

AGENDA ITEM SUMMARY

City Council



STAFF

Ryan Mounce, City Planner

SUBJECT

Second Reading of Ordinance No. 042, 2026, Amending the Land Use Code of the City of Fort Collins to Adopt Transit Oriented Community Standards.

EXECUTIVE SUMMARY

This Ordinance, unanimously adopted on First Reading on April 7, 2026, seeks Council approval of proposed Land Use Code changes supporting the City's compliance efforts with State House Bill 24-1313, Housing in Transit Oriented Communities. The proposed Code changes are intended to:

- Define and designate specific geographic areas of the community as 'Transit Centers.' Transit Centers are principally commercial and higher density residential zone districts located along existing or planned high-frequency transit.

- Change the review and appeal process for multi-unit dwelling developments five acres in size or less located in Transit Centers to basic development review (staff-level review without a public hearing) to align with State legislative requirements.

- Make minor consistency edits in sections of the Land Use Code being updated as part of Transit Center designations.

Staff held a January 27, 2026, work session with Council and is implementing direction received to implement a phased approach to Transit Center designations. The proposed Code changes support the first phase of Transit Center designations within the Transit Oriented Development Overlay Zone, and staff anticipate bringing forward additional Transit Center designations in other commercial corridors later in 2026 following additional engagement.

STAFF RECOMMENDATION

Staff recommends adoption of the Ordinance on Second Reading.

HB24-1313 Legislation Overview

In 2024, the Colorado Legislature passed House Bill 24-1313, Housing in Transit Oriented Communities (TOC Bill) which requires subject jurisdictions to create a transit-supportive zoning framework near existing or planned high frequency transit. Key requirements and elements of the legislation include:

- **Housing Opportunity Goal** – Communities must prepare a Housing Opportunity Goal calculated by multiplying 40 dwelling units per acre by the size of Transit Areas in the community. Transit Areas are represented by a ½ mile buffer around train stations and ¼ mile buffers along existing and proposed high frequency transit routes. Fort Collins’s Housing Opportunity Goal is 135,176 dwellings based on a Transit Area size, after exemptions, of 3,379.4 acres. Fort Collins’ Housing Opportunity Goal Report depicting Transit Areas in the community and calculation of the Housing Opportunity Goal is attached.
- **Transit Center Designations** – By the end of 2026, communities must submit a final compliance report to the State that designates portions of the community as Transit Centers. In total, all Transit Centers must have residential zoning capacity that meets or exceeds the Housing Opportunity Goal. Transit Centers are generally restricted to areas along or near transit service and stations, must have zoning permitting at least 15 dwelling units per acre, and allow an administrative approval process for multi-unit dwelling projects five acres in size or less.
- **Affordability/Displacement Mitigation Strategies** – Communities must also report to the State the implementation of housing affordability and displacement mitigation strategies. A wide variety of strategies already employed by the City are available for selection, including the use of priority processing for affordable housing projects, land bank programs, affordable housing fee/credit waivers, and more.
- **Ongoing Reporting** – Following submission of a final report on Transit Center designations by December 2026, communities are required to submit periodic compliance reports every 3 years, beginning in 2029.
- **Financial Incentives** – In addition to the requirements described above, the TOC Bill includes dedicated funding for competitive infrastructure grants and affordable housing tax credits in designated Transit Centers.

TOC Bill Implementation & Compliance Status

Fort Collins submitted its Housing Opportunity Goal calculation report to the Department of Local Affairs in the summer of 2025, and the calculation was accepted in the fall of 2025. The next milestone for compliance with the TOC Bill is to designate local Transit Centers and amend the Land Use Code to align the review and appeals process for multifamily development five acres in size or less to administrative review in areas designated as Transit Centers. Once the Code changes are complete, the City will be able to submit its final compliance report to the Department of Local Affairs alongside model calculations for zoning capacity in Transit Centers and a narrative of the housing affordability and displacement mitigation strategies the City employs.

Once reviewed and accepted, the Department of Local Affairs will certify the City’s compliance with the TOC Bill, opening up an initial pilot grant award the City received for \$790,000 for a senior affordable housing project and eligibility to apply for the primary 2027 grant round. Following these activities, the City will also begin submitting periodic compliance reports beginning in 2029.

