

Alternatives Report

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INTRODUCTION

This report summarizes the current rules regulating ADUs, the issues associated with these rules, feedback from the Advisory Committee, focus groups, public surveys, an in-person and online open house, and general public comments. The pros and cons associated with various alternative solutions to address the issues raised are detailed in this report. For additional information regarding ADU regulations and issues, please reference the [Background Report](#) and Issues Identification Report.

SETBACKS

Current Rule

The zoning code requires detached ADUs to be located in the rear 35% of the lot with 3' to 5' side setbacks (from neighboring properties), depending on lot width, and 5' rear setbacks from an alley or a neighboring property.

The Issue

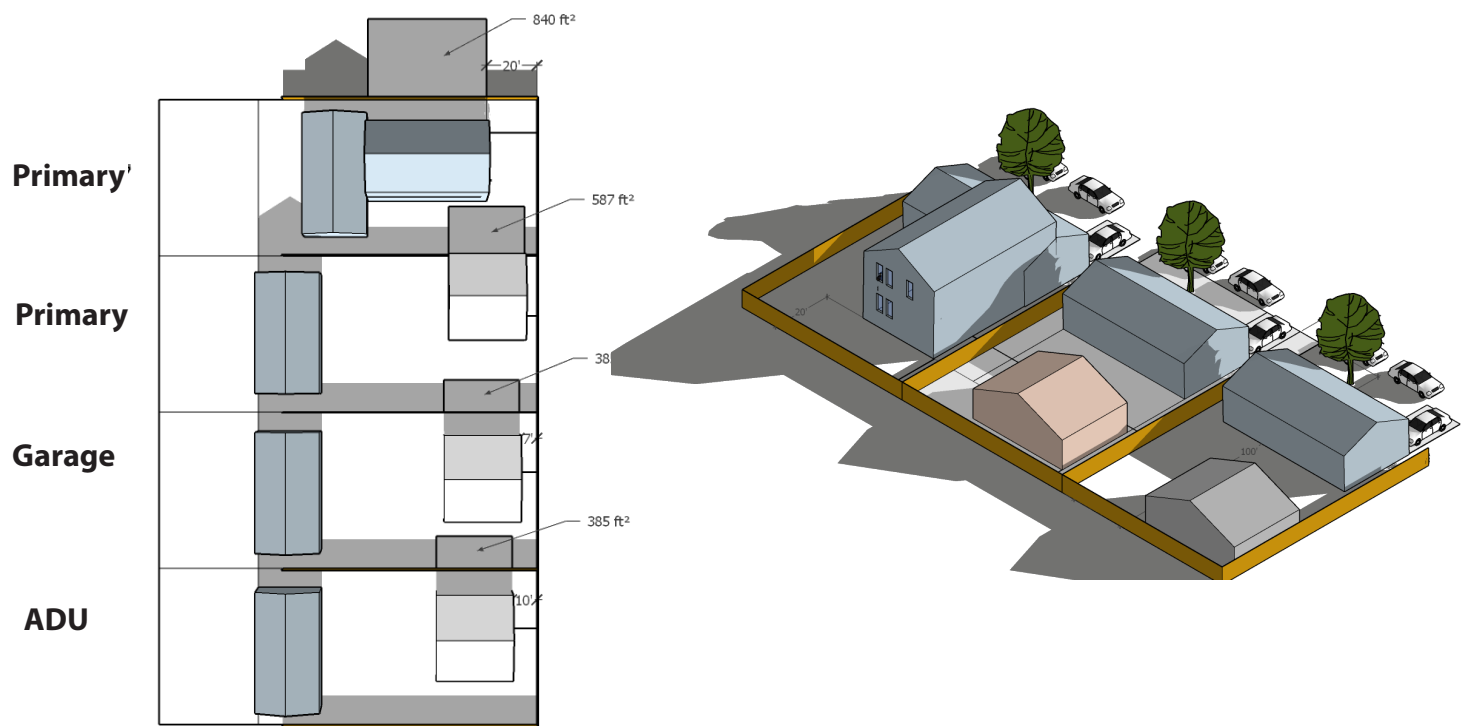
In urban neighborhoods with 20'-wide alleys, an ADU would be at least 25' from the property across the alley. However, in neighborhoods without alleys, particularly suburban and urban edge neighborhoods, the ADU would be only 5' from the adjacent rear yard. In these cases, the ADU could cast shade on the adjacent yard and affect the neighbor's sense of privacy.

