

# ADU Advisory Committee – Meeting #2

April 7, 2022 – via Zoom

Prepared by the Consensus Building Institute (CBI)

## Meeting in Brief

The 23-member Committee met for the second time to define key issues and understand concerns around ADU development in Denver. With a welcome from facilitator Ryan Golten and project manager Joshua Palmeri from the City Planning Department, the Committee discussed the relationship of the ADU project to Denver's equity goals and discussed key issues/concerns around ADU construction/design, affordability and cost, uses and allowances, and impacts on neighbors and community. The next meeting on May 5th will further explore these issues and technical ADU challenges in more detail.

Click [here](#) for a video recording of the meeting, future meeting announcements, and other materials. The public comments and Q&A from the meeting are included at the end of this summary. The Q&A is an excellent resource for answers to commonly asked questions.

## ADUs and Equity

The Committee is charged with finding ways to make ADUs accessible to all neighborhoods within Denver. Francesca Penafiel from the City Planning Department framed the following conversation with the Committee members regarding ADUs and equity. The full presentation is available [here](#).

- **Blueprint Denver** is the foundation for how the City defines its equity goals. Committee members emphasized the important role that Blueprint Denver plays in furthering the City's equity agenda. Blueprint Denver strives **to improve access to opportunities, reduce vulnerability and displacement and expand housing and job diversity** for all residents of the city, regardless of background and race.
- ADUs can contribute to the City's equity goals because they **allow residents to age in place** and they can **provide income** that could help finance a primary dwelling unit (reducing displacement). Also, ADUs, by design, are more affordable, which can **add affordable housing stock** to neighborhoods that might otherwise be unaffordable. They can also increase the overall housing stock of the City.
- In the subsequent discussion regarding ADU challenges, Committee members raised equity concerns such as differing right-of-way conditions among neighborhoods, which often forces ADUs to bear greater costs for constructing sidewalks in lower-income neighborhoods, particularly for corner lots, which must bear the significant burden of improving sidewalks on both sides.
- The Committee also discussed the importance of learning from other cities regarding their experience with ADUs, with respect to equity and otherwise. One of the learnings from Portland, for example, is that cities should avoid imposing regulations for ADUs that are not in place for other building types.

## Identifying Key Issues Pertaining to ADUs

Joshua Palmeri led a Committee discussion of ADU issues, challenges and opportunities, starting with a summary of the high-level input from the March Committee meeting. From the initial input received, staff identified four key issues for further discussion: 1) Impacts on neighborhood/community, 2) Design/construction/buildability, 3) Cost and affordability, and 4) Use and use allowances. The full presentation is available [here](#).

The Committee's input with respect to the above issues is summarized below.

### 1) Impact on neighborhood/community

- How can we preserve **open space/yards** in the construction of ADUs?
- Many Committee members cited **parking** as a significant issue. This may be able to be remedied by issuing parking permits. The zoning code doesn't require off-street parking for ADUs.
- There was discussion about the overall size of ADUs and neighbors' **privacy** concerns.
- Committee members raised concerns around ADUs being built with **garages**. This can be more cost prohibitive.
- **Setback** requirements in particular neighborhoods could limit the construction of ADUs.
- There have been successful stories of people building ADUs with their **neighbor's input** to address privacy concerns up front.
- Overall, all lots/neighborhoods are **different**. If a particular type of ADU works better on a certain lot and/or neighborhood, it should be encouraged.

## 2) Design/Construction/Buildability

- **Minimum lot size** requirements are huge barriers to construction and have equity implications.
  - They restrict detached ADUs, even when a neighborhood is zoned for them.
  - Many expressed an interest in flexibility regarding minimum lot size requirements, e.g., if someone has a lot that is smaller than the minimum ADU requirement.
  - Some believe that minimum lot size should be eliminated as a requirement, based on the equity implications.
- There should also be an emphasis on **sustainable** design practices, i.e., turning a garage into an ADU.
- The current **1.5-story rule** wastes space and adds costs. There should be **overall flexibility** in design.
  - Current zoning codes limit the square footage of a lot that an ADU can cover, with garages being exempt.
  - On a larger lot, ground floors should be allowed to be bigger, and on smaller lots, they should be smaller.
  - Since current ADUs are only allowed to be up to 1 ½ stories high for a detached ADU, the second story has technically less livable space due to the milk-carton roof.
  - The City should allow for variability in roof design and ground floor size to allow more livable space.
- The issue of privacy could be solved through different designs in window direction.

## 3) Cost and Affordability

- It should be easier and more affordable to build a **single-story** ADU than an ADU over a **garage**.
- Can we allow more **livable space** within ADUs? There needs to be an emphasis in finding the most **economical** square footage.
- The city requires property owners conduct a **soil analysis**, which may determine that excessive foundations be constructed that can make ADUs very cost-prohibitive.
- **Prefabricated** ADUs can make ADUs more affordable. **Tiny homes** are another option that should be encouraged.
- Having a 1 ½ story rather than a 2-story limit can be more cost-prohibitive, since it **forces people to build bigger units** in order to fit a lot into a little space.
- When building a 1 ½ story ADU with a **garage** below, someone could potentially make ½ of the garage into **livable space**, which expands the 75% livable space threshold.
- **Property taxes and/or tax incentives** were raised as a question.
  - While ADUs apparently do not have a significant effect on property taxes (any more than a typical expansion would, such as a pool or pergola), it was suggested that, unlike other 'luxury' expansions, ADUs should in fact have a tax incentive.

