ADU Advisory Committee – Meeting #1

March 3, 2022 – via Zoom Prepared by the Consensus Building Institute (CBI)

Meeting in Brief

The 23-member Committee met for the first time to discuss its charge to help the City revise its zoning code to remove barriers to Accessory Dwelling Unit (ADU) construction. With a welcome from Joshua Palmeri and Abe Barge from the City Planning Department, the Committee discussed its purpose, scope, expectations, and questions to address in developing its recommendations. The Committee will generally meet on the first Thursday of each month. The next meeting on April 7 will focus on exploring the issues around ADU construction, identifying current barriers in Denver, and thinking about 'context sensitive' issues in urban/urban edge/suburban development that could be integrated into the Committee's decisions.

Click <u>here</u> for further information about the Advisory Committee, a video recording of the meeting, future meeting announcements, and other materials.

Project Overview: Clarifying Committee Charge + Technical Context

The Advisory Committee's role is to provide input for a staff-prepared proposed text amendment to the Denver Zoning Code. Proposed changes will amend the size, shape, and location of ADUs to:

- **Improve Denver's Housing Shortage:** Denver is in the midst of a housing crisis; ADUs are one part of the solution.
- Respond to the Needs of the People: Many people want a separate space for elderly parents, in-laws, or kids living at home; a space that can be rented out to generate income; the opportunity to rent a smaller, more affordable space in a neighborhood they love; and flexibility in their property investment.
- Build Upon Blueprint Denver's Strategy: Help Blueprint Denver further its goal of helping existing residents remain and prosper in their neighborhoods, and ensure they can invest in their own property. ADUs are an anti-displacement strategy and can also create new/missing housing options within the City.

Joshua Palmeri and Abe Barge discussed the charge and technical background in more detail. The full presentation is available here. City staff also conducted a Mentimeter poll to capture Committee members input. The poll allowed Committee members to refine a list of guiding questions to answer in developing its policy recommendations. The complete results of the Mentimeter poll are included as Attachment A.

Committee members emphasized the following points in the polling exercise with respect to the Committee's charge:

- The principles most important to Committee members in terms of ADUs in Denver included affordability, inclusiveness, implementation, flexibility, creativity, multi-generational uses, and usability.
- The majority of Committee members cited, as their primary interests in the ADU project, the
 desire to promote expanded housing options in existing neighborhoods and to ensure
 existing residents are able to stay in their neighborhood. Additional interests included
 providing the opportunity to incentivize historic designation, addressing the need for

nuanced design guidance for ADUs to fit different types of neighborhoods, working towards sustainability goals, including preserving and reusing existing structures, adding flexibility to design sustainable and creative structures, and learning and engaging in neighborhood dialogue.

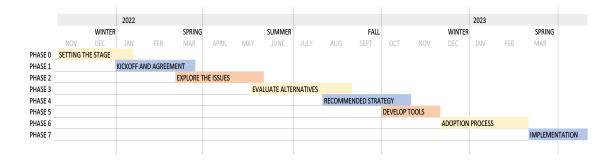
- Most Committee members have direct experience with ADUs: 14 out of 23 members on the Committee 'have lived in ADUs, know people who have, and/or have participated in building them'.
- Committee members pointed to the following additional <u>benefits</u> of ADUs: <u>diversity of</u>
 housing options, <u>building wealth</u>, retirement homes, creating more affordable housing, and
 allowing growth and densification without destroying neighborhoods.
- Committee members cited the following <u>concerns</u> regarding ADU development: increasing rent prices, overregulation, changing neighborhood character, architectural mediocrity, price of installing infrastructure such as plumbing, impact to neighbors, short-term rentals driving out long-term rentals, affordability, and impacts on adjacent neighbors.

