

AGENDA ITEM SUMMARY

City Council



STAFF

Sue Beck-Ferkiss, Social Policy and Housing Programs Manager
Vanessa Fenley, Senior Housing Manager
Jacob Castillo, Chief Sustainability Officer

SUBJECT

Second Reading of Ordinance No. 100, 2025, Updating Various Provisions of the Code of the City of Fort Collins Related to Affordable Housing.

EXECUTIVE SUMMARY

This Ordinance, unanimously adopted on First Reading on June 17, 2025, conforms the definitions relating to affordable housing in the City Code to those in the Land Use Code, removes language for a program that was repealed, and removes the requirement of a specific fee amount when requesting affordable housing fee delays.

STAFF RECOMMENDATION

Staff recommends adoption of the Ordinance on Second Reading.

FIRST READING BACKGROUND / DISCUSSION

Staff is actively engaged in updating the City's Land Use Code (LUC), originally established in 1997, to better meet the evolving needs of our community. This work is being implemented in two phases. The focus of the first phase was housing regulations. The first phase was successfully adopted by City Council on May 7, 2024, and became effective on May 17, 2024.

The updated LUC speaks to affordable housing development in Article 5, Division 5.2 and in Article 7 definitions. Section 5.2.1 (C) of the LUC establishes standards for rental and for-sale affordable housing. These updated and nuanced standards are different than those currently in the City Code.

The new LUC standard requirements for Rental units are:

- 10% of total units priced to 60% area median income (AMI) or
- 20% of total units priced to 80% AMI.

The new LUC standard requirements for For-sale units are:

- 10% of total units priced to 80% AMI or
- 20% of total units priced to 100% AMI.

Further, Section 5.2.1 (D) (3) of the LUC requires that affordable units stay affordable for at least sixty (60) years.

Section 26-631 of the City Code defines these terms differently and the definition in Section 26-631 is used in various other provisions of the Code. Both affordable housing units for rent and for-sale are defined as homes available on terms that would be affordable for households earning 80 % or less of the area median income of City residents. This section requires a minimum affordability period of only 20 years. That is in direct conflict with the new LUC regulation. To avoid confusion, the municipal language code will refer to the LUC definitions to assure consistency now and, in the future, should these standards change over time. Code updates will also apply the compliance, reporting, and monitoring requirements applicable to affordable housing developments under the Land Use Code to affordable housing developments under the Code.

This Ordinance also addresses two clean-up items. The first is to remove repeated references in the City Code to an incentive program that was repealed and replaced in 2020. Lastly, the Ordinance removes language imposing a \$50 fee for requesting affordable housing fee delays. The City does offer a fee delay program for some development fees paid by affordable housing developers. Any fee related to this incentive should be regulated through administrative processes and not be set in code language. Removing this reference allows flexibility in establishing whether a fee is required and if so, what is the appropriate amount.

CITY FINANCIAL IMPACTS

Only the change related to the \$50 could have financial impacts. Any financial impact is negligible because only one or two requests are made in any year and because the fee amount is so small.

BOARD / COMMISSION / COMMITTEE RECOMMENDATION

The Affordable Housing Board was advisory to staff and City Council during the updating of the LUC and supported the nuanced affordability definitions and increased minimum affordability term.

PUBLIC OUTREACH

Extensive public outreach was conducted during the LUC update process. No additional public outreach was done on this Ordinance.

ATTACHMENTS

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

1. Ordinance No. 100, 2025