- The City explained there is no evidence of a negative relationship between your property value and your neighbor’s ADU.
- ADUs should have their own sliding scale of **sewer tap fees** so they do not have to pay as much as single-family homes. In general, infrastructure and utility costs should be proportional for ADUs or otherwise more equitable.

#### 4) Uses and Use Allowances

- The process of building ADUs should be easier than it is for people who own **historic buildings**. Historic conversions are some of the best options for affordable housing in Denver and would complement ADUs nicely.
- There is a shortage of **commercial space** in Denver. We should think about what kind of ADU uses would be appropriate in the commercial category.
- Distinct from short-term rentals, **long-term rentals** should be allowed for ADUs.
- There should be more **flexibility** for a resident who wishes to **rent the primary unit** while living in the ADU. This could allow seniors to move into the smaller space and age in place.
- Likewise, there should be flexibility in the policy requiring owners to live on the property, e.g., if the owners’ family lives in the primary unit. It was suggested that a pilot program could be helpful to see if this rule is needed.
- There should be an option for ADUs to be **expanded** into single-family homes.
- ADUs should be allowed behind townhomes, condos, row homes and other types of residences to promote equity and diverse options for ADUs.

#### 5) Other issues to follow up on

- Discuss requirements triggered by ADUs compared with other improvements.

### Process Check-In and Next Steps

Joshua Palmeri revisited the Committee’s timeline and emphasized the Committee is still in the ‘Exploring the Issues’ phase.

#### Focus Groups

The City is anticipating four Focus Groups, which will center around the key issues discussed in today’s meeting. Committee members are asked to sign up for at least one of these four groups, which will enable at least one member to report back to the larger Committee.

<p><b>Impact on neighbors/community group</b> (at least 1 focus group meeting will focus on the suburban context; this may become a broader public meeting)</p>	<p><b>Design/Construction/Buildability Group</b> (potential AIA partnership, architecture/accessibility-focused)</p>	<p><b>Cost and Affordability Group</b> (including builders, affordable housing, and industry-focused representatives)</p>	<p><b>Use and Allowances Groups</b> (e.g., duplexes, row homes)</p>
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### Wrap Up & Next Steps

**Next meeting:** May 5, 4:30-6:30 – to further explore these issues and technical ADU challenges in more detail.

**Homework:** Please share suggestions/requests for technical resources to help inform Committee decisions (as relevant) and sign up for Focus Groups!

**Meeting Attendees**

The meeting was attended by the following Committee members and City staff:

**City and County of Denver – Community Planning and Development**

Joshua Palmeri, Senior City Planner and Project Manager

Abe Barge, Principal City Planner Libby Kaiser, Senior City Planner

Fran Penafiel, Senior City Planner

**Committee Members**

Present		
x	Councilwoman Kendra Black	Denver City Council Member for District 4
x	Councilman Chris Herndon	Denver City Council Member for District 8
x	Gabriel Calderon	Member of BRUN-Berkeley Regis United Neighbors RNO
x	Ozi Friedrich	Architect; member of Baker Landmark Commission
x	Emily Goodman	Community Navigator for East Colfax Community Collective
x	Naomi Grunditz	Clayton resident; planner and aide for Council District 1
x	Mary C Hawthorne	Wellshire resident; member of Cherry Hills Heights HOA
	Chelsey Hume	Virginia Village resident; ADU project manager for Habitat for Humanity of Metro Denver
x	Lisa Kerin-Welch	Mayfair-Montclair resident, real-estate advisor for ADU4U; member of STRAC-Denver’s Short-Term Rental Advisory Committee
x	Pamela Jiner	Director of Monbello Walks/Montbello 2020
x	Jennifer Steffel Johnson	Park Hill resident; CU Denver Professor of Planning
x	Rosemary Stoffel	University Park resident; board member of University Park Community Council
x	Shawn Johnson	Sunnyside Resident; has experienced barriers building a fully accessible ADU for his aging mother
x	Gosia Kung	Sloan Lake resident; architect; Denver Planning Board Member
x	Terra Mazzeo	City Park West resident; architect; owner of AlleyFlats (ADU prefabrication/development company)
x	Brooke Murphy	La Alma-Lincoln Park resident; planner/impact associate for Elevation Land Trust
	Cesar Olivas	Chaffee Park resident; architect working on affordable housing
x	Donna Repp	Mar Lee resident; past president of the Mar Lee/Brentwood/Sharon Park Neighborhood Association
x	Suzanne Reede	Regis resident; concerned with housing options and short-term rentals near the university
x	Sarah Senderhauf	Park Hill resident; ADU sales manager/real-estate broker with L&D Construction
x	Renee Martinez Stone	West Highlands resident; Executive Director of WDRC-West Denver Renaissance Collaborative
x	Michelle Ferrigno Warren	Athmar Park resident; Athmar Zoning Committee member

x	Darcy Wilson	Cole resident; construction professional for Stan Mar; member of the African-American Construction Council and UNDR – United Neighbors of NE Denver
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## Public Comment

