

Affordable Accessory Dwelling Unit (ADU) Programs



Safety, Housing, Education, & Homelessness Committee

January 25, 2022

Adam Lyons, Lead Housing Development Officer

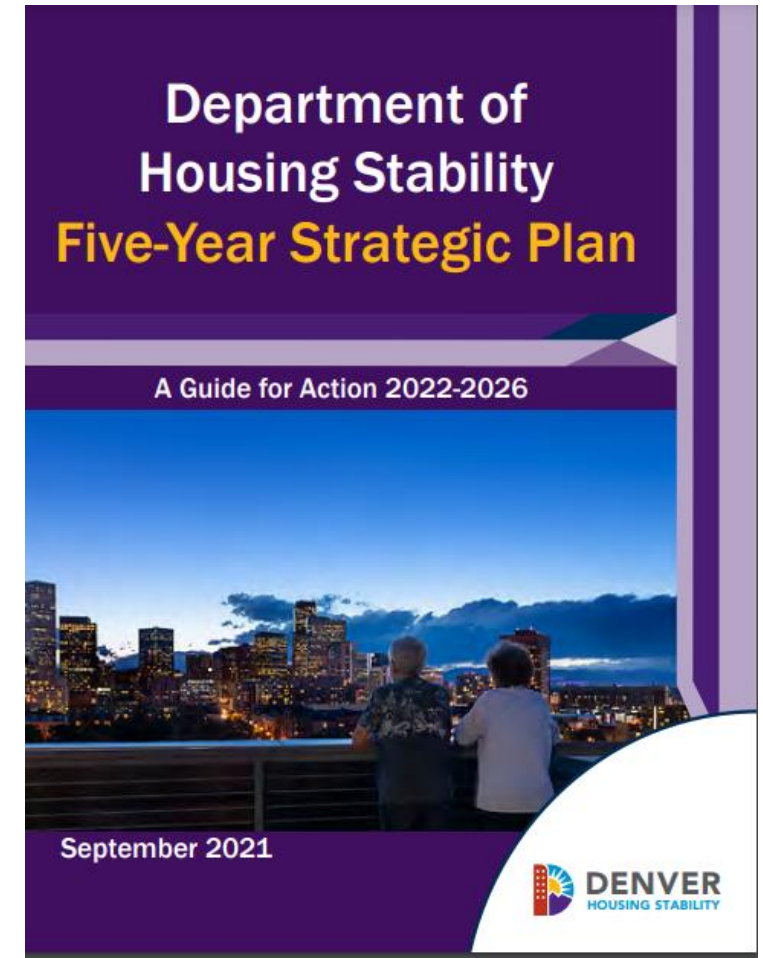
Department of Housing Stability



DENVER
HOUSING STABILITY

ADU-Related Strategies in HOST's Five-Year Strategic Plan:

1. Diversify housing choice through the expansion of accessory dwelling units and remove barriers to the construction
2. Evaluate the effectiveness of programmatic support for accessory dwelling units for mitigating involuntary displacement, wealth-building, and other outcomes.
3. Partner with agencies involved in the development review process to assess barriers to small-scale affordable housing and propose solutions that enable smaller projects (e.g., projects with a small number of units, accessory dwelling units, etc.).



1. Diversify housing choice through the expansion of accessory dwelling units and remove barriers to the construction

- HOST was awarded \$1,429,993 from the Colorado Department of Local Affairs (DOLA) Affordable Housing Development Incentives Grant Program (IHDI) to support ADU developments. This program provides grants to local governments to develop one or more affordable housing developments in their community that are livable, vibrant, and driven by community benefits. These incentive grants can assist with infrastructure costs such as curb, street, gutter replacement, alley upgrades or expansions, utility line extensions, transformer upgrades, and gap funding for Accessory Dwelling Units (ADUs)
- HOST awarded funding to the Denver Housing Authority (DHA) for the West Denver Renaissance Collaborative's (WDRC) Single-family ADU Pilot Program. City Council recently approved an amendment to this contract to allocate additional funding for the development of more ADUs under this program.

