

# Using ADUs to Increase Housing Supply

## City of Colorado Springs Perspective

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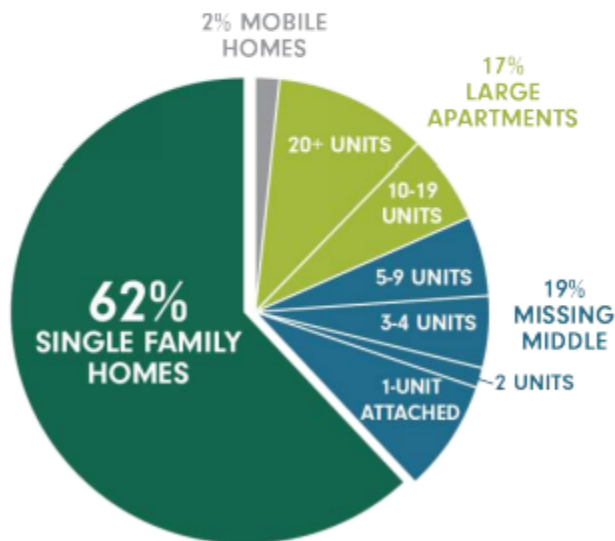
# Need + Demand in Colorado Springs



- Local ADU ordinances (Passed 7/23/20)
  - Accessory Family Suites (“attached” ADUs) permitted by right in all SFH zones
  - ADU Overlay zone created for new residential communities

## TYPES OF HOUSING IN COLORADO SPRINGS

SOURCE: U.S. CENSUS ACS 1-YEAR ESTIMATES DP402



Graphic source: [HomeCOS \(2020\)](#)

- Affordable rental housing shortage
  - 1-unit attached homes minority of housing stock while SFHs comprise majority of stock
- Local buy-in
  - 78% of commenters supported ADUs (collected from emails and townhalls)
- Place still matters
  - Searching by “neighborhood feel” still a top method of house/apt hunting (2019 CDD survey)

# Next Steps for COS

## Community Development Division



SFH homeowners are key participants in creating **affordable** rental inventory. If developers can get subsidies to help house LMI populations, why can't regular homeowners?

### ADUs can help accomplish multiple goals in Colorado Springs

Add affordable housing stock

Combat displacement in dynamic (gentrifying) neighborhoods

Repair decades of disparate impacts of SFH zoning

Create more density

Spur infill development

Invest in local homeowners; reverse trend of ownership transfers to corporate entities

Help seniors age in place

Create more transit riders

Build generational wealth

# Jurisdiction Financing and Regulatory Obstacles



The City of Colorado Springs primarily relies on federal sources to fund affordable housing development. Our main tools are:

- HUD entitlement funds
- LIHTC
- Private Activity Bonds
- Utility fee offset program

CDBG	HOME	ESG
New housing construction not eligible	Geared toward developers	New housing construction not eligible
	ECHO program for manufactured units for seniors incompatible with local ADU goals (audience, building standards, permanence)	Beneficiaries limited to homeless and at risk of homelessness
	Affirmative marketing requirements?	
	Little administrative support for ongoing compliance	

# Homeowner Obstacles and Considerations



Traditional financing	Simplicity in federal guidelines	Admin assistance
Few banks have loan product geared for ADUs	HOME/LIHTC/PAB development teams have lawyers and other professionals to review and comply with HOME agreements – homeowners currently at disadvantage.	Materials, guidance, and general support for first-time, small-scale landlords.
Access to financing already an equity issue	Level of control over ADU design and contractor procurement.	Annual compliance must be simple process.

# Final Thoughts + Contact



- Many citizens want to be part of the solution to our housing crisis. Jurisdictions need more tools to offer homeowners to finance ADUs.
- Reform HOME and CDBG to allow SFH rental solutions via ADUs.
- Simplify homeowner requirements to boost participation.
- Encourage zoning reform in jurisdictions.

**Thank you!**

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