What We've Heard

- In the suburban context, the issue of setbacks is closely related to the height allowance of the ADU.
- In a suburban focus group meeting held in June, participants generally agreed that increasing the rear yard setback from 5' to 7' or 10' was not as impactful as lowering the height allowance of the ADU in terms of protecting access to sunlight and privacy.
- The suburban focus group also generally agreed that a 7' rear setback would provide more room to plant foliage, which would help alleviate privacy concerns.

Policy Alternatives Considered

Alternative	Pros	Cons
Keep the existing minimum 5' rear and 3'-5' side setbacks in place in all zone districts where an ADU is allowed.	Provides the most flexibility for ADU placement; easy to administer.	Does not address concerns that ADUs can be too close to neighboring yards when there is no alley.
Increase the minimum rear setback in the Suburban context/other areas without alleys (7'-10' rear setback considered).	Provides some flexibility in ADU placement while decreasing shade and privacy impacts.	Decreases flexibility in ADU placement, particularly on irregular lots.
Make minimum setback requirements dependent on the height of the ADU.	Moves taller ADUs away from neighboring yards; could vary by context.	Would reduce flexibility for taller ADUs; results in more complex rules.
Make minimum setback requirements dependent on the existence of an alley.	Addresses concerns that ADUs have different impacts depending on whether there is an alley.	Would reduce flexibility for ADUs on lots with no alley access; results in more complex rules.



The figure above shows the shadow impacts for different types of structures on a typical neighborhood lot, comparing the rear setbacks of a primary structure (20'), garage (5'), and potential ADUs (7.5' and 10').

BUILDING HEIGHT

Current Rule

The height maximum for a detached ADU citywide is 24’ and 1.5 stories.

The Issue

Due to the 1.5 story rule, the gross floor area of the second story of the ADU can be no greater than 75 percent of the gross floor area of the first story. This can reduce the square footage of an ADU to less than what is allowed, particularly on small lots. In addition, many homeowners will use the first floor of the ADU as a garage to maximize space on their lot. The 1.5 story rule encourages building the largest possible garage, often larger than desired by the homeowner, to also allow for the most square footage for the ADU. This

dynamic increases the cost of an ADU and can conflict with city sustainability goals. Increasing the amount of impervious surfaces in the city increases our heat island effect and impacts storm water runoff.

What We’ve Heard

- Several members of the Advisory Committee and participants of the architecture focus group said the 1.5 story rule reduces habitable space, increases design complexity, and adds cost.
- There is general support for ADUs to be a full two stories, especially in the Urban and Urban Edge contexts.
- There is support from Suburban focus group participants and residents that detached ADUs be limited to one story in the Suburban context.

