ADUs in Denver

Advisory Committee Meeting #2
Exploring the Issues
Ice Breaker

Welcome Back!

City Staff
Councilwoman Kendra Black
Councilman Chris Herndon
Gosia Kung – Denver Planning Board

Gabriel Calderon  Chelsey Hume  Terra Mazzeo  Sarah Senderhauf
Ozi Friedrich  Lisa Kerin-Welch  Brooke Murphy  Rosemary Stoffel
Emily Goodman  Pam Jiner  Cesar Olivas  Renee Martinez Stone
Naomi Grunditz  Jennifer Steffel Johnson  Suzanne Reede  Michelle Ferrigno Warren
Mary Hawthorne  Shawn Johnson  Donna Repp  Darcy Wilson
Meeting #1 Summary

Select Mentimeter Survey Results from 3/5/22 Committee Meeting
Meeting #1 Summary
What statements best describe your interest in the project?

- I am hoping to learn and engage in neighborhood dialog
- I want to ensure that existing residents are able to stay in their neighborhood
- I want to promote expanded housing options in existing neighborhoods
- I want to ensure that new construction is designed to fit into existing neighborhoods
- I want to address topics not addressed by the statements above

Select Mentimeter Survey Results from 3/5/22 Committee Meeting

Additional topics included:
- Working towards sustainability goals, including preserving and reusing existing structures
- More flexibility for creative and sustainable design
- Opportunity to incentivize historic designation
- Need for more nuanced neighborhood design guidelines
Meeting #1 Summary

What are potential concerns you have about ADUs?

- Impact on neighbors and change of neighborhood character
- Having a neighbor’s rental unit overlooking (my) backyard
- The houses in my neighborhood all look different, but the ADUs are mostly looking cookie-cutter same
- That they don’t actually contribute to solving affordable housing crisis, since they aren’t all required to rent at an affordable rate
- Short term rentals for the already affluent, expensive construction, luxury product
- Increasing rent prices
- Overregulation
- Limited areas they are allowed, Cost to build them
- Costs rise very fast, due to supply chain issues and material and labor availability

Select Mentimeter Survey Results from 3/5/22 Committee Meeting
Moving Forward…

We think it may help to organize potential issues into 4 general categories:

1) Impact on neighbors/community
   *Parking, privacy, ‘neighborhood fit’, potential displacement*

2) Design/Construction/Buildability
   *Permitting, minimum lot size, minimum square footage, building form, accessibility*

3) Cost and Affordability
   *Cost of construction, cost of infrastructure, cost to rent*

4) Uses and Use Allowances
   *More than single unit (SU), ownership of ADUs, short-term rentals, home offices, etc.*

Pre-meeting survey of committee: Please rate the extent to which these categories are barriers to ADU construction… (1=least, 5=most)

Approx. ranking of barriers from survey:
1. Zoning/Design Requirements
2. Construction/Buildability
3. Use Allowances
4. Impacts on Immediate Neighbors
5. Cost
6. Rezoning
7. Impacts on Community
8. Affordability
Moving Forward...

CURRENT ADU REGULATIONS

April/May
ISSUE EVALUATION
Community input

June/July
ALTERNATIVES
Community input

August/September
STRATEGY/PREFERRED ALTERNATIVE
Community input

REVISED FORM STANDARDS
NEW ZONE DISTRICTS
NEW USE ALLOWANCES

October/November
PROPOSED ZONING AMENDMENT
Community input

OTHER RECOMMENDATIONS
Community input
Equity Discussion

Equality / Equity

**Equity** is when everyone, regardless of who they are or where they come from, has the opportunity to thrive. Where there is equity, a person’s identity does not determine their outcome. As a city, we advance equity by serving individuals, families and communities in a manner that reduces or eliminates persistent institutional biases and barriers based on race, ability, gender identity and sexual orientation, age and other factors.
How does Blueprint Denver define equity?

- **Improving Access to Opportunity**: Creating more equitable access to quality-of-life amenities, health and quality education.
- **Reducing Vulnerability to Displacement**: Stabilizing residents and businesses who are vulnerable to involuntary displacement due to increasing property values and rents.
- **Expanding Housing and Jobs Diversity**: Providing a better and more inclusive range of housing and employment options in all neighborhoods.
**What is an ADU?**

Equity Discussion

- **Improving Access to Opportunity**
  - Creating more equitable access to quality-of-life amenities, health and quality education.

