



MEMORANDUM

Date: September 13, 2022

To: Town of Chester Planning Board
84 Chester Street
Chester, NH 03036

From: Nathan Miller, AICP
SNHPC Deputy Executive Director

Re: **Administrative Procedure for Assessing Impact Fees to Accessory Dwelling Units**

On August 24, 2022, the Town of Chester Planning Board adopted updated impact fees in six categories: Municipal Offices, Library, Roads, Recreation, Public Safety (i.e. Police and Fire), and School.

For residential development, each of the six impact fees were calculated on a per dwelling unit basis for four different categories of housing: Single-family, Duplex, Multi-family (3+ units), and Manufactured Housing.

Following the adoption of the updated impact fees, Town staff inquired with the Southern New Hampshire Planning Commission (SNHPC) to determine how to assess impact fees to Accessory Dwelling Units (ADUs) in accordance with Article 9 of the Town of Chester Zoning Ordinance.

The purpose of this memorandum is to detail the SNHPC's recommended administrative procedure for assessing impact fees to Accessory Dwelling Units in the Town of Chester.

Background:

Article 9.3.1 of the Town of Chester Zoning Ordinance defines an Accessory Dwelling Unit as *"a residential dwelling unit that is within or attached to a detached single-family dwelling, and that provides independent living facilities for one or more persons, including provisions for sleeping, eating, cooking, and sanitation on the same lot the principal single-family dwelling unit is located."*

Additionally, in Article 9.4.5 of the Town of Chester Zoning Ordinance, it is stipulated that *"One of the two dwelling units shall be occupied by the owner(s) of the property as their principal place of residence [...]"*

The Town of Chester's definition of ADUs as being *"within or attached to a single-family dwelling"* is consistent with the definition provided in State statute (RSA 674:71), which also defines an ADU as being *"within or attached to a single-family dwelling"*.

Impact Fee Assessment Methodology for ADUs:

Given that ADUs in the Town of Chester are limited to owner-occupied single-family residential properties, and that both NH RSA 674:71 and the Town of Chester Zoning Ordinance establish that an internal or attached ADU is an extension of a single-family residential use of a parcel, it is therefore most appropriate to derive the impact fee for ADUs as an extension of the single-family residential impact fee assessment. Accordingly, the procedure detailed herein considers an ADU's living area as a proportionate increase in the living area of an existing single-family parcel.



Southern New Hampshire Planning Commission

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The methodology for determining the appropriate impact fee for an ADU in the Town of Chester involves two steps as detailed below.

1. *Deriving a per square foot fee for single-family residential development based on the approved impact fees by using the average living area of a single-family home in the Town of Chester.*

Based on the Town's current assessing database, the average living area of a single-family home in the Town of Chester is **2,163 SF**. This figure can be used to calculate the per square foot impact fee for single-family residential development in each impact fee category, as detailed in the table below.

Impact Fee Category	Single-Family Residential Impact Fee (Per Dwelling Unit)	Average Single-Family Home Size in the Town of Chester (SF)	Single-Family Residential Impact Fee (Per Square Foot)
Municipal Office	\$693	2,163	\$0.32
Library	\$731	2,163	\$0.34
Road	\$1,176	2,163	\$0.54
Recreation	\$1,035	2,163	\$0.48
Public Safety (Police)	\$609	2,163	\$0.28
Public Safety (Fire)	\$832	2,163	\$0.38
School	\$3,709	2,163	\$1.71

2. *Applying the per square foot fee to the living area created by adding the ADU.*

The per square foot single-family residential impact fees calculated above can then be applied to the living area of the ADU. As established in Article 9 of the Town of Chester Zoning Ordinance, ADUs must be a minimum of 600 SF and a maximum of 1,000 SF.

Overall, this per square foot methodology enables more flexibility for assessing impact fees to ADUs, which is appropriate given the range in the allowed size of ADUs in the Town of Chester. For instance, a 600 SF studio or one-bedroom ADU would be assessed a lower impact fee than a 1,000 SF two-bedroom ADU. Thus, the difference in the assessed impact fees logically reflects the difference in each ADU's probable impacts.

Other Considerations:

As ADUs were not included as a separate category within the Town's adopted impact fees, the SNHPC recommends that the Town of Chester Planning Board hold a public hearing to amend the impact fees and formally incorporate this procedure.