Committee members also identified the following topics for discussion at future meetings:

- Using prefabricated structures to achieve affordability
- Setbacks and siting/location of ADUs as a potential barrier to development
- Size ADUs more fairly/accurately based on lot size rather than having cut-offs for smaller lots; lot size is currently a barrier to ADUs.
- Possibility of retroactively permitting ADUs (both attached and detached)
- ADUs that are not contingent on parking
- Pros and cons of allowing short-term ADU rentals
- Accessibility of ADUs to low-income residents as a wealth-building tool
- ADUs as opportunity to create more housing affordability, not just as investment opportunity (for short term rentals or higher-end long-term rentals)
- Possibility of ADUs being sold separately to help independent households live in the City
- Creating consistency in permitting forms to minimize administrative costs for building ADUs
- 'Home occupation' restrictions for ADUs and whether these may be outdated

Process Overview

Abe Barge reviewed the overall Committee timeline, from tonight's kickoff meeting through the process of exploring issues, evaluating alternatives, and recommending strategies. The Committee is expected to meet roughly monthly through October. City staff expect to develop a proposed text amendment and other tools, present proposed Zoning Code changes to City Council for adoption in the winter of 2022 and begin implementation in 2023. The overall schedule is summarized in the chart below.



Ryan discussed the Committee's role and expectations in more detail, as set forth in the Committee Charter. While the Committee is not being tasked with making decisions or consensus recommendations, the stronger the degree of Committee support, the more likely City Council is to support a proposed change. Committee members are encouraged to come with open minds, speak about their interests or concerns and the reasons behind them, educate one another on key issues, and identify points of common ground during Committee discussions.

Community Outreach. Abe Barge emphasized the importance of creating a technically, knowledgeable Committee that can provide input to City staff about reducing barriers to ADUs in Denver. Committee members will also provide input to the City and help get the word out about community outreach to help vet and supplement the Committee's feedback. Abe Barge emphasized that, in addition to Committee meetings being open to the public, community outreach will include focus groups, surveys, workshops, open houses and office hours to allow for customized updates. The City also plans to develop a Frequently Asked Questions sheet for the City's website.

Wrap Up + Next Steps

Homework

- By April 7 (Meeting #2): Think about current barriers/general concerns regarding ADU construction. Also think about 'context-sensitive issues' regarding ADU construction and what kind of ADU would be appropriate in particular neighborhoods, starting with your own.
- On-going: share suggestions/requests for technical resources and process ideas to help inform the Committee's decisions; please email process suggestions to Ryan Golten.

Meeting Evaluation

Positive/build upon – Committee discussion; opportunity for public comment; facilitation that balanced various levels of understanding, content/graphics/clear language, precision of feedback and details for next steps

Suggestions going forward – prioritize discussion among Committee members at meetings; allow Committee members to present information (share screen with the Committee); emphasize that Committee members should review meeting materials ahead of time in order to provide informed input.

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, Denver ADUs Abe Barge, Principal Senior Planner, City Planning Department Libby Kaiser, Senior City Planner Fran Penafiel, Senior City Planner

Committee Members

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

Х	Renee Martinez Stone	West Highlands resident; Executive Director of WDRC-West Denver Renaissance Collaborative
Х	Michelle Ferrigno Warren	Athmar Park resident; Athmar Zoning Committee member
Х	Darcy Wilson	Cole resident; construction professional for Stan Mar; member of the African-American Construction Council and UNDR – United Neighbors of NE Denver

Public Comment

 What have been the most successful ADUs? (Family members, rentals, etc?) What category of arrangements seem to work out best? Will Airbnbs going to be allowed? Does that count as a rental? What percent of these ADUS will address the affordable housing goal?

Responses

- Air-BnBs are allowed, they are currently allowed on anyone's property if it is your permanent residence, so you can rent out a bedroom in your House, right now, if you wanted to or rent out your whole entire House, if you're away for the weekend and because an ADU is an extension of your own home, you are allowed to rent it out as an Airbnb as well, that is something that, as mentioned, we will look at in this project. To see what that means for the city and if that's the right thing, moving forward. it's a tricky question because you know a lot of folks want that flexibility in their property, a lot of. Property owners say that you know potentially an ADU might not get built if they're not allowed to do that when needed, and so a lot of different discussions to be had around there.
- Your idea we hear so much about how you know if they're all short-term Rentals, how can they possibly contribute to our housing objectives, which was part of your other question and it's complicated because on the one hand, It wouldn't if they were just all always on Airbnb and not rented to an actual resident of Denver, but on the other hand, we hear so much that people finance the construction of new ADUs through short term Rentals and then eventually, its a lot of work to run a short-term rental and you know give up and get a long term tenant and then it is contributing to housing so it's complicated, but we have lots of hopeful goes for housing necessity, of course.
- And I think you're right Leslie you just indicated that ADUs certainly are not alone going to solve. The housing crisis it's one little piece of the puzzle, and that is just creating more housing in places that oftentimes are like great places for people to live like the infrastructure is already there. The all the things that you guys talked about loving in your neighborhoods in terms of walking to great commercial and having really established neighbors it's all they're ready. So I think they can help us meet our housing goals, there are a lot of other things we're going to need to do, we need to do it all.
- to answer your first question, I think, defining success for us as the city is. Actually, creating those additional housing units, regardless of how they may appear today or tomorrow, could be a short term rental this month, but in 10 years from now, you know, a new homeowner might come in and that might be an affordable rental and so it's hard to answer today, but as far as a priority successes, creating more of those units and actually opening up opportunities for housing now or in the future.
- What's happens when people build ADUs in their backyard without pulling a permit?

