To: Dover Planning Board
From: Steve Bird, City Planner
Date: January 22, 2013
Re: Accessory Dwelling Unit Impact Fee Calculation

ISSUE:
The latest zoning ordinance amendments added Accessory Dwelling Unit as a permitted use in some zoning districts. The adopted Impact Fee Schedule does not include impact fees for Accessory Dwelling Units.

INTENT:
This memo will provide the calculation for Accessory Dwelling Unit impact fees for the Planning Board to consider.

GOALS:
Provide a supportable methodology for the calculation of impact fees for Accessory Dwelling Unit that the Planning Board can adopt.

PROCESS:
Planning Staff reviewed the previous methodologies used to calculate impact fees for residential units and developed a calculation based on the unique limitations placed on Accessory Dwelling Unit by Chapter 170-24.

ATTACHMENTS:
- None

An Accessory Dwelling Unit (ADU) is, by definition, a secondary dwelling unit that is subordinate to the single family dwelling. The size is limited to an area no less than 300 square feet and no more than 800 square feet. The unit can occupy no more than 30% of the floor area of the single family dwelling, including the ADU. Given these size limitations, it is reasonable to expect that the typical ADU would be smaller and would have fewer occupants than an average apartment unit.

Research was done using the Assessing Department database of existing apartment units to determine the average size of the various types of apartments. Based on an analysis of this data, it was calculated that the average size of existing apartment units in Dover is 756 square feet. The next step taken was to calculate the predicted size of an ADU. Given that the allowable size range is 300 to 800 square feet, it would be expected that the average ADU would be the midpoint or 550 square feet. Based on this, the size of the average ADU would be 73 percent of the average apartment unit (550/756 = 73%).

Impact fees are collected in four different categories – school, recreation, police and fire. For an ADU, the smaller unit size would result in less demand on average for recreation, police and fire services. The 73 percent figure calculated above is then applied to the existing recreation, police and fire impact fees for apartments as follows:

	Apartment Impact fee				
Recreation	$870	x	73%	=	$635
Police	$407	x	73%	=	$297
Fire	$377	x	73%	=	$275

The school impact fee is calculated differently because the likelihood of the ADU unit resulting in the same number of school age children as a typical apartment is significantly less due to the limitations placed by the ordinance. This difference is difficult to quantify because up until now the City has not permitted ADUs and there are no existing units to analyze to determine the number of school age children. The typical ADU will likely be occupied by a single person or maybe an older couple. ADUs will be popular for relatives of the primary dwelling unit owners. The most likely scenario for school age children would be a single parent with child. The size limitations would make the ADU not attractive for a family with multiple children.

Given these assumptions, it was estimated that the number of school age children in an ADU would be 50% of a typical apartment. Therefore the school impact fee for an ADU would be $527 ($1,054 x 50% = $527).

It is recommended that in 3 to 5 years, an analysis be undertaken of the ADUs that have been permitted to determine the average unit size and the number of school age children per ADU. This will allow for an adjustment of the impact fee based on actual data.

SUMMARY:
The recommended impact fees for ADUs are as follows:

PROPOSED ACCESSORY DWELLING UNIT IMPACT FEES		*EXISTING APARTMENT 4+ UNITS IMPACT FEES*
School	**$527**	**$1,054**
Recreation	**$635**	**$870**
Police	**$297**	**$407**
Fire	**$275**	**$377**
Total	**$1,734**	**$2,708**