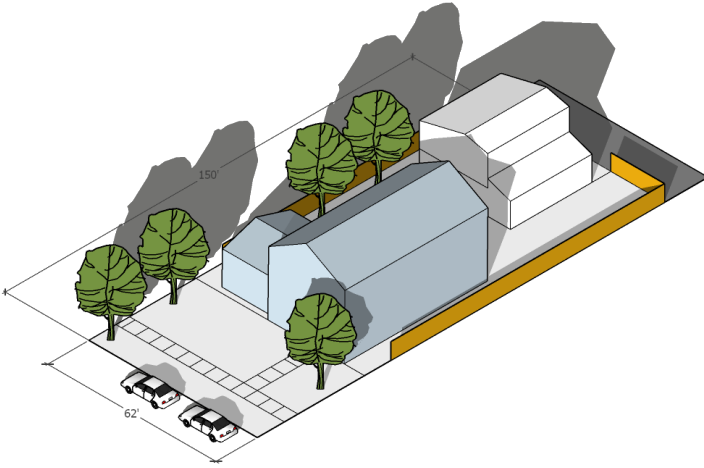
Policy Alternatives Considered

Alternative	Pros	Cons
Keep the existing maximum 1.5 story/24’ height rule in all zone districts where an ADU is allowed.	Reduces the building mass and potential shading and privacy impacts; easy to administer.	Creates inhabitable space in ADUs on smaller lots and presents design challenges; does not address concerns in suburban contexts or other areas without alleys.
Raise the height allowance to two full stories and 24’.	Increases design flexibility, habitable space, and cost efficiency; easy to administer.	Increases building mass; could slightly increase shading on neighboring properties.
Reduce the height allowance to one story and 17’ in the suburban context/other areas without alleys (could still consider two stories where allowed for a primary structure).	Reduces the building mass and potential shading and privacy impacts, fits better into the neighborhood context.	Limits design flexibility.
Make maximum height requirements dependent on the existence of an alley.	Addresses concerns that ADUs have different impacts depending on whether there is an alley.	Would reduce flexibility for ADUs on lots with no alley access; results in more complex rules.

