


**ORANGE COUNTY PLANNING &  
INSPECTIONS DEPARTMENT**

# Memo

**To:** Orange County Board of Commissioners

**From:** Craig Benedict, Planning Director

*ph* Perdita Holtz, Planning Systems Coordinator 

**Date:** March 25, 2009

**Re:** Accessory Dwelling Units and Educational Facilities Impact Fees (addressing Follow-Up Action List for 12/11/08 BOCC meeting)

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At the December 11, 2008 BOCC meeting, staff was instructed to review the minimum threshold size for accessory dwelling units to determine an appropriate size to exempt from school impact fees and provide information to the BOCC. This memo addresses the issue.

In response to the attached letter from Mr. Geoffrey Gledhill dated February 9, 2006, staff worked with the consultant, TischlerBise, during development of the 2007 impact fee update to categorize accessory dwelling units as "multifamily" units. The definition of "multifamily" in the attached handout available in the Permits offices of the various jurisdictions clearly includes accessory dwellings as "multifamily" units for the purposes of school impact fee determinations.

Until such time as the County updates the technical studies, there is insufficient analysis available to exempt units under a certain size from impact fees since all units were included in the study and therefore are part of the overall calculations. If the County desires to do so in the future, each local government and school board would have to collect data at this finer detail for a few years and thereafter, the next technical report could further disaggregate the data (by unit size) and analyze impacts of smaller ADUs on school capital facilities. If such a method is deemed defensible by the County's legal staff and the selected consultant then a separate impact fee or de-minims exemption could be proposed. To exempt units based on size at this time would require a new technical report to substantiate the assertion that smaller ADUs have no impact on school capital facilities.

To refresh the Board's memory, the number of ADUs permitted each year, as reported in the previous memo dated February 9, 2009, is included below.

Accessory Dwelling Units

The number of accessory dwelling units permitted within Orange County, including incorporated areas, for the last five (5) years is depicted in the tables below.

Table 1 – Accessory Dwelling Units by Local Government

Year	Orange County (including Town of Hillsborough)	Town of Carrboro	Town of Chapel Hill
2004	0	2	1
2005	4	1	4
2006	9 (including 1 in CHCCS District)	0	3
2007	3	0	0
2008	5 (including 1 in CHCCS District)	2	0
Totals:	21	5	8

Table 2 – Accessory Dwelling Units by School District

Year	Orange County School District	Chapel Hill-Carrboro School District
2004	0	3
2005	4	5
2006	8	4
2007	3	0
2008	4	3
Totals:	19	15

LAW OFFICES

**COLEMAN, GLEDHILL, HARGRAVE & PEEK**  
A PROFESSIONAL CORPORATION

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February 9, 2006

FROM THE DESK OF  
GEOFFREY E. GLEDHILL  
E-MAIL: geoffreygledhill@cgandh.com

Barry Jacobs, Chair  
Moses Carey, Jr.  
Valerie P. Foushee  
Alice M. Gordon  
Stephen Halkiotis  
Orange County Board of Commissioners  
Post Office Box 8181  
Hillsborough, North Carolina 27278

**RE: School Capital Impact Fees on "accessory dwelling  
units"**

Dear Board Members:

I have reviewed the letter from The Village Project, Inc., written by its Vice Chair, James Carnahan, a copy of which is enclosed. The letter makes an argument for a different impact fee for a housing type variously known as a granny flat, a garage apartment or an efficiency apartment. Mr. Carnahan describes the Carrboro Development Ordinance's treatment of these accessory dwelling units particularly. Orange County has similar provisions in its zoning regulations. It calls these dwelling units "efficiency apartments." The County zoning regulations permit one of these dwellings, with no more than 800 square feet of gross floor area, as an accessory use to a single family residence, whether the efficiency apartment is attached to or detached from the single family residence.

I recommend that consideration be given to this classification of dwelling unit in the preparation of the next School Capital Impact Fee Technical Report and the consideration thereafter by the Board of County Commissioners of a different impact fee for this classification of dwelling if justified by the findings of the technical report.


Orange County Board of Commissioners  
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There is a need for an update in the technical report, in part based on new school construction standards, significant increases in construction costs and, if adopted by the Board of County Commissioners and the Boards of Education, elementary school capacity changes. The latter is more an attribute of the Adequate Public Schools Facilities Ordinance. However, it could affect the work done in the school capital technical report.

It is further my opinion that consideration of the request made by The Village Project should only be done in the context of a technical report update.

Very truly yours,

COLEMAN, GLEDHILL, HARGRAVE & PEEK, P.C.



Geoffrey E. Gledhill

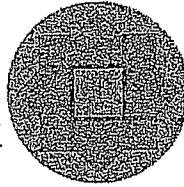
GEG/lsg

Enclosure

xc: Craig Benedict ✓  
John M. Link, Jr.  
Rod Visser

lsg:letters\bdoofcom impact fees on granny flats ltr.doc

the  
**Village  
Project**



Creating  
Walkable  
Communities

Orange County Board of County Commissioners  
200 South Cameron Street  
Hillsborough, NC 27278  
Jan. 25, 2006

**RE: SCHOOL IMPACT FEES FOR ACCESSORY DWELLING UNITS**

Dear Commissioners Jacobs, Carey, Foushee, Gordon and Halkiotis:

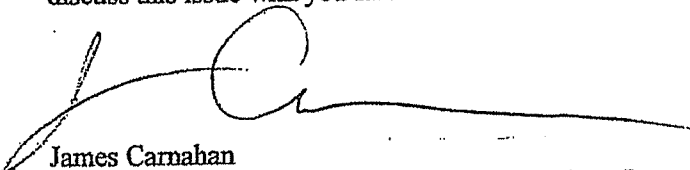
The Board of Directors of the Village Project, Inc. requests that the Commissioners hold a public hearing on the Impact Fees for Schools that were last revised July 1, 2001, at your earliest convenience. The purpose would be to recognize a particular dwelling type, "Accessory Dwelling Unit" (sometimes referred to as "Granny Flat" or "Garage Apartment") and create a separate tax category & rate for this kind of use.