- o difficult situation, that's the exact situation, we would like to avoid because we as a city have not inspected that property to make sure that it is safe and fully up to code and that is a hazard for the folks that are living in there.
- o In order to have an ADU in Montbello you'd have to rezone your property which six to nine months, then get a permit go through the entire inspection process and, as I think it was with Darcy had mentioned earlier, it could take up to 18 months before you actually have a habitable structure in your backyard. So that's something we want to look at very closely here is, you know how big of a barrier is that just the process right, we want to see where we can hopefully streamline some of these things and make it more accessible. To create a bit more equity in the sense that we know folks are doing this today, because folks are Looking for housing solutions and have to take it upon themselves to create them, and so we absolutely want to remove the barriers that are currently in the way of creating good and legal outcomes without incurring an excessive expense or making it impossible to do so.

Public Q&A

- 1. What is the status of ADU zoning in Park Hill? How many ADUs have been approved and/or built in Park Hill? Who would be the correct person to discuss interest in revising ADU zoning in Park Hill to allow more ADU construction?
 - a. Here's the city's webpage with a zoning map showing where ADUs are allowed: https://denvergov.org/Maps/map/accessorydwellings. Here too is the project website where you can leave public comments and access the team's contact info to ask us questions: ADUsinDenver.com. You can also reach out to Councilman Herndon to let him know you'd like to see more ADUs in Park Hill.
- 2. Are you factoring in the non-availability of water as a possible/likely limiting factor for future Denver growth?
 - a. Not as a part of the ADU project, but it's an important topic that is addressed in the Denver One Water Plan and various sustainability goals are also included in Blueprint Denver.
- 3. Goals for moving in homeless?
- 4. I live in Montebello. for a basic ADU how much it cost to build a 2 bedroom?
 - a. We have about 20 ADU active ADU projects and they currently ranging from 280K to 400K. It depends on a lot of factors but one of the biggest ones is if it is two stories.
- 5. So, approximately how much it cost for only 1 basic? I have a huge backyard. My house was built 1994
 - a. Costs for ADUs vary significantly depending on size, design, materials and whether someone can convert an existing garage into an ADU or are building from scratch. As part of this process, we hope to gain a better understanding of how best to reduce the cost of ADUs.
- 6. How long does it get to get approved to build ADU? Can you go over any financial help to help owners build a ADU, please?
 - a. It depends on city review times, how knowledgeable your architect is, if your property is zoned for ADUs, and if you are breaking any zoning rules and need a variance. I've seen some get through in 3 months and others take 10 months. If you need to rezone your property to allow an ADU, the rezoning process takes 4-6 months. Then the review and permitting process can take several more months. For more information regarding the permitting process, you can check out this webpage:

https://www.denvergov.org/content/denvergov/en/denver-developmentservices/home-projects/building-expanding-a-home/detached-dwelling-carriage-house.html

