

AGENDA ITEM SUMMARY

City Council



STAFF

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SUBJECT

First Reading of Ordinance No. 118, 2026, Amending the Land Use Code of the City of Fort Collins to Change the Type of Review for Certain Residential Uses.

EXECUTIVE SUMMARY

At the Ad Hoc Committee on Affordable and Sustainable Growth meetings on July 8, 2026, and August 5, 2026, the Committee directed Staff to bring an amendment to the Land Use Code that moves the level of review for single-unit dwelling, single-unit attached dwelling, two-unit dwelling, multi-unit dwelling, and mixed-use dwelling units to Basic Development Review. The Committee requested staff make these amendments to the Land Use Code in alignment with the Council priority related to affordable, sustainable growth. City Council also discussed potential changes to permitted uses at the July 14, 2026, work session. **Staff recommends that Council adopt an alternative to what the Ad Hoc Committee requested and this recommended alternative is included in the Ordinance.**

The recommended alternative changes the Land Use Code level of review for single-unit dwelling, single-unit attached dwelling, two-unit dwelling, multi-unit dwelling, and mixed-use dwelling units to Basic Development Review ("BDR") in most zone districts that currently permit these uses. However, different from what the Ad Hoc Committee directed, staff recommends not changing the level of review for single-unit dwelling, single-unit attached dwelling, and two-unit dwelling in commercial and employment districts since City Plan envisions denser development in these corridors. The Planning & Zoning Commission voted 5-0 to recommend that Council adopt staff's recommended Land Use Code changes with comments.

If Council wishes to adopt the staff recommended Land Use Code changes, the Ordinance as presented should be adopted. This option does not change the level of review to BDR for single-unit dwelling, single-unit attached dwelling, two-unit dwelling, multi-unit dwelling, and mixed-use dwelling units in the commercial and employment zone districts.

If Council wishes to adopt the version the Ad Hoc Committee requested which would change the level of review for single-unit dwelling, single-unit attached dwelling, two-unit dwelling, multi-unit dwelling, and mixed-use dwelling units to BDR in all zone districts as shown in Attachment 2, Council will need to remove this item from the consent agenda and adopt the Ordinance with Attachment 2 substituted for the table currently in the Ordinance.

STAFF RECOMMENDATION

Staff recommends adoption of the Ordinance with Staff's recommended changes.

BACKGROUND / DISCUSSION

Council established priorities for their two-year term in February 2026. One of these priorities is:

Promote affordability and sustainable growth by making development predictable, efficient and cost-effective:

City Plan sets forth a bold vision of livable and sustainable growth for Fort Collins. This priority will remove, replace or fix the systems and regulatory layers creating the biggest challenges to build. We will evaluate programs, incentives, and costs and fees through a lens of a simplified customer experience, to provide growth and development that supports community resilience, creates jobs, provides housing choices, and contributes to cleaner air.

To support this priority, Council created a sub-committee to focus on this Council priority. This sub-committee is called the Ad Hoc Committee on Affordable and Sustainable Growth. At the July 8, 2026, and August 5, 2026, meetings of the Ad Hoc Committee, the Committee directed Staff to bring an amendment to the Land Use Code that moves the level of review for single-unit dwelling, single-unit attached dwelling, two-unit dwelling, multi-unit dwelling, and mixed-use dwelling units to Basic Development Review.

Overview of Proposed Code Changes

The proposed Land Use Code changes modify the Land Use Table in Article 4 as shown in the Ordinance.. The version of the Table within the Ordinance does not change the level of review for single-unit dwelling, single-unit attached dwelling, and two-unit dwelling in commercial and employment districts since City Plan envisions denser development in these corridors. This will provide a process incentive for denser development in these corridors. Staff recommends adoption of the Land Use Code changes that do not change the level of review for single-unit dwelling, single-unit attached dwelling, and two-unit dwelling in commercial and employment districts. An alternative version of the Land Use Table, which changes the level of review to Basic Development Review for single-unit dwelling, single-unit attached dwelling, and two-unit dwelling in commercial and employment districts, is shown in Attachment 2 in case Council decides that adopting the alternative version is appropriate. City Council also discussed potential changes to permitted uses at the July 14, 2026, work session.

Alignment with Adopted Plans:

City Plan (2019)

City Plan contains a section of policies pertaining to Neighborhood Livability and Social Health that contains a wide range of policies dealing with housing and the character of development. Neighborhood Livability and Social Health contains a wide range of housing related policies that acknowledges the various contexts that exist within Fort Collins and a desire to densify in mixed-use, commercial, and downtown districts. What follows is an overview of policies most pertinent to the proposed Land Use Code changes and why they support Staff's recommendation to only lower the review level for single-unit detached, single-unit attached, and two-unit dwellings in residential and mixed-use districts.

