

AGENDA ITEM SUMMARY

City Council



STAFF

Clay Frickey, Planning Director
Noah Beals, Development Services Manager

SUBJECT

First Reading of Ordinance No. 142, 2026, Amending Section 5.2.1 of the Land Use Code of the City of Fort Collins Concerning Affordable Housing to Align With State of Colorado Requirements.

EXECUTIVE SUMMARY

The purpose of this item is to align the Land Use Code with Senate Bill (SB) 26-040, Affordable Home Ownership Program, and House Bill (HB) 23-1304, Affordable Housing Programs. This update specifically addresses affordable housing requirements to comply with HB23-1304 adopted in 2023 and SB 26-040 adopted in 2026. These bills working together require jurisdictions to qualify housing projects that restrict at least 50% of the dwellings for sale to 120% of the Average Median Income ("AMI") as affordable housing as being eligible for expedited development review.

STAFF RECOMMENDATION

Staff recommends adoption of the Ordinance on First Reading.

BACKGROUND / DISCUSSION

The Phase 1 update of the Land Use Code included compliance with HB23-1304. The State also passed an additional bill this year, SB 26-040, that further refines which development projects qualify as affordable housing developments. This year's legislation included for-sale projects that restrict at least 50% of dwelling units to 120% AMI.

The proposed changes are minor in number. They clarify which affordable housing projects qualify for the fast-track review required by the state by adding an additional minimum standard. These changes exceed the minimum state requirement and make fast-track review available to a wider scope of affordable housing projects.

Local Jurisdictions were to comply with the State requirements by November 1, 2026. Again, previous updates to the Land Use Code did address compliance with the State. However, this year's additional bill requires these proposed additions to comply fully.

CITY FINANCIAL IMPACTS

None.

BOARD / COMMISSION / COMMITTEE RECOMMENDATION

Planning and Zoning Commission will be hearing this item on October 15, 2026. An update of their recommendation will be sent as it comes available.

PUBLIC OUTREACH

- October Development Services Newsletter
- October 9, 2026, Planning and Zoning Work Session
- October 15, 2026, Planning and Zoning Public Hearing

ATTACHMENTS / LINKS

1. Planning and Zoning Materials
2. Presentation to Planning and Zoning Commission
3. Ordinance No. 142, 2026