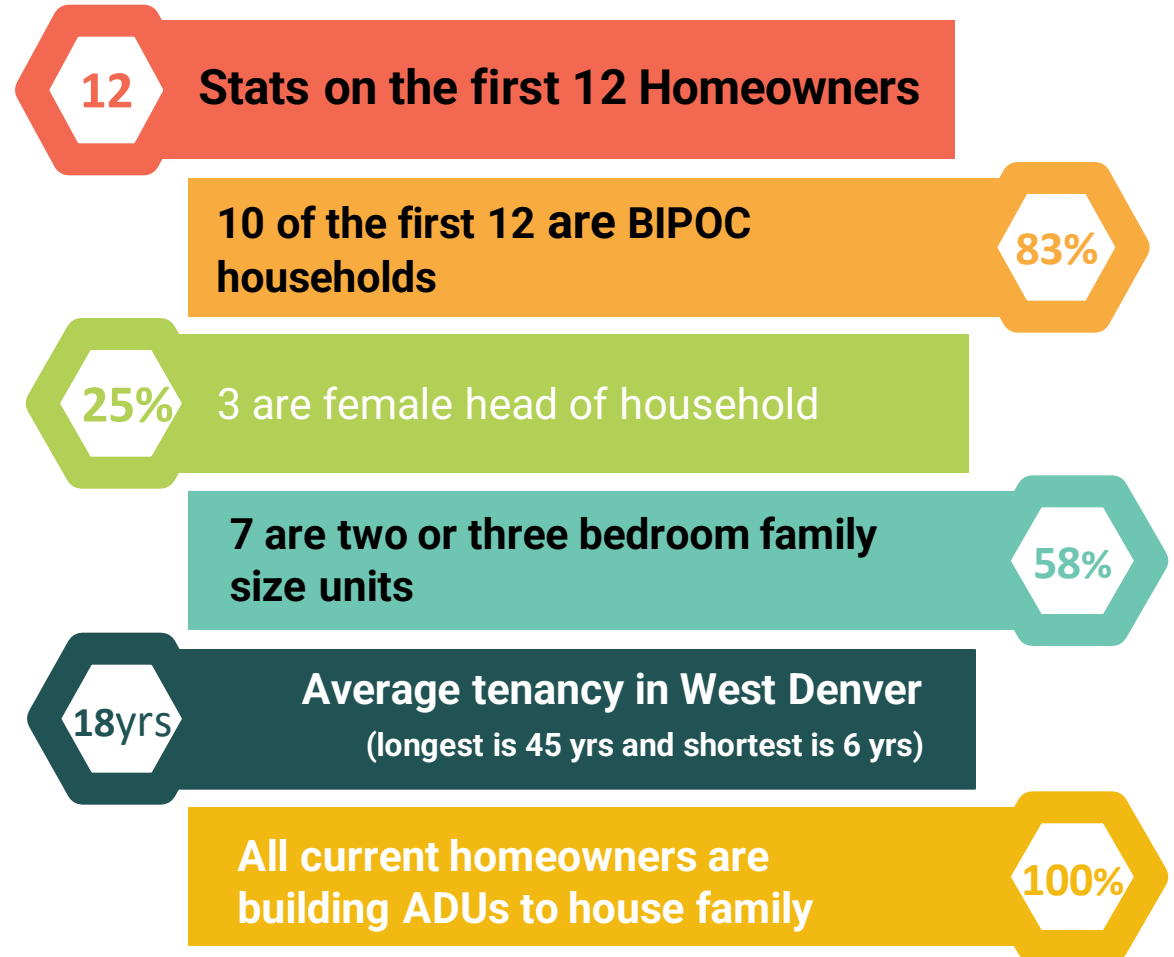
2. Evaluate the effectiveness of programmatic support for accessory dwelling units for mitigating involuntary displacement, wealth-building, and other outcomes.