Urban and Urban Edge Neighborhoods

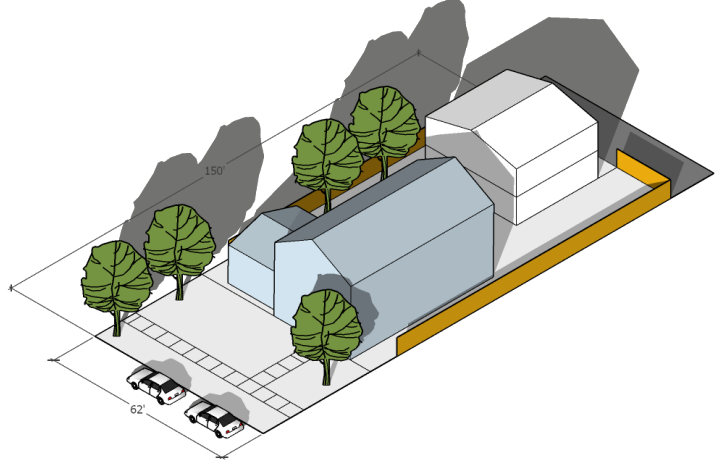
Existing Allowance

1.5 stories and 24' max height



Sample Alternative

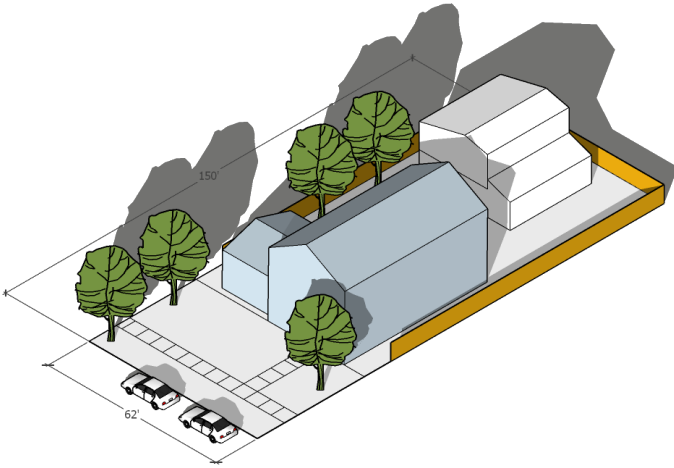
2 stories and 24' max height



Suburban Neighborhoods

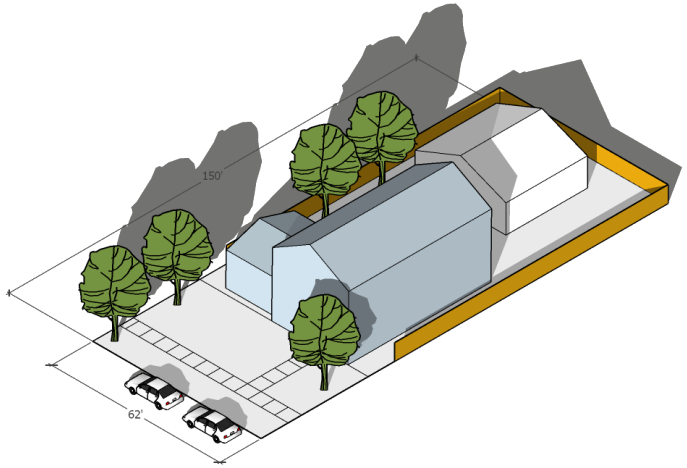
Existing Allowance

1.5 stories and 24' max height



Sample Alternative

1 story and 17' max height



BULK PLANE

Current Rule

The bulk plane vertical height starts at 10' at the property line and then slopes 45 degrees.

The Issue

The current bulk plane requirement can limit the design outcomes of ADUs, increase the cost of their construction, and reduce the amount of habitable space, especially on smaller lots.

What We've Heard

- Particularly in the Urban and Urban Edge contexts, several members of the Advisory Committee and participants of the architecture focus group generally support adding flexibility to the bulk plane requirement. This could take the form of raising the bulk plane height, allowing dormers to pierce the bulk plane, or removing the bulk plane requirement entirely or under certain conditions.
- There is concern that raising the bulk plane height may increase shade on neighboring properties.

Policy Alternatives Considered

Alternative	Pros	Cons
Keep the existing 10' bulk plane starting height in all zone districts where an ADU is allowed.	Reduces the ADU building mass and minimizes the amount of potential shade on neighboring properties; easy to administer.	Reduces habitable space and may increase the cost to build a detached ADU on a narrow lot.
Raise the bulk plane starting height on narrower lots in the urban and urban edge contexts (11'-12' rear starting height considered).	Increases habitable space on the second story of a two-story ADU; provides flexibility by neighborhood context.	May slightly increase shading on neighboring properties.
Remove the bulk plane requirement (at least in urban and urban edge neighborhoods).	Increases habitable space; reduces design complexity and allows regulations regarding setbacks, building height, and maximum square footage to determine ADU size and mass.	Allows maximum ADU height at the minimum setback which does not address concerns with privacy and shading on neighboring properties.

Existing bulk plane height: 10'



Proposed bulk plane height: 12'



Raising the bulk plane height on narrower lots increases the habitable space in a second story ADU.

MINIMUM LOT SIZE

Current Rule

To build a detached ADU, a property owner's lot must meet or exceed a minimum zone lot size based on the zone district.

The Issue

This requirement means that a property owner can't build a detached ADU if their property is smaller than the minimum lot size required even if they are in a zone district that allows ADUs.

What We've Heard

- There is general support for removing the minimum lot size requirement as it is an inequitable barrier to ADU construction. When Denver rezoned much of the city in 2010, many properties were categorized into a zone district that required a minimum lot size larger than what existed in that neighborhood.
- Several city council members have legislatively rezoned entire neighborhoods to allow ADUs, but many property owners are still excluded from building them because they don't meet the minimum lot size.

Policy Alternatives Considered

Alternative	Pros	Cons
Keep existing minimum lot size requirements.	Addresses concerns that detached ADUs may not be well suited for small lots.	Prevents owners of smaller lots from building ADUs even if neighbors build them.
Remove the minimum lot size requirement.	Removes a significant and arbitrary barrier to ADU construction while allowing other code requirements, like setbacks and building coverage, to guide the size and placement of the ADU.	Neighbors may be surprised if ADUs are constructed on smaller lots if the existing minimum lot size requirement is removed.