- 7. It depends on the size and complexity. I'd say for a one story 2 bedroom you'd be around 320K.
 - a. Thanks, Matthew!
 - b. THANKS
- 8. Is there a limit on the number of ADUs one can build on a property?
 - a. Yes. Only 1. Current rules allow only one ADU on a property and only as an accessory use to a single-unit dwelling.
- 9. Is a garage required with an ADU? How is that to be done without an alley?
 - a. A garage isn't required, but a lot of newer ADUs have been constructed above a garage. The city has allowed ADUs on lots without alley access, and in those cases, access to the ADUs comes from the driveway that also serves the primary house.
- 10. With the recent change in zoning code to allow 5 unrelated adults (and unlimited children,) will there be any regulation for ADUs since it is now a 2nd living space on one lot?
 - a. Current rules require 200 square feet of space per person in an ADU. The maximum size of an ADU is limited to 1,000 square feet, which would allow a maximum of 5 people. As part of this project, the team will consider whether this limitation still makes sense.
- 11. Who enforces the regulation that the property owner must live on the property? And how is it enforced?
 - a. A property owner has to prove they make his or her legal residence at the site, as evidenced by voter registration, vehicle registration, or similar means, but once the ADU is permitted, the city doesn't actively enforce this but would respond to a complaint from a neighbor that suspects the owner no longer lives on the property.
- 12. Will there be any breakout groups or opportunities for people not in the committee to contribute to the process?
 - a. Yes! thanks for attending, we will have focus group discussions!
- 13. Will Airbnb's qualify as rentals, goals, affordable ADUs...
 - a. live answered
- 14. How will you ensure equity in ADU construction? Developers prefer building high-cost luxury structures which has exacerbated affordable housing in the city. What will the city do to help ensure developers are not just catering to wealthy homeowners who can afford to build these? If not equitable, it could further gentrify and increase income disparity in the city.
 - a. As Ryan mentioned, equity will be considered throughout this project, but we're hoping that this project will help make ADUs more accessible to all homeowners, many of whom want to build as cost-effectively as possible.
- 15. More ADUs will get built by allowing Short Term in ADUs. We see people do it for a few years to recoup the initial cost, then turn into a long-term rental/family housing. It may take a few more years for that unit to convert to long-term, but it will get more ADUs built. A better way to control any negative short-term aspects would be to impose large fines on the bad actors, rather than take away the ability to short term rent for everyone.
 - a. Thanks for your input, Jeff!
- 16. How many members of the public are here?
 - a. It's tapered off, but I think at point there were approximately 40 members of the public.



