,012.20?

Recommendation: That the Housing Commission grant this variance.

Fiscal Impact: Non-collection of \$25,012.20 in Housing Impact Fees.

Issue No. 2: Should the Housing Commission delegate the authority to grant a variance from the Housing Impact Fee to the Chief Executive Officer in cases where development would result in the addition of two or fewer employees?

Recommendation: It is so recommended.

Fiscal Impact: None with this action.

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-nine 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 organizations in cases where construction of facilities results in a net increase in the employee base of less than two employees.

The Variance Request from Golden Triangle Self Storage

The City's Facilities Financing Section determined that Golden Triangle Self Storage would be assessed a fee of \$25,012.20 to construct a 90,294 square foot self-storage facility. The developer filed for a variance on October 26, 2000. (See Attachment 1.) The variance application fee was waived because the employees are to be housed in a caretaker's unit on the site, resulting in no housing impact.

According to the variance application, the building plans call for construction of a mini-unit self storage warehouse, an office, and a two-bedroom caretakers' apartment. (See Attachment 2.) The caretaker's unit is provided at no cost to the managing couple (manager and spouse or domestic partner) in addition to a salary.

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, Golden Triangle Self Storage 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.

Delegation of Authority to Grant a Variance from a Housing Impact Fee

Under Municipal Code Section 98.0616, "Low Density Employment Uses Requiring Specialized Structures," a variance may be granted by the Commission when developments consist of construction built for and suitable solely for a specific use involving few or no employees. Accordingly, the Board has approved all variances when development would result in the addition of two or fewer employees. To provide more timely responses to developers requesting Housing Impact Fee variances, staff recommends delegating the responsibility for granting variances to the Chief Executive Officer in instances where development would result in the addition of two or fewer employees. Variance requests lacking a decisive factor to demonstrate that the addition of two or fewer employees would not impact housing would be brought to the Board for approval.

ALTERNATIVE

The Board may elect to deny the requested variance and uphold the \$25,012.20 Housing Impact Fee imposed on Golden Triangle Self Storage. The Board may elect to maintain its authority over variance requests for developments adding two or fewer employees.

Submitted by,

Pat Duplechan
Director, Housing Programs

Attachments: 1. Application For Variance
2. Development Floor Plan

Approved by,

Elizabeth C. Morris
Chief Executive Officer

**Signature on File
With Original Document**