"Accessory dwelling unit" is a specific category in the Town of Carrboro that is limited in size to 750 sq ft. ADU's are defined in Carrboro's Village Mixed Use zoning category, although they can be built elsewhere in town depending on lot size. ADU's can play an important role in providing small-scale, affordable housing that is available to rent for students, unmarried professionals & senior citizens.

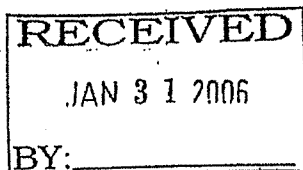
ADU's can be incorporated into a primary residence or be freestanding structures. Under current County practice freestanding ADU's are treated as Single Family Detached Dwellings and are subject to the highest fee, \$4407 per unit. ADU's are highly unlikely to have any impact on our schools because the households they attract will probably not include school-age children, but their construction is penalized and discouraged by the imposition of this fee. We would like to point out, for comparison, that the County's impact fee for Multi-family Attached Dwellings "such as Apartments or Condominiums, Townhouses and Duplexes," is \$1979 -- although any of these dwelling types can have multiple bedrooms and thus a potential for significant impact on school population.

We know the Commissioners are interested in creating and maintaining a diverse and ample supply of affordable housing choices, and we believe the current rate is an unnecessary impediment to achieving this goal. We urge you to review the fees and establish a separate, reduced, and more appropriate rate for housing types that meet specific standards that would be unlikely to impact our schools.

As the member of The Village Project Board who is working on the ADU issue, I would be glad to discuss this issue with you further. You can contact me at (919)942-6114 or [jcarnahan@mindspring.com](mailto:jcarnahan@mindspring.com).

  
James Carnahan  
Vice-Chairman of the Board, The Village Project, Inc.

Cc: Mayor Mark Chilton & Carrboro Board of Aldermen  
Neil Pedersen, Chapel Hill Carrboro Schools Superintendent



## SCHOOL IMPACT FEE CHANGES

On December 11, 2008, the Orange County Board of Commissioners adopted updates to the Educational Facilities Impact Fee Ordinance. New fee levels and effective dates were adopted as shown in the following tables for each school district located within Orange County.

<b>Chapel Hill – Carrboro City Schools District</b>				
	Effective January 1, 2009	Effective January 1, 2010	Effective January 1, 2011	Effective January 1, 2012
Single-Family Detached	\$6,092	\$7,616	\$9,520	\$11,423
Single-Family Attached	\$3,525	\$4,406	\$5,508	\$6,610
Multifamily	\$686	\$858	\$1,072	\$1,286
Manufactured Homes	\$2,634	\$3,293	\$4,116	\$4,939

<b>Orange County Schools District</b>				
	Effective January 1, 2009	Effective January 1, 2010	Effective January 1, 2011	Effective January 1, 2012
Single-Family Detached	\$3,000	\$3,749	\$4,686	\$5,623
Single-Family Attached / Multifamily	\$930	\$1,162	\$1,453	\$1,743
Manufactured Homes	\$1,428	\$1,785	\$2,232	\$2,678

A description of housing types and examples of each type of housing follows this page. Please note the housing types are applicable only for the purposes of determining school impact fee amounts and do not affect determinations related to local zoning ordinances or other local ordinances.

## Housing Unit Types

For the purposes of school impact fee analysis and calculations, the following housing type categories were used. A brief description of each housing category is provided.

**Single Family Detached:** a detached building located on a single lot containing one dwelling unit. In situations where an accessory dwelling unit (i.e., a "mother-in-law suite" or "granny flat") is located on the same lot, the principal dwelling is categorized as a Single Family Detached dwelling.

Examples of single family detached dwellings are site-built houses and modular houses.

**Single Family Attached:** a group of dwelling units which share a common floor-to-ceiling wall or share the wall of an attached garage or porch with an adjacent dwelling and in which all units have a ground-floor living space. Units are individually owned or intended to be individually owned after initial sales are complete.

Examples of single family attached dwellings are duplexes, triplexes, townhouses, row houses, and condominiums in which all units have a ground-floor living space.

**Multifamily:** a group of dwelling units which share a common floor-to-ceiling wall with an adjacent dwelling. All units may not have a ground-floor living space. Units may be individually owned (as is the case with condominiums) or may be owned by one entity and rented/leased to tenants. Also included in this category are dwelling units located above ground-floor non-residential (i.e., retail or office) uses. In situations where an accessory dwelling unit (i.e., a mother-in-law suite, granny flat, or efficiency apartment) is located on the same lot as a principal dwelling, the accessory dwelling unit is categorized as a multifamily dwelling provided the accessory dwelling unit is categorized as such by the local zoning code (i.e., less than 750-800 square feet, depending on the specifics of the local code).

Examples of multifamily dwellings include apartments, condominiums in a multi-story building in which all units do not have a ground-floor living space, mother-in-law suites and granny flats located on a lot containing a separate principal dwelling, and dwellings located above non-residential uses.

**Manufactured home:** a dwelling built in a factory in accordance with the federal Manufactured Home Construction and Safety Standards, commonly referred to as the 'HUD' Code.

Examples of manufactured homes are single-wide, double-wide, and triple-wide "mobile" homes.