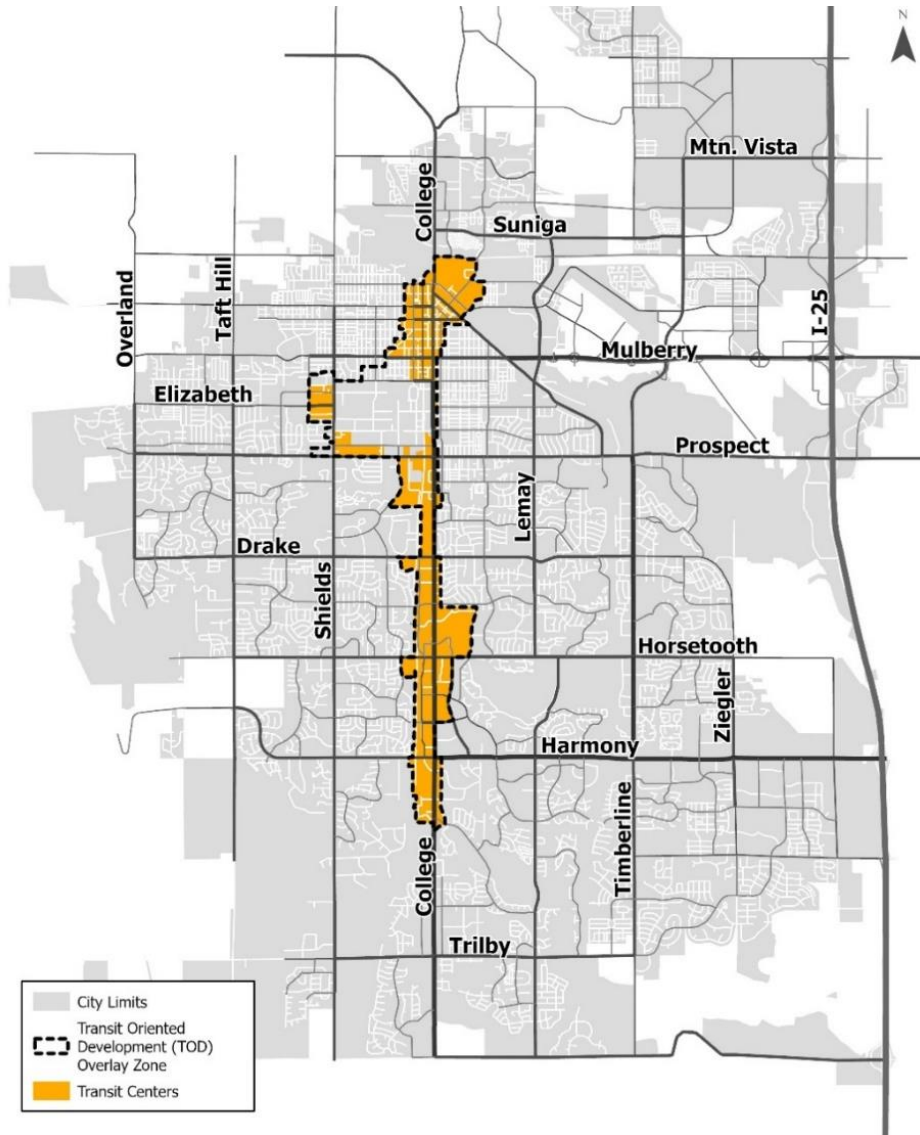
Designating Transit Centers

Designating local Transit Centers as part of compliance efforts with the TOC Bill results in two key changes:

- 1) The review process for multi-unit dwelling developments under five acres in size is changed to an administrative review process ('basic development review' in the Land Use Code). This review process is designed to align with TOC Bill requirements that multifamily projects must be approved administratively without requiring public hearings. This requirement also limits the ability for appeals for eligible projects, similar to the recent State legislation enabling Accessory Dwelling Units.
- 2) Areas designated as Transit Centers are eligible for the financial incentives associated with the TOC Bill, principally competitive grant opportunities and affordable housing tax credits through the Colorado Housing Finance Authority.