Zone district	Minimum Lot Size	Parcels Below Min.	Total Parcels	Percent Below Min.	Percent of total SU lots
SU-A	3000	395	2,834	14%	2.8%
SU-B	4500	4,417	14,131	31%	13.8%
SU-C	5500	4,680	18,205	26%	17.7%
SU-D	6000	3,468	53,677	20%	52.3%
SU-E	7000	87	438	6%	0.4%
SU-F	8500	1,127	10,024	11%	9.8%
SU-G	9000	336	1,828	18%	1.8%
SU-H	10000	23	98	23%	0.1%
SU-I	12000	257	1,334	19%	1.3%
		14,790	102,569	14.42%	
TU-B	4500	2,743	5,259	52%	
TU-C	5500	4,047	8,170	50%	
		6,790	13,429	51%	

MAXIMUM BUILDING COVERAGE

Current Rule

The zoning code defines the maximum percentage of a zone lot that can be covered by all primary and accessory structures. The smallest lots allow a maximum 50% building coverage while most lots are limited to 37.5% coverage. If a lot has a detached ADU, the total coverage can exceed 37.5% only if at least 80% of the gross floor area on the ground level of the ADU is used for vehicle storage.

The Issue

The building coverage exception for garages and no other building types encourages the construction of large garages, prioritizes parking over housing, and increases costs to build ADUs.

What We've Heard

- There is general agreement that building garages and parking cars should be subordinate to the city's interest of creating more housing and livable space.
- There is general support for extending the building coverage exemption to ADUs – meaning that if a detached ADU is present on the lot then building coverage can exceed 37.5%.
- Some Advisory Committee members suggested aligning detached garage and ADU building form standards to enable conversions from garages to ADUs more easily.
- There are concerns about loss of green space and privacy, increasing density in areas where it may not be appropriate, a lack of parking, and noise.

Policy Alternatives Considered

Alternative	Pros	Cons
Keep the existing building coverage exception in place (limited to structures containing vehicle parking).	Incentivizes off-street parking which is a priority for some neighborhoods.	Prioritizes vehicle parking ahead of the provision of housing.
Keep a version of the existing exception, but modify to also allow a detached ADU to receive the exception.	Prioritizes housing ahead of the provision of vehicle parking; removes a barrier to building a single-story detached ADU.	Allows a wider range of options to increase lot coverage, which relates to environmental factors, such as drainage and heat island effect (although would not technically increase the total allowance).



Currently, 80% of the ground floor must be parking for 50% of the ADU, up to 500 sq. ft., to be exempt from the maximum building coverage.

MAXIMUM ADU SIZE (SQUARE FOOTAGE AND LENGTH)

Current Rule

The zoning code limits the square footage/floor area of a detached ADU based on the size of the lot and also limits the maximum length of a detached ADU.

The Issue

Restricting the size of an ADU limits the diversity of households that can live in one. Increasing the floor area can potentially allow the construction of ADUs that don't feel subordinate to the primary dwelling.

What We've Heard

- Some people have suggested that the square footage of ADUs should be a certain, lesser percentage of the size of the primary dwelling. However, Advisory Committee members have expressed concern that tying the size of an ADU to

the size of the primary dwelling is inequitable since property owners with smaller primary dwellings wouldn't be able to build ADUs on par with those who own larger dwellings.

- Cost-wise, there is not much difference between building a 400 square foot ADU and a 1,000 square foot ADU, due to the cost of infrastructure, like foundations and utility hook ups. This means that every square foot counts in terms of affordability.
- Increasing the allowed floor area would expand who can live in ADUs.
- The fact that detached ADUs must reside in the rear 35% of a zone lot makes them subordinate to the primary dwelling regardless of the square footage.

Policy Alternatives Considered

Alternative	Pros	Cons
Keep the existing maximum square footage and length rules.	Maintains existing expectations regarding ADU size.	Limits the diversity of households who can live in an ADU; may not allow for more affordable prefabricated construction methods; may limit installation of accessibility features.
Increase the smallest maximum floor area from 650 sf to 864 sf.	Creates a more diverse range of housing options and increases cost efficiency of building an ADU.	Could increase concerns regarding ADUs that feel too large for the neighborhood or do not feel accessory to the primary dwelling.
Remove the maximum building length requirement.	Creates more flexibility on narrow lots; could increase the diversity of housing options; may support more prefab housing options.	Could allow a longer ADU with less separation of building mass between the ADU and primary structure.