West Denver Single Family Plus Program – 2021/2022

WDRC ADUs to date 2021-2022

- 5 ADUs complete (1 in 2020)
- 6 in construction
- 8 in final design & permitting (5 Villa Park)
- 4-6 in housing counseling



3. Partner with agencies involved in the development review process to assess barriers to small-scale affordable housing and propose solutions that enable smaller projects (e.g., projects with a small number of units, accessory dwelling units, etc.).

- HOST coordinated with the Affordable Housing Review Team (AHRT) to include the WDRC ADU program in the AHRT review track. DHA has reported marked improvements in timeliness regarding ADU-related site and permit approvals.
- The Community Planning and Development Department's ADUs in Denver project has made several policy recommendations including:
 - Making ADU development feasible on a wider variety of lots already zoned for ADUs
 - Making one-story ADUs easy to build
 - Evaluating requirements for lot size, coverage, existing structures, and owner-occupancy

RR23-0043 & 23-0044 Summary

- HOST was awarded \$1,429,993 from the Colorado Department of Local Affairs (DOLA) Affordable Housing Development Incentives Grant Program (IHOI) to provide affordable housing development cash incentives for infrastructure costs related to affordable ADUs developments in Denver.
- HOST intends to contract with DHA and Habitat for Humanity of Metro Denver (HFHMD) to allocate these funds to their respective projects, allocating \$693,810 to DHA and \$736,183 to HFHMD.
- Contract terms for both agreements to expire March 31, 2024.

RR23-0045 Summary

- Loan Agreement providing \$575,000 in gap financing to Habitat for Humanity of Metro Denver's Villa Park Project, located at 1049 Stuart Street, 1066 Newton Street, 1076 Meade Street, 1077 Meade Street, and 1080 Meade Street.
- This project will develop six single-family affordable homes, three of which will include ADUs. Land for this development was donated by the City. Unit mix includes 1 2-BR, 1-3BR, and 4 4BR. Three of the 4BR units will include ADUs.
- Initial homebuyers are restricted to earning up to 80% of the area median income (AMI)
- 90-year Covenant recorded on the properties as a condition of the land transfer.
- Performance Loan Agreement has a term of five-years after execution of the Promissory Note.

Actions Requested Today

1. Approval of 23-0043: Contract with DHA to provide \$693,810 in IHOI funding to the ADU program for related infrastructure improvements (HOST-202266093)

Actions Requested Today

2. Approval of 23-0044: Contract with Habitat for Humanity of Metro Denver to provide \$736,183 in funding to the Villa Park project for related infrastructure improvements (HOST-202266092)

Actions Requested Today

3. Approval of 23-0045: Loan agreement with Habitat for Humanity of Metro Denver to provide \$575,000 in gap financing for the development of six single-family homes, including three ADUs (HOST-202265752).

Questions?

Thank You!

Appendix: Draft Recommendations to the ADUs in Denver Project

Citywide Building Form Recommendations

Topic	Recommendation
Minimum lot size	Remove the min lot size requirement to allow all lots zoned for ADUs to at least be eligible for a detached ADU.
Building coverage exemption	Extend the building coverage exemption from garages to include detached ADUs, which will make it easier to build single-story ADUs and convert existing garages

Citywide Building Form Recommendations

Topic	Recommendation
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Building coverage exemption

- Make single-story/re-use easier
- This will remove a barrier to the construction of the type of dedicated affordable ADUs provided by the WDRS Single Family+ program



2 Bedroom ADU

590 sf, 1 Bath



 **WDRS**
<http://www.mywdrs.org>



SA+R

Experience the different ADUs by scanning the QR code with any compatible smart phone.



Citywide USE Recommendations

Topic	Recommendation
Minimum ADU size allowance	Increase the smallest max floor area from 650sf to 864sf to help improve the cost efficiency of building an ADU. Remove the overall structure length max to create more flexibility on narrow lots.
Re-use of existing structures	Allow garages that do not meet the min setbacks for a detached ADU to be converted to reduce the cost of construction, promote sustainability, and prioritize housing over parking
Accessory to non-single unit uses	Allow ADUs to be accessory to two-unit and multi-unit uses, to allow families in duplexes and row-homes to also create an accessory living space if needed.