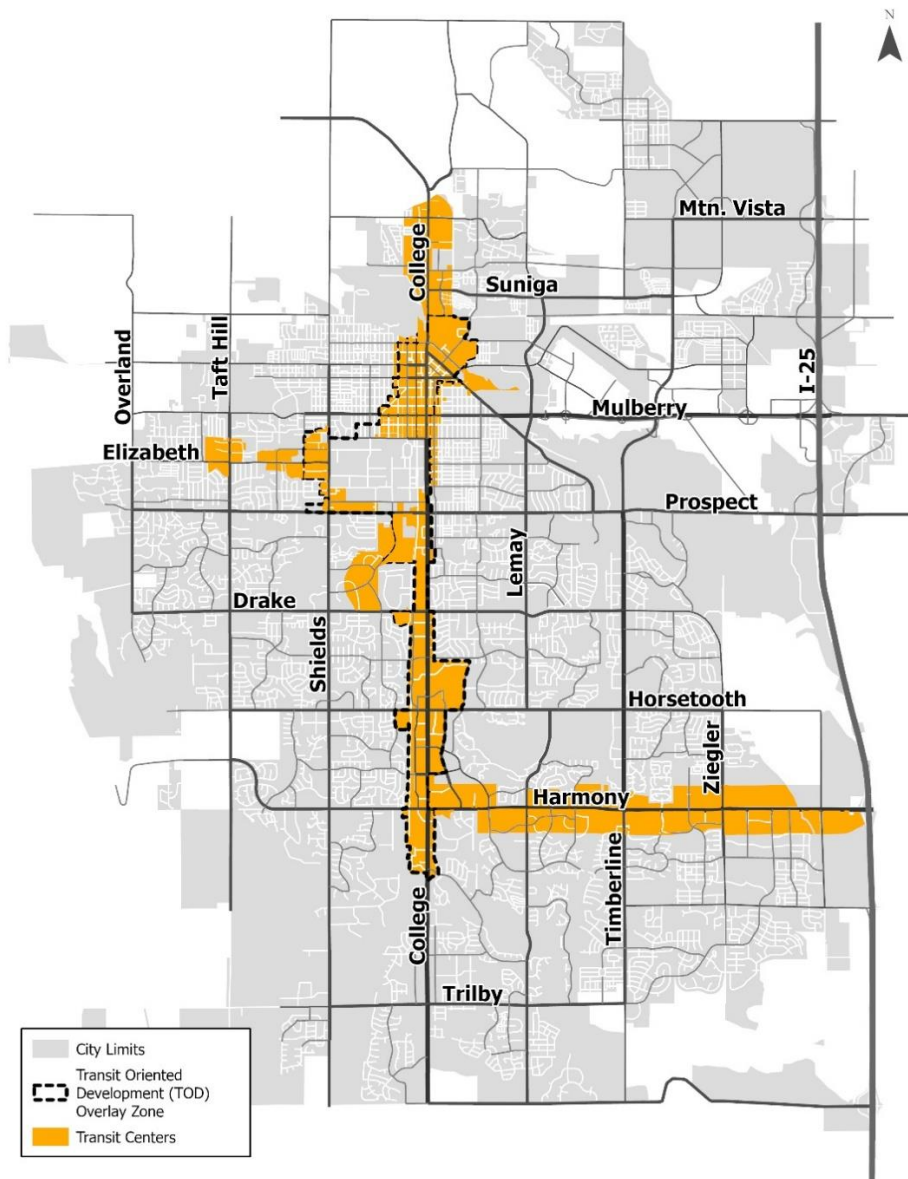
The first phase of Transit Center designations occurs within the existing Transit Oriented Development (TOD) Overlay Zone, which encourages and incentivizes higher density and mixed-use development around Downtown, the CSU Campus, and along the Mason/MAX Bus Rapid Transit Corridor.

Designated areas are illustrated in the map below and are comprised of five mixed-use or high-density residential zone districts within the TOD Overlay Zone boundary: Downtown (D), Community Commercial (CC), General Commercial (CG), Employment (E), and High Density Mixed-Use Neighborhood (HMN).



Transit Centers (Phase 1)

Phase 2 Transit center designations are planned in the second half of 2026 following additional community engagement and anticipated for portions of the Harmony Road, Center Avenue, North College Avenue, and West Elizabeth Street corridors where zoning meets minimum density requirements. The map below illustrates the additional Transit Area designations planned for Phase 2.



