

OPTION 1

ORDINANCE NO. 107, 2025 OF THE COUNCIL OF THE CITY OF FORT COLLINS AMENDING THE CODE OF THE CITY OF FORT COLLINS TO CLARIFY THE CONDITIONS OF RENEWAL OF EXISTING NON- PRIMARY SHORT TERM RENTAL LICENSES

A. In 2017, the City adopted short term rental (“STR”) licensing regulations in the Code of the City of Fort Collins (“City Code”) and associated Land Use Code text amendment regarding STRs.

B. The licensing regulations and zoning use restrictions adopted in 2017 were in response to community concerns regarding STRs and were adopted for the purposes described in City Code Section 15-640 as follows:

1. Ensuring the safety of renters of short term rentals;
2. Mitigating the impacts of short term rentals on neighborhoods;
3. Maintaining and enhancing neighborhood livability;
4. Promoting a fair operating environment for all persons in the business of providing lodging or transient accommodation; and
5. Facilitating ongoing data collection to further evaluate the impact of STRs on the neighborhoods in which they are located and on affordable housing.

C. Consistent with the purposes for adopting short term rental regulations and in response to further City evaluation of short term rentals and changing conditions, the short term rental regulations were subsequently amended in 2017, 2019, and 2024.

D. To achieve the stated purposes, the City established both primary STRs and non-primary STRs with the principal difference being that the former requires the license holder to reside on the lot where the STR is located while the latter does not.

E. The determination of where to initially allow primary or non-primary STRs, or both, was made with the intent of mitigating the negative impacts of STRs by preventing STRs from being established in strictly residential zones and allowing them in zones with a greater mix of uses.

F. In initially determining where to allow each type of STR, the City reviewed the existing use list for each zoning district. Primary STRs were similar to the bed and breakfast use which requires an on-site manager residing on the property and were determined to be appropriate in zones with mixed uses but tending towards a more residential character. In contrast, non-primary STRs were similar to lodging establishments that do not need a residential on-site manager and were determined to be appropriate in zones with mixed uses but tending towards a more retail or commercial character.

G. The Community Commercial – North College (“CCN”) zone district was designed for the fringes of retail/commercial core areas and corridors and intended for

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moderate intensity uses that support the commercial core or corridor and help to create a transition and link between the commercial areas and surrounding residential areas. The CCN includes two areas in the City, one of which is the Old Town North neighborhood located east of North College Avenue and north of East Vine Drive.

H. In 2017 when the STR regulations were adopted, the areas zoned CCN were less developed but had the potential to develop with a greater mix of commercial uses. Based upon these conditions in 2017, allowing both primary and non-primary STRs as allowed uses subject to licensing in the CCN district was consistent with the purpose of the adopted STR regulations.

I. Since 2017, the Old Town North neighborhood has developed a greater mix of residential uses instead of the anticipated commercial uses, resulting in an area that is residential but still supports the retail core areas of North College Avenue and serves as a transition and link between surrounding neighborhoods.

J. The City averages between 375 and 400 STR licenses each year, with three primary STR licenses and 73 non-primary STR licenses issued in the Old Town North neighborhood. Approximately 25% of the dwellings in the Old Town North neighborhood are licensed for STR use and this is proportionately high in comparison to any other neighborhood in the City.

K. Since 2017, the City has continued to receive numerous complaints from residents in the Old Town North neighborhood regarding nuisance issues, including noise, parking, and trash, and regarding the overall lack of community and ability to build community due to the transient occupancy of STRs in the neighborhood.

L. Based upon the ongoing complaints regarding STRs, City staff conducted neighborhood outreach, including a neighborhood meeting, in 2025 to better understand and discuss the concerns of Old Town North neighborhood residents and STR owners. Based upon this outreach and discussion, City staff is recommending a Land Use Code text amendment to eliminate non-primary STRs in the CCN to mitigate the negative impacts and achieve the purposes of the City's STR regulations. City staff is also recommending an amendment to the City Code STR regulations to allow existing non-primary STR licensees to continue to be eligible for renewal.

M. In order to achieve the purposes of the City's adopted STR regulations, especially mitigating the impacts of short term rentals on neighborhoods and maintaining and enhancing neighborhood livability, and in consideration of the proportionately high concentration of non-primary STR licenses in the Old Town North neighborhood, the development pattern since 2017 of a greater mix of residential uses instead of the anticipated commercial uses in the Old Town North neighborhood, and the comments of Old Town North neighborhood residents regarding the negative impacts of non-primary STRs in their neighborhood, City Council finds that a Land Use Code text amendment to remove non-primary STRs in the CCN is justified.

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N. In connection with City Council's decision to adopt a text amendment to the LUC to remove non-primary STRs as a use in the CCN, City Council is adopting amendments to City Code Section 15-647 to allow non-primary STR license holders in the CCN to continue to be eligible to renew such licenses with certain restrictions as set forth in this Ordinance finding that this change is consistent with the purposes for adopting STR regulations described in City Code Section 15-640.

In light of the foregoing recitals, which the Council hereby makes and adopts as determinations and findings, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF FORT COLLINS that Section 15-647 of the Code of the City of Fort Collins is hereby amended by the addition of a new Subsection (c) which reads in its entirety as follows, with all subsequent Subsections to be re-lettered accordingly and any cross references corrected as needed:

Sec. 15-647. - Term of license and renewal.

(a) Licenses issued pursuant to this Article shall be valid from the time of issuance through the following June 30. Licenses must be renewed annually and a renewed license shall be valid for the period from July 1 through the subsequent June 30.

(b) Renewal applications shall be reviewed by the Financial Officer in consultation with the Director, are subject to § 15-648, § 15-649, and must meet the standards set forth in § 15-644.

(c) For any license issued in a zone district that allowed the licensed use at the time of issuance but that no longer allows such licensed use at the time of renewal, the licensee is eligible to apply to annually renew the issued license pursuant to the requirements of this Article provided that from the effective date of the ordinance that eliminated the licensed use, the license must not have been revoked, suspended, or lapsed for any period of time, or denied renewal by the City.

(1) Any license eligible for renewal pursuant to this Subsection (c) shall automatically expire at the time the ownership of the licensed premises changes.

(2) The new owner of the previously licensed dwelling unit is eligible to apply for a license identical in scope to the previously issued license provided the previously issued license was continuously valid from the effective date of the ordinance that eliminated the licensed use and the new owner applies for a license within thirty (30) calendar days of the date of transfer of ownership of the dwelling unit.

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Introduced, considered favorably on first reading on June 17, 2025, and approved on second reading for final passage on July 1, 2025.

Mayor Pro Tem

ATTEST:

City Clerk

Effective Date: July 11, 2025

Approving Attorney: Brad Yatabe

Exhibits: None