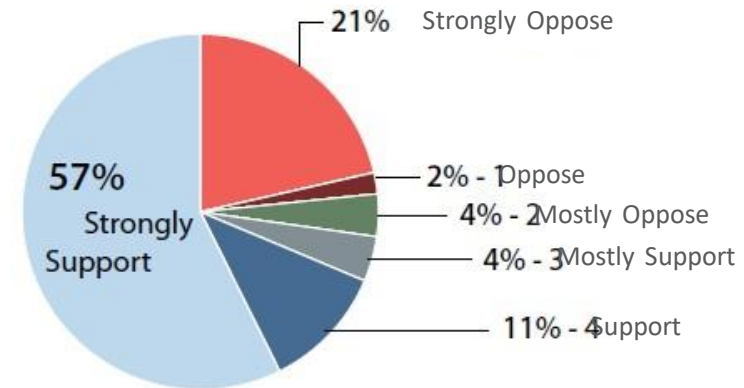
Citywide USE Recommendations (continued): Keep Owner Occupancy Requirement

- Currently an ADU is only allowed when the property owner lives on site.

- Most agree that the owner occupancy requirement should be maintained
 - Advisory Committee
 - Public Surveys

Owner Occupancy

Do you support removing the owner-occupancy requirement in single-unit zone districts so that ADUs do not have to be “decommissioned” as dwelling units and residents forced to move out if the property owner can no longer live on the property?



Public Survey 9/16/22 – 400+ total responses

Context-based Recommendations (*not citywide*)

- Greater allowances in **URBAN** neighborhoods with flexibility where ADUs most easily fit in

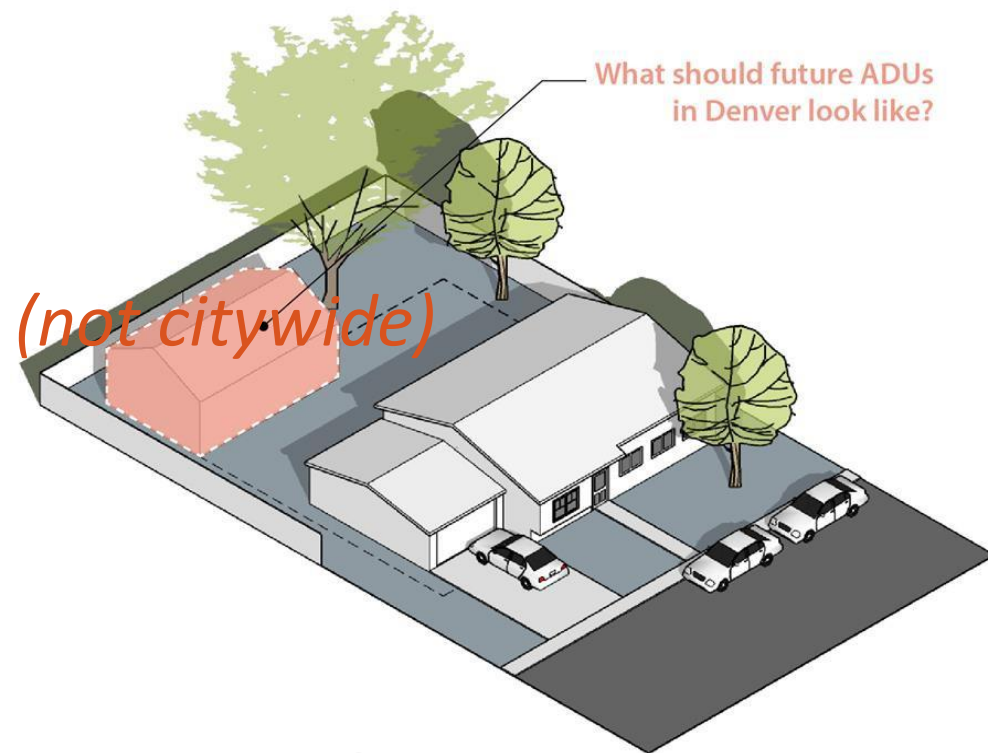


Context-based Recommendations (*not citywide*)

