

AGENDA ITEM SUMMARY

City Council



STAFF

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SUBJECT

Second Reading of Ordinance No. 107, 2025, Amending the Code of the City of Fort Collins to Clarify the Conditions of Renewal of Existing Non-Primary Short Term Rental Licenses.

EXECUTIVE SUMMARY

This Ordinance, adopted on First Reading on June 17, 2025 by 4-3 (Nays: Ohlson, Gutowsky, Potyondy), amends the City Code to allow existing Non-Primary Short Term Rentals licenses to be renewed.

On second reading, Council will have two options. The first option is the original language which allows for transfer of license upon sale. The second option removes the ability to transfer upon sale.

To most effectively address the unintended concentration of Non-Primary Short-Term Rentals in this zone, staff recommends adoption of the second option.

Beyond Council action, staff will continue to review and update policies and fee structures related to STRs. Any actions or recommendations will be provided through memo update.

Ordinance No. 106, 2025 and Ordinance No. 107, 2025 were presented together on first reading. However, Ordinance No. 106, 2025, will be considered under the Consent Calendar section of the Agenda, and Ordinance No. 107, 2025, due to a split vote on first reading, is to be considered under the Discussion section of the Agenda.

STAFF RECOMMENDATION

Staff recommends adoption of the second option.

FIRST READING BACKGROUND / DISCUSSION

In March 2017, the City adopted regulations requiring a license and prohibiting short-term rentals dependent on the zone district in which the home is located. The multi-year process of establishing these standards underwent several public meetings and refinements, including four work sessions with Council. The initial Ordinance that adopted these regulations stated the following purposes:

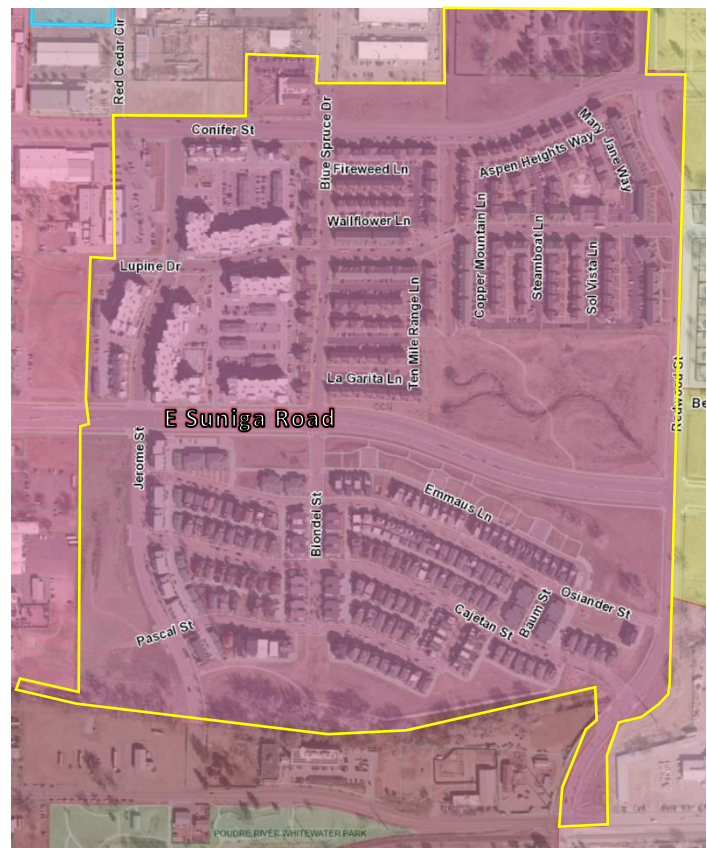
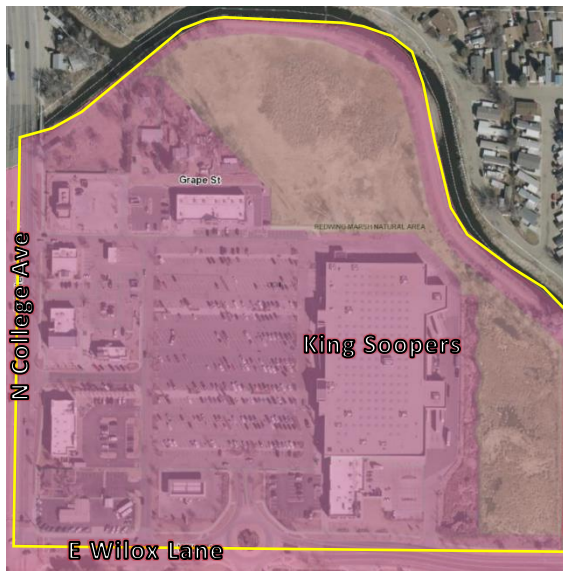
- The City wishes to protect neighborhoods while accommodating an existing and desired activity; and
- Utilizing existing zoning code provisions and applying additional requirements on short-term rental activities, neighbors, renters, and traditional lodging establishments can all be protected from unregulated activity; and

