
ADU ordinance

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Date Tue 1/21/2025 1:43 PM

To Sexton, Daniel <Daniel.Sexton@coloradosprings.gov>

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Daniel - per our discussion last week around the concern that the city will be flooded with ADU permit applications resulting from the upcoming ADU ordinance passage, I wanted to provide the following info and reasoning as to why this should not be a concern:

1. Over the past 5 years, ADU's have been allowed on single family lots subject to meeting the various setback and other requirements and less than 60 permits were issued. This historical permit rate is telling.
2. The cost of building ADU's is more expensive per square foot than building a single family residence. Reason being is that the high expense items for kitchens, bathrooms, HVAC must be amortized into a smaller square footage of living space. The average cost to build an \$800 sq ft ADU is in the \$220-240K range. This cost can go even higher if the primary electrical service on the primary residence needs to be upgraded to support the ADU electric load. The horizontal construction effort of excavating for sewer and water may also cost more if traditional equipment is unable to access the construction area due to fencing and / or limited space.
3. Since short term rental / Airbnb and VRBO is not allowed, the perceived demand for short term ADU rental eliminates the economic benefits of people wanting to establish overnight rentals.
4. With the elimination of short term rental, the most common need / use of an ADU is to house a family member aging in place or additional space for visitors or family members. The use case for ADU's given the conditions in the ADU ordinance is really for providing aging in place family members and use as an occasional guest house.

For the reasons mentioned above and others we haven't mentioned, the concern of a flood of ADU permit applications is minimal at best.

Respectfully,

Rod Stambaugh
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Sent from my iPad