- Allowances for **URBAN EDGE** neighborhoods that recognize the unique balance of Urban and Suburban conditions



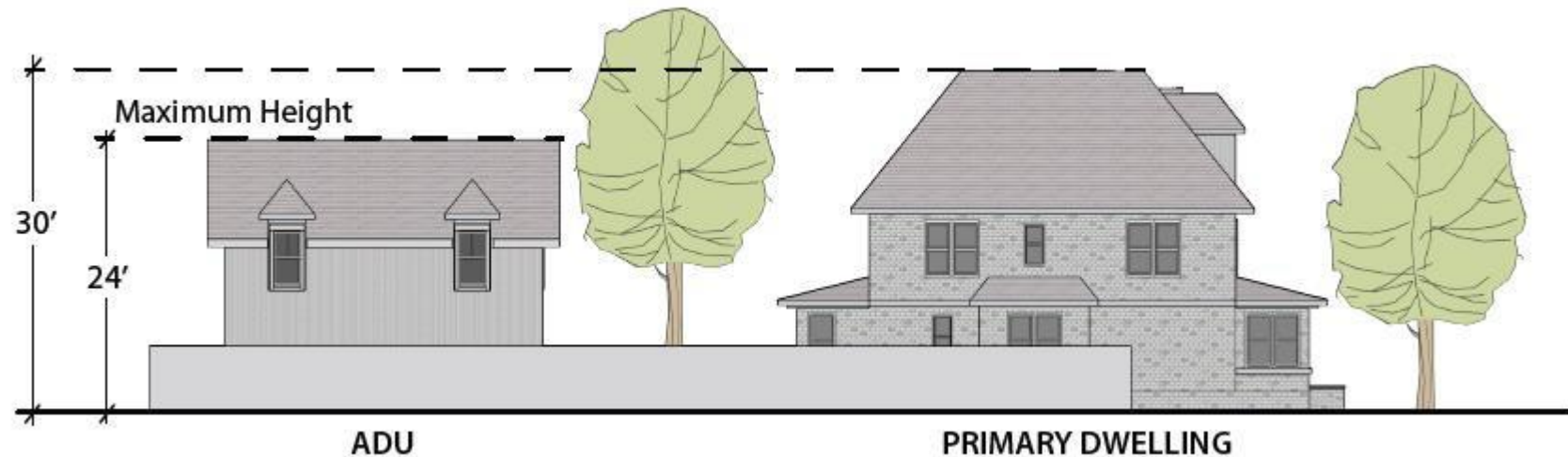
- Sensitive location and form standards in **SUBURBAN** neighborhoods



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Draft Recommendations for Urban Neighborhoods



- Allow for a full two stories
- Added flexibility for small/narrow lots
lots <40' in width
- Make single-story/re-use easier
- Allow for some additional design elements