- Limiting Short-Term Rental activity by zone, inspecting properties, requiring minimum parking, and requiring tax remittance will address concerns and provide a framework for Short-Term Rental activity without jeopardizing neighborhood quality.

To achieve these objectives, the City established two types of Short-Term Rentals (STR): the primary STR and the non-primary STR. The primary STR requires an STR license holder to reside on the lot on which the license has been issued at least nine months of the year. The non-primary STR license holder is not required to reside on the lot. Both are required to provide contact information for a person who could respond within four hours to any issues raised by the renter or the City.

In determining where to allow each type of STR, the City reviewed the existing use list of each zoning district. It was determined that primary STRs were similar to bed and breakfast use, as a bed and breakfast requires an on-site manager who resides on the property. Non-primary STRs are like lodging establishments that do not need an on-site manager to reside on the property. This prevents STRs from being established in zones that are strictly residential and allows STRs in zone districts with a greater mix of uses.

The Community Commercial-North College (CCN) Zone district was designed for fringes of retail/commercial core areas and corridors. This district is intended for moderate intensity uses that support the commercial core or corridor and help create a transition and link between the commercial areas and surrounding residential areas. This designation is only for areas identified for its application in the North College Corridor Plan. There are two areas of the City zoned CCN; both are shown in the following images.



In 2017 when the STR regulations were established these areas of CCN zone were less developed. There was still potential for the Old Town North neighborhood shown in the image on the right to develop with a greater mix of commercial uses. This neighborhood has instead developed a mix of residential uses, including single-unit, multi-unit, and attached single units. However, the mix of commercial uses is limited to one building on the SE corner of Jerome Street and East Suniga Road. This neighborhood, over half of

which is zoned CCN, is a residential area that still supports the retail core areas of North College Avenue and creates a transition and link between surrounding neighborhoods.

As the City has issued STR licenses, there has been a high concentration of licenses in the Old Town North Neighborhood (OTN). The City averages 375-400 total STR licenses every year. At least a third of the total has been issued in OTN. Among these licenses, there are now three primary STRs and seventy-three non-primary STRs. There are approximately 300 dwellings built in this neighborhood and more have been approved for construction. Approximately 25% of the dwellings in OTN are licensed for STR.

Comparing OTN to other parts of the City, we found that the number of licenses in OTN is high. We looked at a neighborhood close to downtown comprised of 500 single-unit dwellings. In this neighborhood, there are 19 total STR licenses. This part of town does not allow non-primary. However, three of the 19 licenses are non-primary and considered non-conforming. Additionally, the City has a total of 49 non-primary licenses that are non-conforming.

Since 2017, the City has received complaints about STRs in the OTN. Complaints have included nuisances and the overall lack of community and ability to build community. Over the years, different City departments have investigated and responded to nuisance related issues. These interactions have often frustrated the complaining party as the City could not produce enough evidence to revoke any license. This lack of evidence was usually related to the time of day the offense occurred, after normal business hours, and the overall City value of voluntary compliance. Police may have responded, but no report or correction action was required or documented.

Earlier this year, the City conducted an open neighborhood house where the OTN residents and owners were invited to speak with staff about STRs. Over 50 people came, and 47 signed in. A summary of the feedback received that night and additional emails sent after the meeting have been attached to this report. There are mixed opinions on the issues and approaches to address concerns.

Staff is presenting an option to remove non-primary STRs as a use in the CCN zone district. This change only prevents new licenses from being issued and does not prohibit the seventy-three non-primary STR licenses currently issued from continuing to operate. The proposed change would also allow the existing licenses to be renewed upon sale. If Council approves this option, staff will continue to work with the neighborhood to explore other mitigation options that OTN residents and owners have shared.