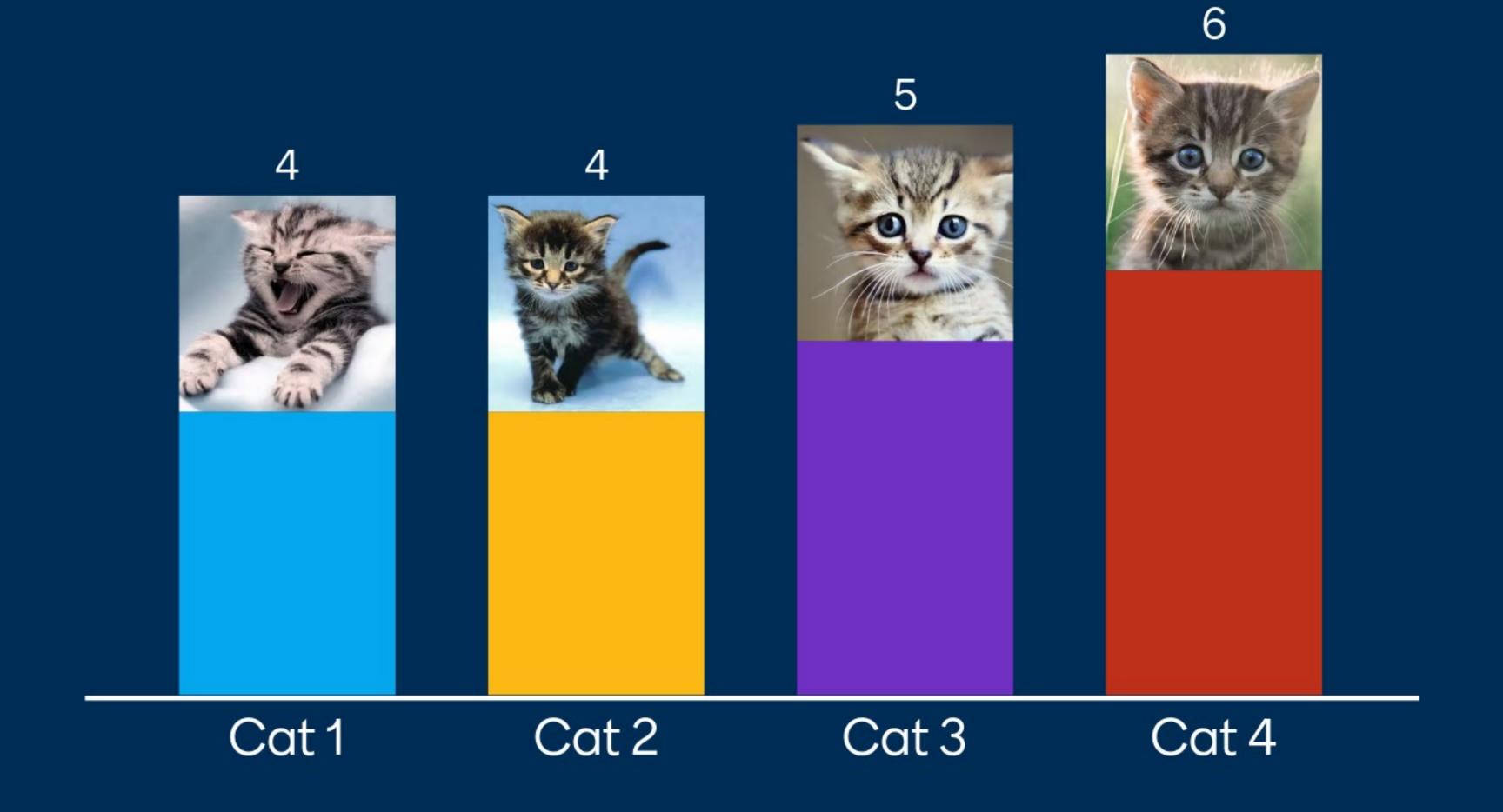
Advisory committee input

Interactive activity about ADUs



Which kitten is the cutest?







What are some other names for accessory dwelling units (ADUs)?



Granny Flat	Carriage house	casita
Fonzi Flat	alley flat, carriage home, casita	granny flats, casitas,
mother in law suite	Casita, mother-in-law unit, alley homes, carriage homes	CasitaMother in law unit



What are some other names for accessory dwelling units (ADUs)?



Granny House; Short Flats

Carriage house, in-law suites

In-law unit, casitas

In-Law suite, carriage house, alley flat. garage apartment

Casitas, granny flats, millennial flat (love this)

granny flat, carriage house

laneway houses

Garden flat

Tandem units,



What are some other names for accessory dwelling units (ADUs)?



cost		
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What is most important to you about ADUs in Denver?

