

**Media Contact:**  
Eva Henson  
Housing Innovation Manager  
(970) 375-4857  
eva.henson@durangogov.org

949 E. 2nd Avenue  
Durango, CO 81301  
[DurangoGov.org](http://DurangoGov.org)

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# NEWS RELEASE

## City to Provide Financial Incentives for New Accessory Dwelling Units

**Durango, CO:** The City of Durango is offering a pilot program to increase the number of Accessory Dwelling Units, known as ADUs, in the community.

In exchange for a two-year commitment to rent the ADU to a local worker who will reside in the unit as their primary residence, the city will offer owners an \$8,000 rebate. The incentive program will be offered to property owners who build a new ADU or legalize a pre-existing unit.

This amount is approximately equivalent to the total impact fees required to construct or legalize a new unit. Owners must demonstrate that the unit is safe for occupancy, that the renter is employed full-time by a business or organization located in La Plata County, and that lease terms are a minimum of 6 months.

“The goal is to incentivize homeowners who build new accessory units on their properties as part of the ongoing effort to create more housing opportunities in Durango,” said Housing Innovation Manager Eva Henson. The program will use \$80,000 from the previously appropriated 2022 Housing Incentive Program funds and will be issued as first come first serve to the first ten eligible homeowners until the program funds are depleted.

An ADU is a secondary house or apartment that shares a property with a larger single-family home. ADUs are either integrated within, attached to, or detached from the main residence. While these units have been legal in Durango since 2014, fewer than 50 have been built in this time.

### ADU AMENDMENTS

In addition to offering the \$8,000 rebate, City Council recently adopted amendments to ADU standards that provide more flexibility for property owners. Properties with ADUs still must be owner occupied and cannot be used as vacation rentals, but several other restrictions have been relaxed. The following items are among the more significant changes:

- Properties with proposed or existing ADUs are now eligible for variances to design requirements and dimensional standards such as setbacks and building coverage.
- The required number of off-street parking spaces may be reduced by 1 in most cases if street parking is available.
- Minimum lot sizes for integrated or attached ADUs have been eliminated in all zones.
- With the exception of select Planned Developments (which are regulated through custom agreements), ADUs may now be permitted in all residential zones.

Based on city data, most ADUs that have been built to date are detached units. While these can be an important part of the city's housing stock, detached ADUs are only allowed in certain zones and are expensive for many homeowners to build. In contrast, integrated ADUs are permitted in every residential zone within the city. Integrated units can often be converted from existing living space within a home at a fraction of the cost of a detached unit. Permitting more integrated ADUs would add residential units to the city and provide homeowners the opportunity to offset high mortgage costs with rental income.

City planner Dan Armentano said if a single-family homeowner has a few hundred square feet of extra living space, they may be able to convert that space to an integrated ADU for a relatively inexpensive cost. "Renting this space to a local worker creates housing for that person while also improving the financial situation for the owner," he said.

Please visit [www.durangogov.org/ADU](http://www.durangogov.org/ADU) for more information on ADUs and the incentive program.

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