In addition to the proposed change in the Land Use Code, staff is presenting a corresponding update to the City Code. These changes clarify that the existing non-primary STR licenses issued can continue to operate per the license and be renewed by both current license holder and by a new property owner up to 30 days after the sale of the property. This is consistent with other non-conforming STR licenses.

CITY FINANCIAL IMPACTS

The proposed code changes would limit the number of non-primary short term rental licenses that could be issued in this zone district. All STR licenses generate sales tax within the City and make up .3% of the total sales tax revenue.

BOARD / COMMISSION / COMMITTEE RECOMMENDATION

The Planning and Zoning Commission (P&Z) recommends adopting the proposed changes. In the [May 15, 2025 hearing](#), P&Z heard approximately 3 hours of public testimony and then deliberated for 45 minutes. This led to a split vote when Commission Member Shepard made the following motion:

Moved that the Planning and Zoning Commission recommend to Council to adopt the proposed Land Use Code Change to remove non-primary short term rentals as a use in the Community Commercial North College Zone District based on the materials and the staff report presented at the work session and this commission discussion and the testimony tonight indicating that impacts that this one particular

neighborhood are significant and at a scale not seen anywhere else in our City and that calls for the negative externalities on non-primary short term rentals to be addressed.

This motion was seconded by Commission Member Bruxvoort. Commission Chair Sass voted in favor of the motion. There were only five members present, and the motion carried with three yes votes. Commission Member Connelly opposed the motion being sympathetic to the negative impacts but found the changes unfair to those who invested in properties and are following the existing rules. Commission Member York also opposed the motion believing there are other options that could be explored to mitigate impacts. Commission Members Stackhouse and Peel were absent.

It was noted by one Commission Member that the \$150 initial application fee and \$100 renewal fee is shocking for dealing with some of the problems that are created in the neighborhoods.

Comments from community members were consistent with the emails and feedback Council has received.

- Divided opinion on the proposed Land Use Code changes
 - Community members supportive of the changes noted:
 - The negative impacts of short term rentals on Old Town North including loud parties, erosion of community feel, parking, trash, and safety.
 - Although the full time residents are a cohesive group, it's almost impossible to create a resilient neighborhood with transitory neighbors (i.e. check on packages, borrow from, or look for one another.)
 - Non-primary short term rental operators could still have financially viable uses of the property if the proposed Land Use Code changes pass.
 - Neighbors feeling like they have to police the activity of short term rentals.
 - Community members opposed to the Land Use Code changes noted:
 - The various measures Non-Primary Short Term Rental license holders have implemented to address impacts of short term rentals on Old Town North including Good neighbor agreements, evictions, blacklisting disrespectful guests, parking/trash management.
 - Concerns that regulations single out Old Town North and is not equitable.
 - The City has ways to address negative impacts of short term rentals without banning new Non-primary Short Rental licenses.

PUBLIC OUTREACH

Prior to January 2017, staff met with individual stakeholder groups, the Visit Fort Collins Board, the Fort Collins Board of Realtors, and hosted three community open houses in 2016.

Non-statistically valid online surveys were also conducted, including one targeted to neighbors of licensed STRs. The topic of STRs has been very polarized throughout the community. Since the first outreach STR hosts have wanted some level of regulation and neighbors have expressed a high level of concern about neighborhood quality.

The focus of neighbor concerns includes the following:

- A desire to classify STR operation as a commercial use not a residential use.
- General neighborhood impacts such as parking, noise, and lack of understanding of neighborhood norms.

- A loss of “neighborhood fabric” by not having permanent neighbors who are part of the community.

The existing regulations were designed to create a balance between protecting neighborhood quality and allowing this unique opportunity within our community.

Although not all complaints come through the City’s Access Fort Collins report system, since 2017 the City has received 183 complaints through that system for the Old Town North neighborhood. Out of these 63 specifically included in the description wording Short Term Rentals. It is unclear if the other reports submitted are connected to a Short-Term Rental. These complaints were investigated by the appropriate departments.

As mentioned earlier, an open house meeting was conducted for the Old Town North neighborhood on February 3, 2025, at the Old Town Library. Since then, several emails have been sent to CityLeaders@fcgov.com providing feedback consistent with what we heard at the open house.

ATTACHMENTS

First Reading attachments available in June 17, 2025, agenda materials at the following link: <https://fortcollins-co.municodemeetings.com/>.

1. Ordinance No. 107, 2025, Option 1
2. Ordinance No. 107, 2025, Option 2