

ADU's and Assessors discussion

There are 49 legal ADU's in the Village of Arden.

ADU's are a "privilege" in the Village of Arden.

Value

There is no value distinction between an attached ADU and detached ADU (one that is in a separate building). An ADU that is separate from the main building, would have more value to the renter than one attached to another unit. It would also have more value in privacy to the leaseholder as a rental unit.

Is it a privilege?

If the person the ADU was originally made for dies or leaves (parent, child, etc), and/or you do not want to rent to a stranger while living in your leasehold, you are not allowed to dissolve the ADU status in the Village of Arden. If you buy a house that has an ADU, and you do not want to rent to a stranger, you are also not allowed to dissolve the ADU status. This is upheld by the Village of Arden Planning Committee (dissolving an ADU is allowed by New Castle County). If you decide you do not want to rent the ADU for any reason, and are not allowed to dissolve it by the Village of Arden, you are penalized by being assessed a "vacant dwelling unit" fee. Only the Village of Arden considers an ADU as vacant property. (New castle County and the City of Wilmington only consider a property vacant if all of the units are vacant.)

Land Use

For each dwelling unit beyond the first, the leasehold is charged the B Rate for an additional 7,116 square feet but is not charged for more than the actual area of the leasehold. If there are multiple ADUs on a smaller leasehold, the current statement brings the "value" down per each ADU. If there are a few leaseholds on a larger lot, the "value" of each ADU increases, whether they are attached to the main building or separate. If they are attached, do they actually have the same value, since they do not have there own separate land? Is each ADU (not owner occupied) worth 7116 square feet of "value"?

Discussion:

Attached to building ADU and detached ADU have different value.

Flat rate per ADU (attached and detached) added to land rent as a privilege.

Large lot rate (C Rate) would still be applied without consideration of ADU's making the ADU factor the same as a greens or woodland privilege.

Table 1

lot	size	domiciles	current dom factor	current lg lot factor	lg lot factor w/o domicile if charged the same as all other leaseholds	currently paying per extra domicile		
53	10200	2	616.8	0	308.4	308.4		
132	10624	2	701.6	0	350.8	350.8		
55	12413	2	1059.4	0	529.7	529.7		
51	12556	3	1088	0	544	272		
34b	12643	2	1105.4	0	552.7	552.7		
102.5	13141	2	1205	0	602.5	602.5		
75	13166	2	1210	0	605	605		
49	13227	2	1222.2	0	611.1	611.1		
8a	14312	2	1423.2	8	719.6	719.6		
127.5	14776	2	1423.2	54.4	766	711.6		
54	16602	6	1897.2	0	948.6	189.72		
77	17500	2	1423.2	326.8	1038.4	711.6		
103.75	17910	2	1423.2	367.8	1079.4	711.6		
34a	18057	2	1423.2	382.5	1094.1	711.6		
99	19866	2	1423.2	563.4	1275	711.6		
140	19971	2	1423.2	573.9	1285.5	711.6		
16	20000	2	1423.2	576.8	1288.4	711.6		
47	20000	2	1423.2	576.8	1288.4	711.6		
46	20200	5	2632.6	0	1308.4	331.05		
128	20685	2	1423.2	645.3	1356.9	711.6		
64	21126	2	1423.2	689.4	1401	711.6		
92.5	21293	2	1423.2	706.1	1417.7	711.6		
114	23582	3	2846.4	223.4	1646.6	711.6		
1	23881	4	3353	0	1676.5	558.8		
76	24146	2	1423.2	991.4	1703	711.6		
115	25565	2	1423.2	1133.3	1844.9	711.6		
134	29270	2	1423.2	1503.8	2215.4	711.6		
7a	30000	2	1423.2	1576.8	2288.4	711.6		
24	30476	3	2846.4	912.8	2336	711.6		
74	32500	2	1423.2	1826.8	2538.4	711.6		
14	33543	2	1423.2	1931.1	2642.7	711.6		
68	35220	3	2846.4	1387.2	2810.4	711.6		
135	39153	2	1423.2	2492.14	3203.7	711.64		
39	40816	3	2846.4	1946.8	3370	711.6		
45	42750	2	1423.2	2851.8	3563.4	711.6		

*note the chart does not distinguish if all leasehold is rental.

*base land rate charged to all leaseholds equally is not included with this chart.

current domicile factor minus normal lg lot factor w/o domicile, divide by the number of domiciles above one = current pay per each

Board of Assessors 6-21-2017

Meeting began at 7:40. All present except Joe.

Discussion of varied rates paid by ADU's. Should equalize so all are paying same rate for an ADU. C Rate (large lot in excess of A Rate (7116 sq ft) should be assessed without discount for an ADU. Majority of ADU rate is \$711.60 per ADU after A rate is applied for the first dwelling unit. Discussion on amount for single rate. Decision for ADU flat rate to be \$750 per ADU.

Discussion on the Prudent Reserve.

Will meet next night (6-22-17) at 7:30 to sign finalized written BOA report.

All present at signing 6-22-17.

ADDITIONAL DOMICILE FACTOR WORKSHEET FOR 2018 ASSESSMENT

Chart: lot #, lot size, domiciles per leasehold, current domicile factor in dollars, and current large lot factor in dollars was provided by the Trustees on the Land Rent 2017 Worksheet. The A Rate (base land rent) charged to all leaseholds is not included in this chart. The chart does not distinguish if all of the leasehold is a rental or owner occupied.

In the past, leaseholds with extra domiciles had a complicated factoring for their assessment. For each dwelling unit beyond the first, the leasehold was charged the B Rate(80% of the A Rate) for an additional 7,116 square feet but was not charged for more than the actual area of the leasehold. If a leasehold ran out of "land" in this equation, it would pay less for the excess land beyond 7116s.ft. and result in a lower rate per domicile rate (if all land is held to be equal for all leaseholds regardless of whether they had an additional domicile or not). The Assessors believed that all leaseholders should be paying equal rates per square foot of land. This would make the A Rate the same for all leaseholds and the C Rate(large lot) the same rate for all leaseholds. The extra domicile would be considered a Domicile Factor the same as a Specific Location Factor (woodland factor and Green factor).

The Assessors decision was to charge each leasehold the A rate (base of 7116 sq ft) , and keep the large lot C rate the same for all leaseholds, then add a flat rate Domicile Factor for each additional domicile on a leasehold. The decision of \$750 per extra domicile was discussed and concluded upon based on the mode amount of \$711.60 per domicile that most leaseholders with extra domiciles were paying per domicile. The woods and greens factors are calculated on the A+C Rate not on on the A +B Rate. This makes the woods and greens factors equal with the leaseholds that do not have ADU's.

Calculation: Current domicile factor (what the leasehold was charged in 2017), minus the large lot factor without a domicile(what it would normally be paying for the extra square footage above 7116 sq ft.), divide the total by the number of extra domiciles above one, equals the amount of land rent that the leasehold is charged for each additional domicile in 2017.