- **Reducing Vulnerability to Displacement**
  - Stabilizing residents and businesses who are vulnerable to involuntary displacement due to increasing property values and rents.

- **Expanding Housing and Jobs Diversity**
  - Providing a better and more inclusive range of housing and employment options in all neighborhoods.

Different neighborhoods have different conditions, and not all have access to building ADUs. Some examples are:

- Not zoned for ADU
- Zone lot size mismatch
- Lack of ADU districts (Suburban Districts)

When residents can build ADUs on their properties:

- It allows them to age in place
- It allows them to house other family members like grandparents
- It provides a potential income that could help finance the primary dwelling, reducing vulnerability to displacement

ADUs are smaller units by design:

- Smaller units are more affordable
- Add to the overall city housing stock
- It provides more affordable units in neighborhoods that otherwise are unattainable
Exploring Key Issues

Discussion and Identification of the Issues

1) **Impact on neighbors/community** – parking, privacy, ‘neighborhood fit’, potential displacement

2) **Design/Construction/Buildability** – permitting, min lot size, min sf, building form, accessibility

3) **Cost and Affordability** – cost of construction, cost of infrastructure, cost to rent

4) **Uses and Use Allowances** – allowing ADUs with more than SU, ownership of ADU, short-term rentals, home office, etc.

**Tip from Portland’s ADU experience:**
Cities shouldn’t discriminate against ADUs by imposing rules on them that aren’t placed on any other building type or form
Exploring Key Issues

1) Impact on neighbors/community – parking, privacy, solar access, neighborhood ‘fit' (matching ADU design to neighborhood), potential displacement

Berkeley Neighborhood – Urban Example

Source: Google Maps
Exploring Key Issues
1) Impact on neighbors/community – parking, privacy, solar access, neighborhood ‘fit’ (matching ADU design to neighborhood), potential displacement

Harvey Park Neighborhood – Suburban Example
1) Impact on neighbors/community – parking, privacy, neighborhood ‘fit' (matching ADU design to neighborhood), potential displacement

1. If your neighbor was building an ADU next to you, what concerns would you have?

2. Can you think of an example of how an ADU would fit into one neighborhood and not the other?

3. Are you concerned that adding ADUs to a neighborhood could lead to displacement of existing residents?
Exploring Key Issues

2) Design/Construction/Buildability

Existing form standards include:

• Maximum height (including a 1.5 story rule that the second story be smaller than the first)

• Setbacks (rules that push structures away from property lines – Note that required ADU setbacks are currently greater than required setbacks for garages)

• Bulk plane (a rule that pushes taller building elements away from neighbors)

• Maximum building coverage (a rule that limits the amount of lot an ADU can cover – Note that a garage can be exempted which may favor ADUs built above a garage over one-story ADUs)

• Maximum square footage (a rule that limits the size of an ADU based on the size of the lot)
Exploring Key Issues

2) Design/Construction/Buildability – minimum lot size requirements further restrict detached ADUs even when zoned for them

Recent Sloan Lake ADU rezoning to **U-SU-C1**

- Of the roughly 1500 parcels rezoned
  - 552 of them cannot build a detached ADU
- 1/3 of the neighborhood can only have an attached ADU
Exploring Key Issues

2) Design/Construction/Buildability

Sustainability and Re-use

- Conversion of a Garage to an ADU, must meet all setback requirements
- Existing structure location, building code/fire code requirements
Exploring Key Issues

2) Design/Construction/Buildability – permitting, minimum lot size, minimum square footage, building form, accessibility

1. Which building form standards are currently a barrier to constructing ADUs and why?
   - Setbacks, height, number of stories, bulk-plane, lot-coverage, etc.

2. Minimum lot size standards for detached ADUs appear to be a barrier to ADU construction? Do you agree? Would you have concerns with reducing or removing minimum lot size standards?