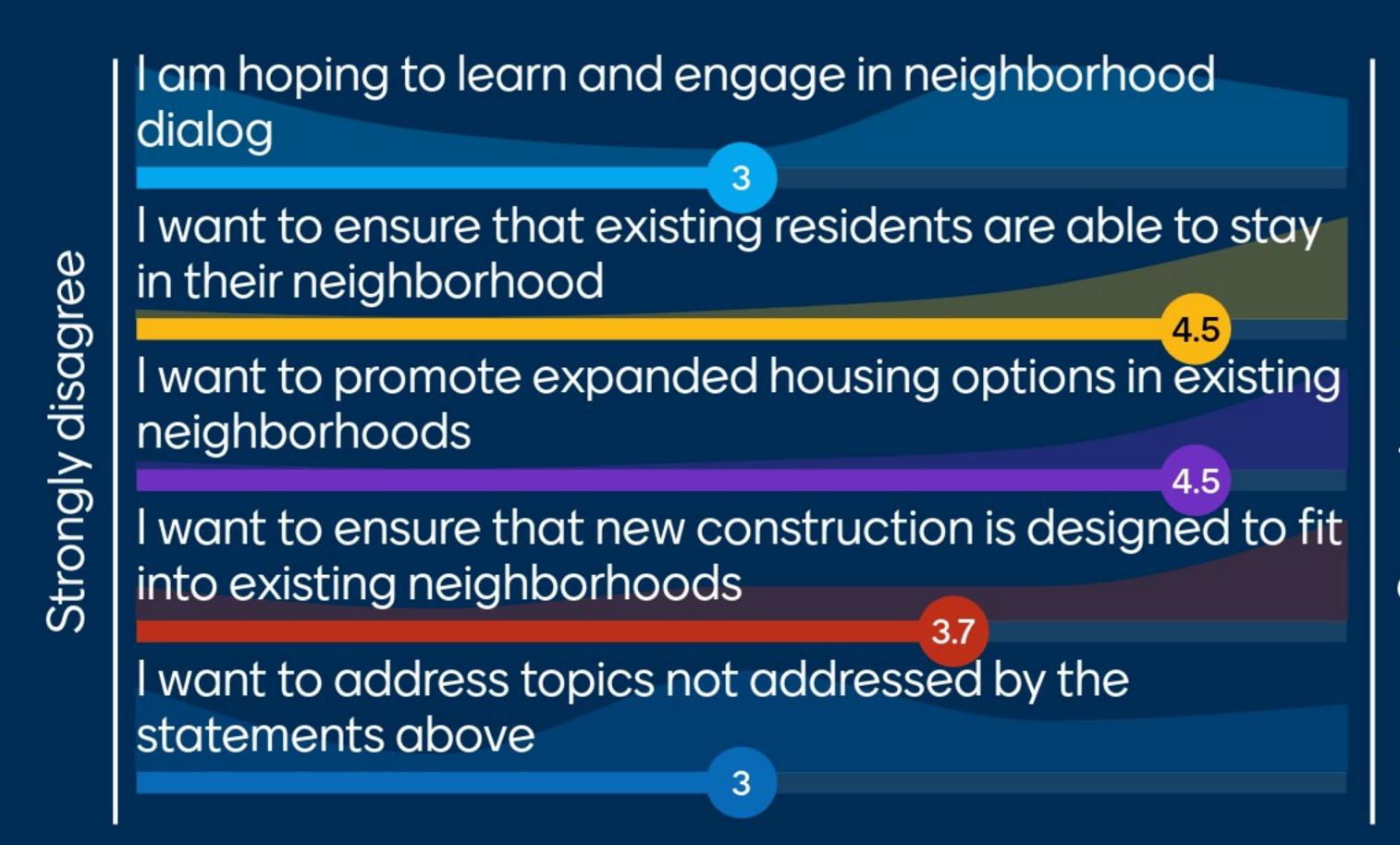






Which statements best describe your interest in the ADUs in Denver project?





Strongly agree



Do you know anyone who lives (or has lived) in an ADU?





