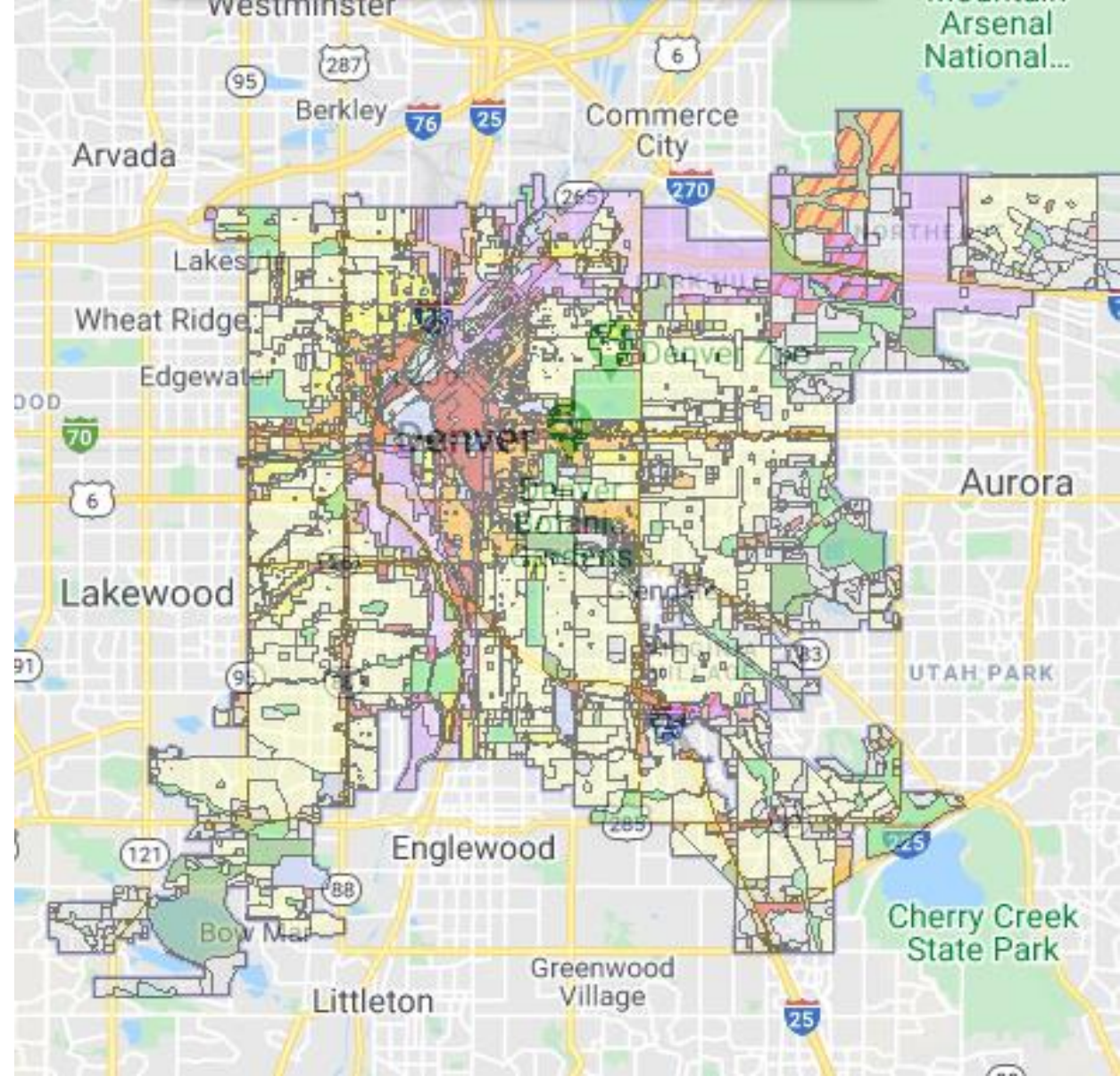


Community Planning and Development Presentation

Accessory Dwelling Units (ADUs) and Short-Term Rentals



Short-Term Rentals & ADUs

Topics:

- Primary Use vs. Accessory Use
- Definition of Dwelling Unit
- Primary Dwelling Unit Use vs. Accessory Dwelling Unit Use
- Short-term Rental Accessory Use
- Short-term Rentals & Accessory Dwelling Units

Primary Use vs. Accessory Use

- **Primary Use:** “The main or primary purpose for which land and the structures thereon are used“
- **Accessory Use:** “A subordinate use, clearly incidental and related to the primary use of land, and, unless otherwise permitted by this Code, located on the same zone lot as that of the primary use.”
- **Related Use Limitation:** “Accessory uses shall be clearly incidental, subordinate, customary to, and commonly associated with operation of a primary use....” (DZC 11.7.1.1)

Definition of Dwelling Unit

A structure or portion of a structure that that contains all three of the following types of rooms or spaces:

- A full or partial kitchen;
- A bathroom; and
- A sleeping area.

Note that the zoning code also defines a “detached accessory structure” form to apply height, setback, etc. rules to detached structures that are allowed to contain the ADU use.

Primary Dwelling Unit vs. Accessory Dwelling Unit Use

Primary Dwelling Unit Use: Definition varies depending on the specific residential use – Note that all accessory uses must be associated with a primary use.

Accessory Dwelling Unit Use: “a second dwelling unit located on the same zone lot as a primary single unit dwelling use.” (DZC 11.12.7.1)

- “An accessory dwelling unit is a type of accessory use.”
- “An Accessory Dwelling Unit is permitted as accessory only to a primary Single Unit Dwelling Use”
- Where permitted, an ADU use can occur in either a detached structure separate from the primary dwelling unit, or inside the primary structure containing the primary dwelling unit use (e.g., a basement dwelling unit).

Short-term Rental Accessory Use: Definitions and Limitations

Short-term Rental Accessory Use:

“The provision of temporary guest housing to non-residents, for compensation, by the person or persons maintaining the primary dwelling unit use as their primary residence. The length of stay per guest visit is less than 30 days. Short-term Rental does not include rental of a dwelling unit for meetings such as luncheons, banquets, parties, weddings, fund raisers, or other similar gatherings for direct or indirect compensation.” (DZC 11.12.7.7)

Use Limitations for Short-term Rental Accessory Use:

- Shall be clearly incidental and customary to and commonly associated with the operation of the primary residential household living use
- Shall be operated by the person or persons maintaining the dwelling unit use as their primary residence.
- Shall not include simultaneous rental to more than one party under separate contracts... (DZC 11.8.10.1)

Short-Term Rentals & ADUs

Based on relevant use definitions and limitations, the STR accessory use must be subordinate and incidental to the primary residential household living use, So -

Question 1:

Can an applicant live in an ADU and conduct a STR in the associated primary dwelling unit?

- **Answer 1: No.**
The applicant must maintain the primary dwelling unit as their primary residence to operate a STR

Question 2:

Can an applicant live in a primary dwelling unit and conduct a STR use in an attached or detached ADU?

- **Answer 2: Yes.**
If the applicant maintains the primary dwelling unit as their primary residence, they may operate a STR use in an attached or detached ADU.

Short-Term Rentals & ADUs

Based on relevant use definitions and limitations, the STR accessory use may be conducted by the person or persons maintaining the primary dwelling unit use as their primary residence, So -

Question 3:

Can an applicant live in an attached or detached ADU and conduct a STR use in the attached or detached ADU?

- **Answer 3: No.**

If the applicant makes their primary residence in an attached or detached ADU, they may not conduct a STR use in the ADU.

Question 4:

Can an applicant live in a primary dwelling unit and conduct a STR use in a detached accessory structure that does not contain an ADU?