- *Principle LIV 1 — Compact pattern of growth / efficient use of land.* Lower density housing types are most appropriate at the edges of the community. Lowering the level of review for these land uses creates a process incentive for housing types that are not ideal for achieving a compact pattern of growth.

- *Policy LIV 3.6 – Context-sensitive Development.* City Plan envisions denser housing along transit, Downtown, and near the CSU campus. While permitting single-unit detached, single-unit attached, and two-unit dwellings are appropriate for neighborhoods, these housing types are not most appropriate in commercial, downtown, and employment districts. As such, these land uses should be subject to heightened review to ensure alignment with the vision of City Plan.
- *Policy LIV 4.1 — New Neighborhoods.* Staff's recommendation better calibrates the review level for lower density housing in new neighborhoods where these land uses are most appropriate.
- *Policy LIV 5.1 — Housing Options.* The proposed Code changes retain the ability for developers to build a wide range of housing throughout Fort Collins while calibrating the level of review to the desired outcomes for each neighborhood context.
- *Policy LIV 5.2 — Supply of Attainable Housing.* Permitting these uses helps ensure a mix of housing that helps lead to more attainable housing. Calibrating the review levels for each type of housing according to the vision of City Plan helps ensure that new development contributes to achieving the goals of City Plan. Staff's recommendation will help to ensure that there is not an incentive to build lower density housing where City Plan calls for higher density housing.

Housing Strategic Plan (2021)

Council adopted the Housing Strategic Plan in 2021 to address the housing affordability challenges facing Fort Collins. The Housing Strategic Plan has a vision that everyone has healthy, stable housing they can afford and puts forth 26 strategies to help achieve this vision. These Land Use Code changes best align with Strategy 16 – Remove barriers to allowed densities through Code revisions. This strategy intended to make it easier to build denser housing and permit a wider variety of housing types in the Land Use Code. The proposed Code changes will better calibrate the level of review for these housing types based on the context in alignment with Strategy 16.

CITY FINANCIAL IMPACTS

Changing the review level for these projects will result in less development review fee collections for these projects. The table below shows the difference in fees between different submittal types.

Application Type	Fee
Basic Development Review	\$16,900
Project Development Plan and Final Plan	\$49,250
Combined Project Development Plan and Final Plan	\$27,675
Limited Scope Review	\$6,925

Most residential projects currently submit both a Project Development Plan and Final Plan. This means that the proposed Land Use Code changes could result in a decrease in fee collections of \$32,350 per project. Some applicants elect to submit a combined Project Development Plan and Final Plan. This option is appealing for applicants with smaller, more straightforward projects that require less utility and engineering review. In an instance where an applicant would currently elect to submit a combined Project Development Plan and Final Plan, the fee differential with Basic Development Review is \$10,775. Staff may also charge projects the Limited Scope Review fee for smaller projects. This fee can apply to projects under 10 residential units.

To understand the financial impact of these changes, staff analyzed all development projects submitted from 2022-2026 (Attachment 1). Staff then applied the new BDR fee to all projects that did not receive the Limited Scope Review fee that are currently a different review level in the Land Use Code. Staff excluded affordable housing projects from this analysis since these submit as Basic Development Review per recent changes to the Land Use Code. Staff found the following:

- Staff found 31 projects that would have had lower fees
 - 25 projects that submitted both a Project Development Plan and Final Plan
 - 4 Project Development Plan submittals that did not proceed to Final Plan
 - 2 combined Project Development Plan/Final Plan applications
- If these projects would have been submitted as Basic Development Review, the City would have received \$873,400 less in development review fees.

BOARD / COMMISSION / COMMITTEE RECOMMENDATION

The Planning & Zoning Commission considered these proposed Land Use Code changes at their regular meeting on August 20, 2026. The Commission voted 5-0 to recommend that Council adopt staff's recommended Land Use Code changes with the following comments: The Land Use Code retain Type 2 review for large multifamily and mixed-use developments while allowing Basic Development Review for smaller, less complex housing projects. Large projects can have substantial, long-term effects on transportation, infrastructure, neighborhood connectivity, building form, and surrounding properties. Neighborhood meetings and public hearings provide transparency and meaningful engagement that written comments during administrative review cannot fully replace, and they create an important opportunity to address concerns at the Project Development Plan stage before final engineering limits the ability to make changes. A tiered review framework should establish reasonable thresholds based on unit count, acreage, building size, or anticipated community impact. This recommendation is in addition to the Staff limiting the less intense dwellings in commercial zone districts.

PUBLIC OUTREACH

None.

ATTACHMENTS

1. Fee Differential by Development Project – 2022-2026 YTD
2. Alternative Proposed Land Use Code Changes
3. Presentation
4. Ordinance No. 118, 2026