Transit Centers (Phases 1 & 2)

Overview of Proposed Land Use Code Changes

The proposed Land Use Code changes are intended to align the Land Use Code to requirements of the TOC Bill legislation. The changes span multiple Articles of the Code as summarized in the table below. Specific text additions and changes are also documented in italics in article below. Changes to the LUC are shown in the attached Ordinance with deleted text struck-through and new text highlighted.

Code Amendments Summary

LEGISLATIVE REQUIREMENT	PROPOSED CODE CHANGE
Designate local Transit Centers	<ul style="list-style-type: none">Define Transit Centers. [Article 7]New Transit Center map indicating geographic boundary of Transit Centers. [Article 7]
Administrative Review Process for Multi-Unit Development in Transit Centers	<ul style="list-style-type: none">Multi-unit dwelling projects 5 acres or less in size within Transit Centers are now subject to basic development review. [Articles 4 & 6]
Multi-Unit Development Appeals Process in Transit Centers	<ul style="list-style-type: none">Update appeals process section for basic development review to indicate there are no appeals for multi-unit dwelling projects 5 acres or less in size within Transit Centers. [Article 6]

Code Amendments Details by Land Use Code Article

- Article 1 - No proposed changes.
- Article 2 - No proposed changes.
- Article 3 - No proposed changes.
- Article 4

Division 4.2, LUC Page 4-2

The following statement has been added below the Residential Land Use table:

Regardless of the level of review indicated in the Residential Uses table above, multi-unit dwelling developments shall be reviewed through basic development review (BDR) if located within a transit center as further described in Section 4.3.1(H)(1).

Division 4.3, Section 4.3(H), LUC Page 4-122

Section 4.3(H) Multi-Unit Dwelling has been expanded with new subsection (1) which reads:

Multi-unit dwelling developments proposed to be located on lots of five (5) gross acres or less in size and located within a transit center shall be reviewed through basic development review regardless of the level of review indicated in Division 4.2. Transit center locations are shown on the map accompanying the transit center definition in Section 7.2.2.

- Article 5 - No proposed changes.
- Article 6

Division 6.3, Section 6.3.12(C), LUC Page 6-31

Additional clarification has been added to the appeals section of the Common Development Review Procedures Division stating appeals of accessory dwelling units and multi-unit developments in transit centers are not appealable to the Planning and Zoning Commission. Section 6.3.12(C) now reads:

Appeal of Minor Amendment, Changes of Use, and Basic Development Review Decisions by the Director. The Director's final decision on a minor amendment or change of use application pursuant to Section 6.3.10(A) or basic development review application pursuant to Division 6.4, *with the exception of final decisions regarding accessory dwelling units and multi-unit developments in transit centers pursuant to Section 4.3.1(H)(1)*, may be appealed to the Planning and Zoning Commission as follows...

Division 6.4, Section 6.4.1, LUC Page 6-34

New sub-bullets (H) and (G) have been added to subsection 6.4.1 expanding the list of the types of projects eligible for the Basic Development Review process. Sub-bullet (H) is a clean-up item reference for Affordable Housing Projects which was previously added as an affordable housing incentive to the Code, while sub-bullet (G) is a reference to the new BDR process eligibility for multi-unit dwelling projects located in Transit Centers. These code additions read:

...

(G) Affordable housing developments.

(H) Multi-unit dwellings located in transit centers pursuant to Section 4.3.1(H)(1)

...

Division 6.4, Section 6.4.3, LUC Page 6-35

A new clause has been added at the end of sub-bullet 6.4.3(L) regarding appeals. Sub-bullet (L) now reads:

(L) Step 12 (Appeals): Applicable pursuant to Section 6.3.12(C). Regardless of the foregoing the Appeals step is not applicable to applications for accessory dwelling units or multi-unit dwellings located in transit centers pursuant to Section 4.3.1(H)(1).

The language of House Bill 24-1313 defines the required administrative approval process as:

(I) A development proposal for a specified project is approved, approved with conditions, or denied by local government administrative staff based solely on its compliance with objective standards set forth in local laws; and (II) Does not require, and cannot be elevated to require, a public hearing, a recommendation, or a decision by an elected or appointed public body or a hearing officer.

The State requirement for an administrative approval process requires the removal of the appeals process for multi-unit developments five acres in size or less in Transit Centers as the current appeals procedure for a basic development review requires elevating an appeal decision to the Planning and Zoning Commission, which requires both a public hearing and a decision by an appointed body.