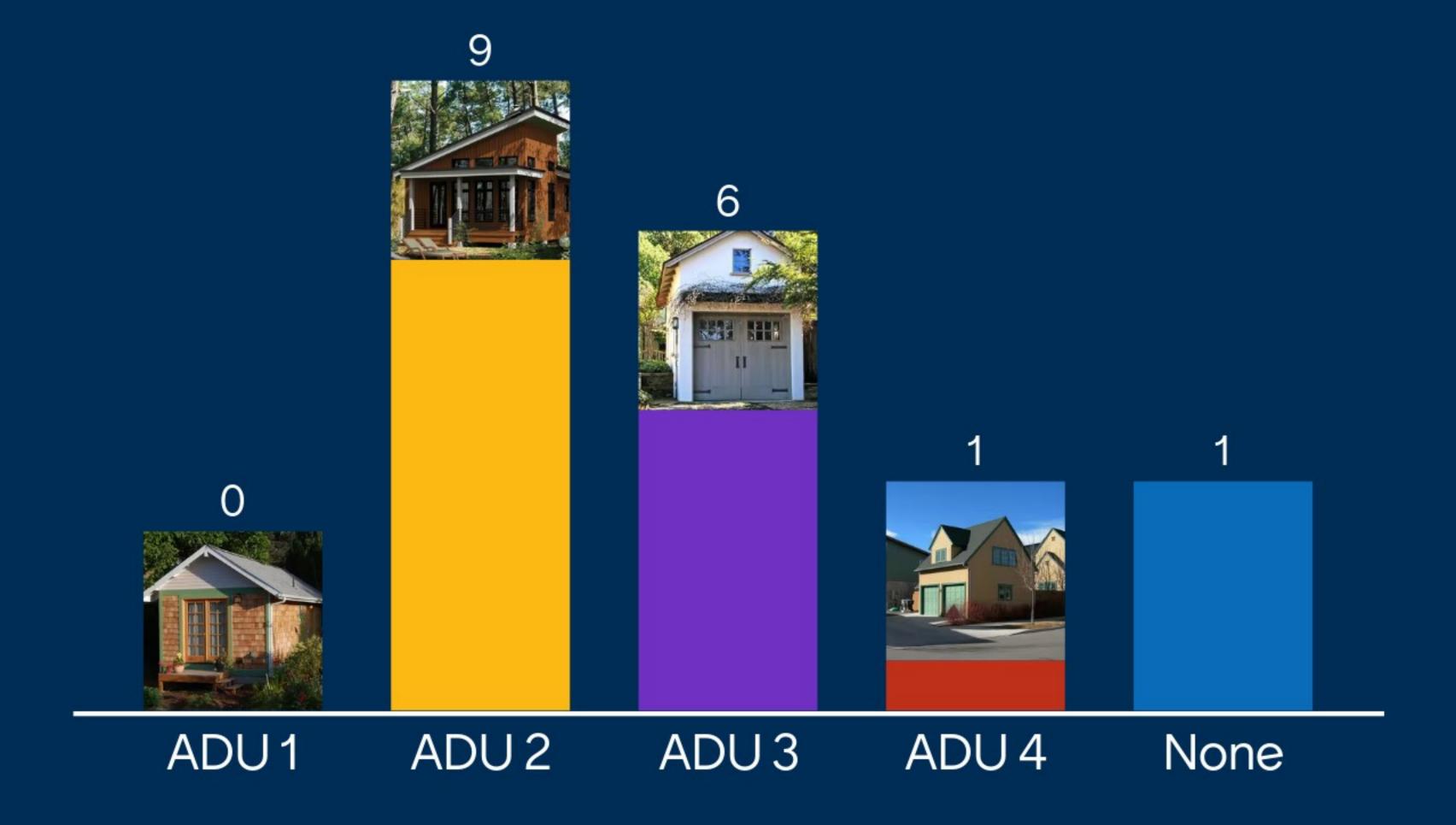


0 Not Sure



Which ADU is the coolest looking?









Committee Questions and Discussion





Advisory committee input

key issues, challenges, priorities, ideas



What do you consider the most important reasons to have ADUs?



diversity of housing options in the City

income opportunities for homeowners, housing diversity for renters

Build wealth

They allow growth and densification without destroying established neighborhoods

A retirement home for myself.

housing supply, affordability, diversity of housing types

Creates more opportunity for affordable housing options

Creates gentle density and much needed housing

Have our single unit zones contribute to solving the housing crisis



What do you consider the most important reasons to have ADUs?



Building gently density and also giving both property owners and renters more options and choices when it comes to housing

Available housing for all.

Have room for family or students or essential workers to live by place of employment.

Privacy for home office

enabling lower income households to live in any neighborhood in Denver

Building wealth, muti generational living that save families financially, inventory, rental housing short and long term.

The additional space to house a aging parent

Intergenerational living to help families STAY IN PLACE. To help homeowners house doubled up (homeless) family.



What are potential concerns you have about ADUs?



overregulation

The houses in my neighborhood all look different, but the ADUs are mostly looking cookie-cutter same

limited areas they are allowed. Cost to build them

Increasing rent prices

Changing the way a neighborhood "looks"

Plumbing- how expensive to install to an existing structure (garage)

None

Architectural mediocrity

short term rentals for the already affluent, expensive construction, luxury product



What are potential concerns you have about ADUs?



Landlords trying to charge too much; cookie cutter; too much density where it doesn't make sense

Short-term rentals driving out those needing long-term rentals/housing

having a neighbor's rental unit overlooking (my) backyard

that they don't actually contribute to solving affordable housing crisis, since they aren't all required to rent at an affordable rate

That they are created to maximize profit on flip sales real estate developers, and that they become short term rentals to cover cost instead of affordable housing.

Permitting an ADU opens up scrutiny on one's property that can identify zone lot issues, unpermitted structures (even unknown), right-of-way costs...things that can be very costly or cost prohibitive for many homeowners.

Safety, close proximity of unknown renters, the ability to pay for both mortgages.

Costs rise very fast, due to supply chain issues and material and labor availability.

Impact on neighbors and change of neighborhood character



What are other important considerations we'll need to address?



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long-term-housing
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alley entrances to unit

set limits on both

language barriers

time for permitting

accessibility

reas that add cost

city wide implementation

lack of technical support

curb cuts permit fees

affordability

family size allowed

manage rental costs





Committee Questions and Discussion

Committee members also mentioned the following as additional topics to address:

- 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