On smaller lots, it is difficult to build units that would work for households that include more than one person due to the overlapping restrictions of maximum square footage, 1.5 story limitation, and building coverage.

REUSE OF EXISTING ACCESSORY STRUCTURES

Current Rule

Many homeowners would like to convert an existing structure, like a garage, into an ADU. However, the building form standards for detached garages and detached ADUs are different, especially in terms of setbacks.

The Issue

The side interior and rear setbacks can be as little as 0' for detached garages, while these same setbacks must be at least 3' to 5' for detached ADUs. This prevents converting many existing garages to an ADU.

Policy Alternatives Considered

Alternative	Pros	Cons
Keep the existing rule that does not allow structures that do not meet ADU building form requirements to be converted into an ADU.	Maintains existing expectations regarding use of accessory structures; aligns with other barriers to conversion of existing buildings, such as building code rules.	May promote negative environmental and cost impacts if existing accessory structures are removed to make room for construction of ADUs that meet all current rules.
Allow garages or other accessory structures that do not meet the minimum setbacks for a detached ADU to be converted.	Reduces the cost of ADU construction; allows for the sustainable reuse of an existing structure; prioritizes housing over parking.	Could reduce privacy; would likely require expensive improvements to the existing foundation.



Under existing rules, the red garage in the left image could not be converted to an ADU as it does not have a 5' rear setback. The rendering of the red garage on the right shows an ADU addition meeting the minimum ADU setbacks.

What We've Heard

- Allowing flexibility in reusing existing buildings is important for the city's environmental and sustainability goals.
- There is general support for allowing garages that do not meet the detached ADU minimum rear setback to be converted, especially when there are alleys.
- Windows placed in an existing wall with a 0' setback could infringe on a neighbor's sense of privacy, however, the fire code would not allow this outcome.

ACCESSORY TO NON-SINGLE-UNIT USES

Current Rule

ADUs are allowed in a variety of zone districts but are only permitted as accessory to a primary single unit dwelling – meaning they cannot be built on lots with duplexes, row houses, etc.

The Issue

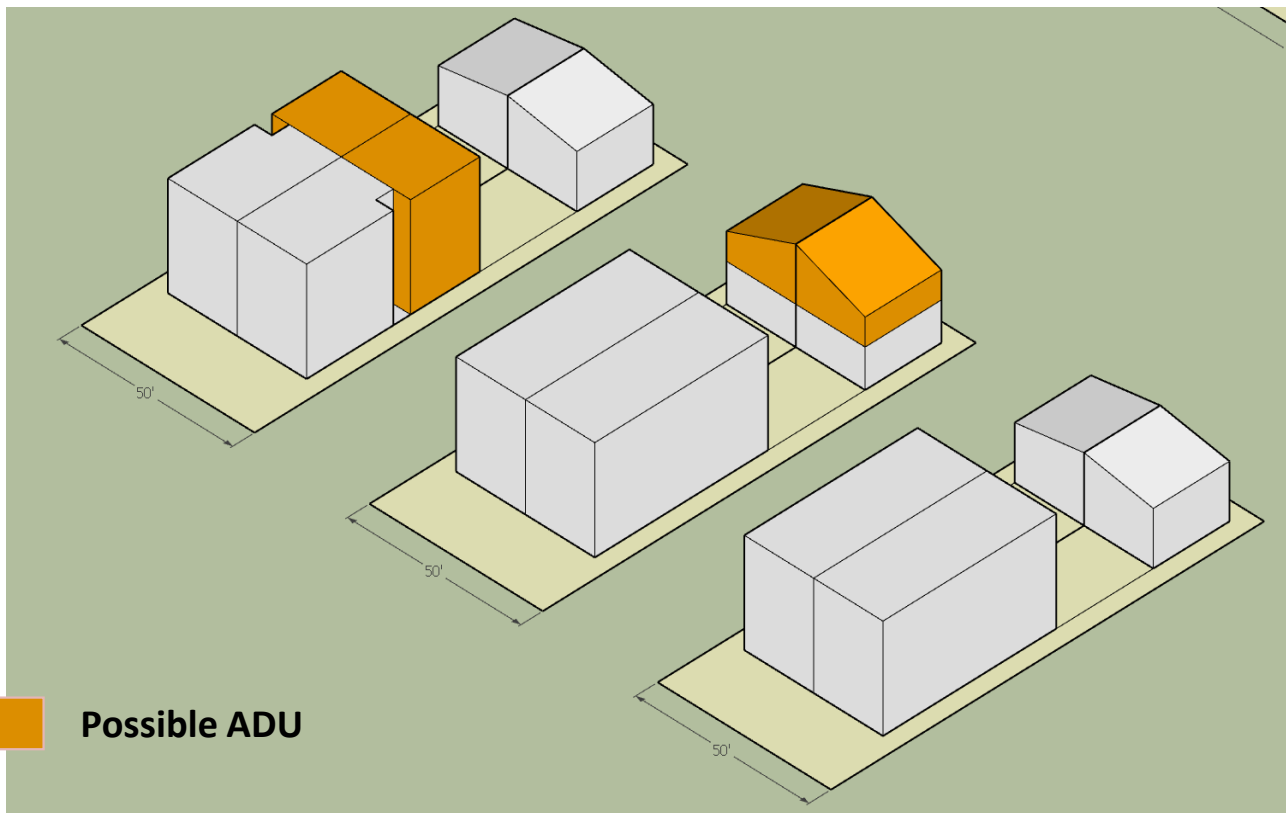
Blueprint Denver recommends allowing ADUs as accessory to more uses than single-unit homes, such as two unit uses in duplexes or multi-unit in row houses.