This proposed Code change foregoes an appeals process for multi-unit dwelling projects in Transit Centers, which is consistent with a similar change made to the Code in 2025 regarding appeals for ADUs based on the same administrative review process requirement in State ADU legislation.

Staff notes there is an inconsistency regarding the applicability of an appeals process using a public hearing between the direct language used in the legislation versus interpretive guidance prepared by the Department of Local Affairs. Staff is continuing to engage with the State seeking clarification on compliance eligibility with the legislation utilizing the Land Use Code's current appeals process.

- Article 7

Division 7.3, Section 7.2.2, LUC Page 7-57

A new definition for Transit Centers is added that reads:

Transit center shall mean the areas shown in the figure below in which multi-unit dwelling developments on lots not exceeding five (5) gross acres in size are permitted by basic development review and a minimum density of fifteen (15) dwelling units per acre is allowed in compliance with the requirements of Colorado State House Bill HB24-1313, concerning increasing the affordability of housing in transit oriented communities. Transit centers shown on the below figure are located within the boundaries of the Transit-Oriented Development Overlay and a more detailed view of the boundaries is shown on the map contained in Section 2.6.1.

In addition, a new map will be inserted below this definition illustrating the geographic boundaries of Transit Center locations. This map is identical to the Phase 1 map shown above. As additional Transit Center designations are contemplated throughout 2026, staff's expectation is that this map will be updated to reflect future areas designated as Transit Centers.

CITY FINANCIAL IMPACTS

None.

BOARD / COMMISSION / COMMITTEE RECOMMENDATION

At its March 25, 2026, hearing, the Planning and Zoning Commission voted 5-0 to recommend Council adopt the proposed Land Use Code amendments. The Commission also provided additional recommendations to Council to:

- Update the Land Use Code to require a neighborhood meeting for multi-unit development projects utilizing the new administrative review process in Transit Centers.
- Request Council direct staff to investigate and implement an internal appeals process.

The Commission's deliberations focused on the need to ensure stakeholders near proposed developments still have appropriate means to learn about a project and provide direct input at a neighborhood meeting as a public hearing will no longer be held. Additionally, the Commission noted nearly all of these multi-unit development projects currently require a neighborhood meeting and the Code should be updated to formalize the requirement for these types of projects even as they move to a basic development review process.

The Commission also felt stakeholders should have the opportunity to initiate a review or appeal internally with the City rather than having to utilize the State court system. While conversations remain ongoing with the State on the interpretation and applicability of an appeals process for multi-unit development projects in Transit Centers, the Commission recommends the City explore and formalize an internal review or appeals process that would not elevate a decision for Transit Center projects to an appointed or elected body in compliance with the direct language of the legislation.

PUBLIC OUTREACH

Based on preexisting policy and land use guidance for the Transit Oriented Development Overlay Zone for higher intensity, mixed-use development and transit investment along the MAX Bus Rapid Transit Corridor, an 'inform' level of engagement was utilized for Phase 1 Transit Area designations according to the City's engagement spectrum.

The following informational resources, meetings, and notifications were utilized leading up to the proposed Land Use Code changes:

- Online resources on the City's Planning website and weekly newsletters updates to 'This Week in Development Review' subscribers.
- Direct Mailings to all parcels being designated as a Transit Center in Phase 1 within the TOD Overlay Zone (approximately 1,950 addresses).
- Presentation to the Midtown Business Improvement District
- Memo to members of the Chamber of Commerce Local Legislative Affairs Committee
- Memo to the Downtown Development Authority
- Informational memos and discussions with the Planning and Zoning Commission at their January, February, and March 2026 work sessions.

Several residents provided public testimony at the March 25, 2026, Planning and Zoning Commission hearing and raised the following concerns:

- Lack of awareness or resident knowledge about future projects proposed in Transit Centers; lack of opportunities to provide input; being displaced unknowingly.
- Staff should not have the ability to approve projects without public input.
- Further intensification and additional development around Center Avenue given the floodplain/floodway issues and sensitive natural features present in the area; City must ensure proper stormwater requirements and that projects are not creating impacts in the area that exacerbate existing runoff issues.

ATTACHMENTS / LINKS

First Reading attachments available in April 7, 2026, agenda materials at the following link: <https://fortcollins-co.municodemeetings.com/>.

1. Ordinance No. 042, 2026