3. Are there existing standards that could present a barrier to sustainable development, such as reuse of an existing structure like a detached garage? What else?
## 3) Cost and Affordability – cost of construction, cost of infrastructure, cost to rent

**Direct Hard Costs**

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<tr>
<th>Item</th>
<th>Amount</th>
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<tbody>
<tr>
<td>Site Clearance &amp; Grading</td>
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<tr>
<td>Utility Connects, Footings, &amp; Foundations</td>
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<tr>
<td>Mechanical, Electrical, Plumbing</td>
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<tr>
<td>Framing &amp; Exterior Finishes</td>
<td>$55,000</td>
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<tr>
<td>Interior Finishes</td>
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<tr>
<td>Construction Site Miscellaneous</td>
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**Total Hard Costs**

$176,700

(Price per SF - $272)

**Direct Soft Costs**

<table>
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<th>Item</th>
<th>Amount</th>
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<tbody>
<tr>
<td>Closing Costs &amp; Loan Origination Fee</td>
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<td>Building Permit</td>
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<td>Sewer Use &amp; Drainage Permit</td>
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<td>Denver Water Fee</td>
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<td><strong>Potential Sewer or Water Line Replacement</strong></td>
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<tr>
<td>Site Costs</td>
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<td>Architecture</td>
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<td>Structural Engineering</td>
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<td>Blueprints</td>
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<td>Appraisal</td>
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<tr>
<td>Soft Cost Contingency</td>
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**Total Soft Costs**

$30,800

**Total Development Costs (does not include potential replacement water or sewer line cost)**

$207,500

*Source: WDRC*
3) Cost and Affordability – cost of construction, cost of infrastructure, cost to rent

- Making it easier to build a single-story ADU vs an ADU over a garage
- Allowing for more ‘habitable space’ in an ADU building form
- Finding the most economical and efficient square-footage/building footprint allowances currently set at: 650sf, 864sf, or 1,000sf
Exploring Key Issues

3) Cost and Affordability – cost of construction, cost of infrastructure, cost to rent

1. Affordability and Cost of ADU construction, what else can we do to lower the costs through zoning changes?

2. How do you think building more ADUs will affect housing affordability in a neighborhood?

Reminder
Zoning controls things like: setbacks, building footprint, height, stories, lot coverage, etc.
Exploring Key Issues

4) Uses and Use Allowances – allow ADUs as accessory to more than only single-unit homes, like Duplexes and Row Homes

Remove barriers to constructing accessory dwelling units and create context-sensitive form standards.

**GOALS:**

- **A.** Evaluate existing barriers to ADU permitting and construction and revise codes and/or fees to remove or lessen barriers for homeowners. Consider programs and resources to help reduce barriers to ADUs for homeowners, especially in neighborhoods that score high in Reducing Vulnerability to Displacement.

- **B.** Revise the zoning code to allow ADUs as accessory to more uses than only single-unit homes.

- **C.** Revise detached ADU form standards to be more context-sensitive, including standards for height, mass and setbacks.

- **D.** Establish context-specific patterns or templates to facilitate the approval process of detached ADUs.
Exploring Key Issues

4) Uses and Use Allowances – short term rentals

- Anyone can currently rent out their primary home or a portion of their home as a Short-term rental

- 2,180 STR licenses issued citywide, of those only 93 of them were issued for an ADU, about 4% of all STRs occur in ADUs
4) Uses and Use Allowances – more than SU, ownership of ADU, owner occupancy, short-term rentals, home office, etc.

1. Ownership and Occupancy, What (if any) issues might arise if the owner of the property with an ADU was not required to live on the property?

2. What (if any) issues might arise if an ADU is allowed with a Duplex or a Row House?

3. What (if any) issues might arise if an ADU is rented out as a Short-Term Rental? How does that differ from using the main house for a Short-Term Rental?
Exploring Key Issues

Other major issues not addressed?
Process Overview

Other Community Outreach

- Outreach to existing organizations
- Focus groups to explore specific topics like suburban context, design issues, other concerns, etc.
- Surveys and visual activities to gather community feedback/select alternatives
- Workshops to gather community feedback
- Open houses to inform stakeholders of progress or proposals
- Office hours to allow for customized updates/Q&A
Focus Groups

Focus Groups based on issue categories:

1) **Impact on neighbors/community** – suburban context focus group
2) **Design/Construction/Buildability** – AIA, architecture/accessibility focused
3) **Cost and Affordability** – builders, affordable housing, and industry focus group
4) **Use and Use Allowances** – duplex/rowhome focus group

Ways to get input on these focus areas that may need more attention, based on issues raised today. Would like at least one committee member to participate and help report back to the larger committee. We will send out a sign-up doc for involvement in the coming weeks.
Next meeting

May 5th
Exploring the Issues #2 – more in depth

In April we have established the high-level issues with ADUs.

At the May meeting we will look at the technical details and issues with more focus on specific zoning outcomes.