What We've Heard

- There is general agreement that ADUs are appropriate as accessory to two-unit and multi-unit forms, especially considering that they are already allowed in the same zone districts when built as accessory to a single-unit home
- There is concern that ADUs attached to duplexes are too similar to slot homes. Others felt that this issue would not be a concern, as the massing would be different due to building form standards.

Policy Alternatives Considered

Alternative	Pros	Cons
Keep the existing rule that allows ADUs only as accessory to a single-unit primary use.	Maintains existing expectations regarding when an ADU can be built.	Restricts diversity in housing options.
Allow an ADU use to be accessory to two-unit and multi-unit uses in row home forms.	Promotes diversity of housing options.	Could increase parking demand; could increase impervious surface area.



The orange parts of the diagram show potential orientations for ADUs accessory to non-single-unit uses, like duplexes.

OWNER OCCUPANCY REQUIREMENT

Current Rule

The zoning code currently requires the owner of a property with an ADU in a single-unit zone district to live on that property. The rule only applies to properties with ADUs. Other types of properties, such as duplexes and tandem houses, can rent out both units.

The Issue

If a property owner moves or inherits a property but does not live there, the ADU is not an allowed use and would have to be removed or modified so that it no longer serves as a dwelling unit. This could mean removing the kitchen or bathroom or disconnecting the utilities. Any existing tenants living in the ADU would no longer be allowed to live there.

The owner occupancy requirement can make the financing of ADUs more difficult, because it restricts the use of the property, which lowers the appraisal value. This hinders the ability of homeowners to get sufficient construction loans and recover their costs.

What We've Heard

- The majority of Advisory Committee members support removing the owner occupancy requirement or making it more flexible including a suggestion that a pilot program could help determine if the owner occupancy requirement is necessary.
- Others have expressed concern that removing the requirement would increase opportunities for short term rentals, which might lead to speculative development or off-site landlords. The city believes that existing short-term rental rules, which exist outside of the zoning code, already address and prevent this issue. Existing short term rental rules require the operator to live in the primary dwelling unit and only allow for one of the dwelling units, the primary home or the ADU, to be rented out short-term.
- There was also concern that allowing both the primary unit and ADU to be rented could result in a lack of maintenance.

Peer City/State Research

Cities around the country vary in their approach to owner-occupancy requirements for ADUs. Key takeaways are summarized below.