- **Answer 4: Yes.**

If the applicant makes their primary residence in the primary dwelling unit, they may operate a STR use in a detached accessory structure that does not contain a dwelling unit. For example, if there is a detached structure that contains only a sleeping area with no kitchen, the applicant may operate a STR in such structure (e.g., a “guest house”)

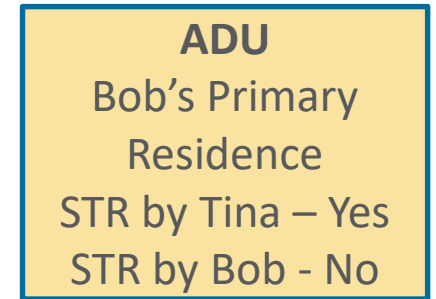
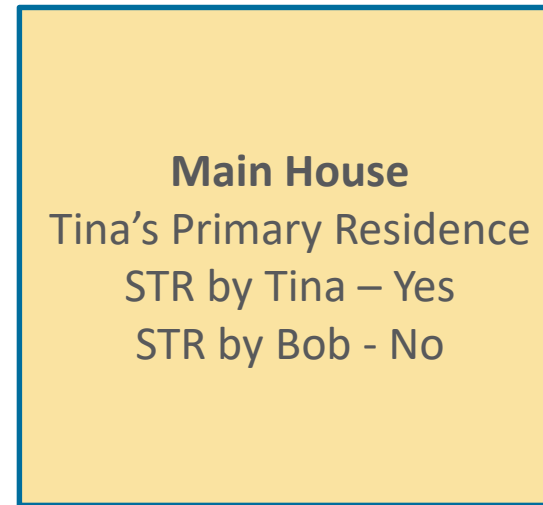
Short-Term Rentals & ADUs

Tina lives in the main house as her primary residence and rents an associated accessory dwelling unit (ADU) to Bob, who lives in the ADU as his primary residence.

Where can **Tina** conduct an STR?

- She can conduct STRs in the primary unit or ADU
- But: Only one STR contract at a time on the entire property, per zoning rules

Bob, the primary resident of the ADU cannot conduct STRs



Blueprint Denver 2040 Policy on ADUs

04

Diversify housing choice through the expansion of accessory dwelling units throughout all residential areas.

GOALS: 1

Accessory dwelling units (ADUs) can add variety to the housing stock in low density residential neighborhoods without significantly changing the existing character. As Denver allows ADUs throughout the city, it is important to understand impacts in areas vulnerable to displacement.

- A. Study and implement allowances for ADUs—including those attached and detached from the primary home—in all neighborhood contexts and residential zone districts. Use an inclusive community input process to respond to unique considerations in different parts of the city.
- B. Identify strategies to prevent involuntary displacement—especially in areas that score high for Vulnerability to Displacement—in conjunction with expanding the allowance for ADUs.

- C. Study and implement a citywide program to expand access to ADUs as a wealth-building tool for low- and moderate-income homeowners.
- D. Study and implement incentives or requirements for income-restricted ADUs, so they are more likely to provide affordable housing options, and tools to encourage the use of ADUs for long-term housing options, rather than short term rentals.
- E. A citywide approach to enable ADUs is preferred. Until a holistic approach is in place, individual rezonings to enable ADUs in all residential areas, especially where proximate to transit, are appropriate. Unless there is a neighborhood plan supporting ADUs, rezonings should be small in area in order to minimize impacts to the surrounding residential area.

Blueprint Denver 2040 Policy on ADUs

05

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

GOALS: 1, 6

The zoning code already allows ADUs in some areas of the city. ADUs can be attached to the main home, such as a basement unit, or detached. ADUs offer a housing option for residents looking for something smaller than a home, such as seniors who want to age in place. There are opportunities to remove barriers—especially since the cost of constructing a detached ADU is high—and to better calibrate form standards for detached ADUs by neighborhood context.

- 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.

Citywide Residential Infill Project

- A two-year project to implement adopted Blueprint Denver housing options and design policies in residential neighborhoods
- Will include exploration of the ADU recommendations on the previous slide
- Project kickoff September 2020
- Will provide periodic updates on the project to the STRAC
- Contact Abe Barge (abe.barge@denvergov.org) for more information or to join a contact list for Residential Infill project kickoff

Questions?