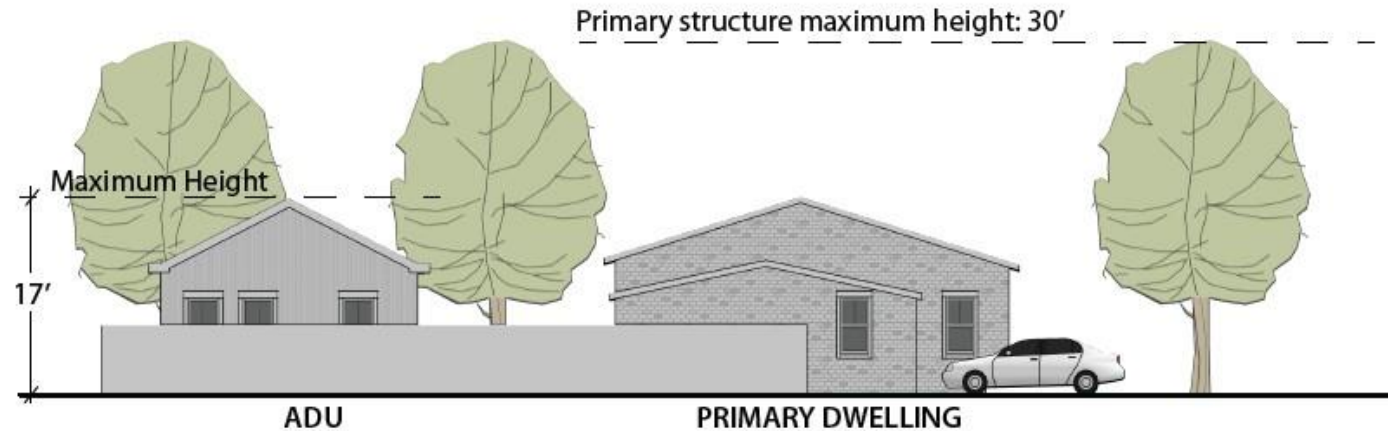
Height	
Maximum Height	Two-stories (24')*
Bulk Plane	For most lots, starts at 10' above the side property line and continues toward the center of the lot at a 45 degree angle., same as existing requirement for detached ADUs For the narrowest lots, starts 12' above the side property line and continues toward the center of the lot at a 45 degree angle.*
Setbacks	
Minimum Rear Setback	5' when garage door is present, 0' if no garage door is present*
Minimum Side Interior and Side Street Setback	3' for lots 40' wide or less*, 5' for lots greater than 40' wide
Design Elements	
Balcony/Entry Deck	35sf max allowance when an alley is present (not allowed to encroach into side setback)*
Dormer	Dormers allowed to penetrate the Bulk Plane*

* Indicates a standard that is different than the existing regulations



Draft Recommendations for Urban Edge Neighborhoods

- Allow for a full two stories on an alley
Single-story without alley, unless setback 12' min
- Added flexibility for small/narrow lots
lots <40' in width
- Make single-story/re-use easier
- Allow for some additional design elements



	Without Alley	With Alley
Height		
Maximum Height	One-story (17') if set back at least 5' from rear property line Two-stories (24') if set back at least 12' from rear property line	Two-stories (24')
Bulk Plane	For most lots, starts 10' above the side property line and continues toward the center of the lot at a 45 degree angle, same as existing requirement for detached ADUs For the narrowest lots (40' wide or less), starts 12' above the side property line * to ensure that a two story ADU can be built.	
Setbacks		
Minimum Rear Setback	5' for one-story, 12' for two-story	5', same as existing setback for ADUs
Minimum Side Interior and Side Street Setback	5' for the most common lot sizes, 3' for the narrowest lots (same as required setbacks for the primary house)	
Design Elements		
Balcony	35sf max balcony allowance when an alley is present*	
Dormer	Dormers allowed to penetrate the Bulk Plane*	

* Indicates a standard that is different than existing regulations

Draft Recommendations for Suburban Context

- Add new Suburban ADU zone districts with context-sensitive form standards
- Single-Story – 17’ tall with 10’ rear setback unless it fits in the ‘primary envelope’
- Make single-story/re-use easier



Height	
Maximum Height	One-story (17') if set back at least 10' from rear property line* Two-stories (24') if set back at least 20' from rear property line (same as the rear setback for the primary house)*
Bulk Plane	Starts 10' above the side property line and continues toward the center of the lot at a 45 degree angle, same as existing requirement for detached ADUs
Setbacks	
Minimum Rear Setback	10' for a one-story ADU or 20' for a two-story ADU* (20' is the rear setback for the primary house, so this means a two-story ADU could only be built in the same part of the lot where a 2+ story house could be built)
Minimum Side Interior and Side Street Setback	7.5' for the most common lot sizes,* 5' or 3' for the narrowest lots (same as required setbacks for the primary house)