- Oregon state law does not allow owner-occupancy requirements for ADUs, but the Oregon Department of Environmental Quality determined that more than two-thirds of properties with ADUs have owners residing on the property.
- California state law does not allow owner-occupancy requirements for ADUs. However, investors own 17% of the single-family housing rental stock but permit and construct just 8% of its ADUs.
- In 2019, Seattle lifted its owner-occupancy requirement to reduce inequity between owners and renters in housing stock and decrease financial barriers to building ADUs. An environmental study preceding the decision determined that removing the requirement wouldn't increase speculation as it would discourage demolishing existing single-unit homes prior to redevelopment, instead incentivizing homeowners to maintain the existing housing stock while building ADUs.
- Fayetteville, Arkansas first adopted an ADU ordinance in 2008, which limited ADUs to 600 sq. ft. and required owner occupancy. Since then, the city has increased the size allowance to 1,200 sq. ft. and dropped parking and owner occupancy requirements. It is now seeing more ADU construction.
- In Colorado, Fort Collins, Littleton and Salida don't regulate occupancy for any ADUs, while Colorado Springs and Lakewood require owner occupancy in attached ADUs, but not detached ADUs.

Policy Alternatives Considered

Alternative	Pros	Cons
<p>Keep the existing rule that requires the owner of a property with an ADU in a single-unit zone district to live on their property.</p>	<p>Addresses concerns that investors will buy properties to build ADUs and/or that a house and associated ADU will be rented to separate households.</p>	<p>May discourage homeowners from building an ADU due to financing/permitting issues if they no longer live on their property; assumes that renters are not good neighbors; may cause displacement of ADU residents if the property owner moves; difficult to enforce.</p>
<p>Keep a version of the existing rule, but modify to require owner to live on property only at time of ADU permit (permit remains valid if the owner moves to another location in the future).</p>	<p>Addresses concerns that investors will buy properties to build ADUs, but allows homeowners who previously built an ADU to move to another home without permitting issues; allows for more equitable treatment of renters; may reduce enforcement issues.</p>	<p>May not fully address concerns regarding rental of both a house and an ADU if an on-site owner moved to another location after permitting and building an ADU.</p>
<p>Keep a version of the existing rule, but modify to clarify that an ADU does not need to be decommissioned if owner moves off site (as long as ADU is not operated as a rental).</p>	<p>Addresses concerns that investors will buy properties to build ADUs and/or that a house and associated ADU will be rented to separate households, but allows homeowners who built an ADU to move to another home without permitting issues.</p>	<p>May still discourage homeowners from building an ADU or impact financing options; assumes renters are not good neighbors; may cause displacement of ADU residents if the property owner moves; difficult to enforce.</p>
<p>Keep a version of the existing rule, but modify to only apply the for 5 years after the ADU is permitted.</p>	<p>Addresses concerns that investors will buy properties to build ADUs, but allows homeowners who previously built an ADU to move to another home after 5 years without permitting issues.</p>	<p>May still discourage homeowners from building an ADU or impact financing options; assumes renters are not good neighbors; may cause displacement of existing ADU residents if the property owner moves within the 5 years; may introduce a confusing/difficult-to-administer process.</p>
<p>Keep a version of the existing rule, but modify to exempt ADUs dedicated as affordable.</p>	<p>Addresses concerns that investors will buy properties to build ADUs but exempts affordable housing providers so they are able to finance and build ADUs without permitting issues; could be combined with other alternatives.</p>	<p>May discourage homeowners from building an ADU due to financing/permitting issues if they no longer live on their property; may cause displacement of residents of ADUs that are not dedicated as affordable if the property owner moves; difficult to enforce.</p>
<p>Remove the existing rule and monitor impacts annually after adoption (3 to 5 years).</p>	<p>Allows homeowners to build an ADU without future permitting issues if they no longer live on the property; allows for more equitable treatment of renters; simplifies enforcement; existing rule could be reinstated if there are substantial negative impacts.</p>	<p>May not fully address concerns that investors will buy properties to build ADUs and rent the house and the ADU to separate households (note that tools could be adjusted in annual reporting indicates that issues are arising as a result of widespread rental of ADUs).</p>