- There was one comment regarding the project plan. In the current phase of the project, there does not seem to be an opportunity for the public to provide input. The current trajectory of the project only allows the public to provide input after alternatives have been identified, so the Committee should tap into the intelligence of the public earlier in the project.
  - *We do have public outreach earmarked for this initial phase of the project, in the form of online engagement, we will be putting out a public survey to help identify and categorize the issues.*
- There was also a comment about wanting the Committee to break down each regulation of ADU development, in order to see if the rules and regulations are redundant.
  - *An open-invite event is planned for this phase of the project. The Committee will be diligent about soliciting the input of the public in the future.*

## Public Q&A

- If our zoning changes to allow ADUs, when would we be allowed to start the process of applying for permits?
  - *You could apply right away if your property is zoned to allow an ADU. This project won't rezone properties, however, so in the near term you would still need to apply for a rezoning before a permit.*
- Some concern about ADUs might be addressed with diagrams of current use-by-right building up of a site, so folks can see what impacts are already possible by right and have nothing to do with an ADU. This often shows the much lower impact of an ADU.
  - *As this project progresses, we will model various scenarios to illustrate the impacts of ADUs and other detached structures under existing regulations as well under potential future regulations that are more context sensitive (i.e., urban vs. suburban).*
- Excellent! I think when the diagrams of what is already possible to be built for the main house sits next to what is possible from an ADU, it becomes easy for the ADU concerns to become diminished. I look forward to seeing your scenarios.
  - *Absolutely! Right now, we're still exploring the issues, but diagrams will be key once we dig into potential solutions.*
- Can ADUs increase home prices because a property potentially becomes an income-producing property with an ADU, and sellers will take that into account when selling?
  - *Regardless of whether an ADU is for rent (income producing) or occupied by other family members, it will increase the value of the property the ADU is on. However, we've heard the value increase is typically less than the cost to build the ADU. A property with an ADU will not impact the value/cost of nearby properties without ADUs.*
- Shouldn't neighborhoods surrounding colleges and universities be zoned for ADUs by default? Wouldn't ADUs actually reduce parking pressures around universities, as students who want a near-campus residential experience would walk to campus, and would not need to bring a car to college?
  - *Allowing more ADUs in certain neighborhoods, like those surrounding educational institutions, may make sense, but as we're hearing there are still a lot of concerns regarding our current one-*

*size-fits-all approach. Hopefully, as part of this project, we can address some of the concerns and make ADUs more palatable throughout the city.*

- Also, many homeowners want that same privacy and don't have windows that look into their yard or neighbors.
  - *Good point!*
- Does the nonconforming lot rule decrease the equity of application?
  - *Yes, since it prevents someone from building an ADU if their lot doesn't meet the minimum lot size required.*
- The current 1.5-story rule wastes space and adds costs. With the 2nd story deck restrictions, it also restricts outdoor use, resulting either in a "A-frame wall/ceiling" or a flat wasted space on top of a garage.
  - *We understand the 1.5 story rule is a major barrier and we will explore alternatives through this project.*
- Is there a way to get rid of 2nd story deck limitations? Almost every client that we have wants to put a 2nd story deck looking towards downtown or the mountains. It increases the safety of the area and puts more eyes on the alley. If the deck is oriented towards the alley it doesn't sacrifice the privacy of neighboring lots.
  - *2nd story deck limitations aren't a focus of this project, but your comment is definitely noted.*
- How are prefabricated structures being considered to help reduce costs?
  - *As we're hearing now, it can be difficult for prefabricated structures to meet our current building form standards, but if we can simplify our standards in an appropriate manner, it may make prefab structures more feasible.*
- Cost and equitability issues - homeowners are not permitted to act as their own contractor for ADUs but are able to do so if they are building a primary house. Why is this?
  - *This has more to do with liability. People live in their primary homes whereas with an ADU you are most likely building for someone else, so it is a liability issue.*
- The bulk plane and 1.5 stories really make prefab impossible.
  - *We hear you loud and clear!*
- I missed what Josh said, possible to summarize his input?
  - *Property taxes are based on the value of the improvements on a property as well as the value of the land. An ADU would increase this value and therefore increase property taxes. However, a property with an ADU would not affect the value or taxes of properties without ADUs.*
- Denver could also lower property tax if the homeowner long-term rents the ADU
  - *It's worth considering.*
- Allowing short-term rentals will get more ADUs built. Many homeowners need the income for 2-5 years to pay for the ADU. Then some will convert to long-term.
  - *This is in line with what we've found through our research, but we understand there are still some concerns.*
- Portland and Seattle are way ahead of us, as is LA.
  - *We know! We've researched Portland, Seattle and California for some good lessons learned. A summary is included in the background document on the project webpage: [adusindenver.com](http://adusindenver.com)*
- Need to address the reuse of existing buildings based on environmental impacts of building.
  - *Reuse for sustainability and cost reduction is definitely on our radar.*