



Land Use Code: Potential Code Alternatives

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July 31, 2023

Introduction: Overview and Policy Alignment

(3 min presentation)

Part 1: Engagement Update and Timeline

(5 min presentation)

Part 2: Zone-Specific Alternatives

(30 min presentation; 80 min discussion)

Part 3: Citywide Alternatives

(15 min presentation; 45 min discussion)

Conclusion: Next Steps

(2 min presentation)



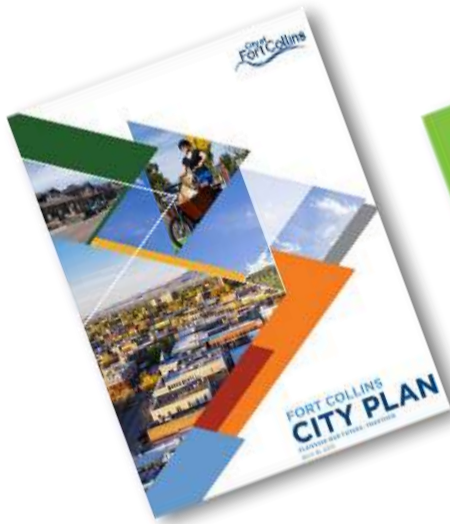
Which alternatives would Councilmembers like to incorporate into the draft Land Use Code?



Purpose of the Land Use Code Updates:

To Align the LUC with Adopted City Plans and Policies with a focus on:

- Housing-related Changes
- Code Organization
- Equity



FIVE GUIDING PRINCIPLES

Revisions to the code will continue to support the five guiding principles confirmed by City Council in November 2021 with an emphasis on Equity.

1. *Increase overall housing capacity* (market rate and affordable) and calibrate market-feasible incentives for deed restricted affordable housing
2. *Enable more affordability* especially near high frequency transit and growth areas
3. *Allow for more diverse housing choices* that fit in with the existing context
4. *Make the code easier to use and understand*
5. *Improve predictability* of the development permit review process, especially for housing

Key Topic Areas

Other Changes

1. *Increase overall housing capacity* (market rate and affordable) and calibrate market-feasible incentives for deed restricted affordable housing
2. *Enable more affordability* especially near high frequency transit and growth areas
3. *Allow for more diverse housing choices* that fit in with the existing context
4. *Make the code easier to use* and understand
5. *Improve predictability* of the development permit review process, especially for housing

- Housing types and number of units allowed in RL, NCL, and NCM Zones
- Affordable housing incentives
- Affordable housing definitions + requirements

- Regulations to enhance compatibility in RL, NCL, and NCM Zones
- Private covenants and HOAs
- Parking
- Short-term rentals (STRs)

- Levels of review for residential development
- Basic Development Review process

- Housing types allowed in mixed-use and some commercial zones (cottage court, ADU, etc)
- Increasing maximum density in LMN Zone from 9 to 12 dwelling units per acre

- Maximum 2,400 sq. ft single-unit floor area in NCM, NCL, NCB
- Design requirements (bulk plane, façade articulation, etc.) and rear-lot requirements in NCM, NCL, NCB
- Form-based approach to regulating housing types

- Code reorganization
- Simplify and rename NCL, NCM, NCB to OT A, B, C
- Clarification of definitions/measures
- Graphic and form-based representation of code standards



Engagement Update

Current and Upcoming Engagement Opportunities:

- Potential Code Alternatives Questionnaire
- Spanish-Language Walking Tour July 26th
- Potential Code Alternatives Open House August 9th

Engagement to Date:

- 38+ meetings and events over the last 4 months
- 10+ updates to Council + Boards and Commissions
- 200+ emails and general comments received
- 60 attendees at the April Virtual Info Session
- 70 attendees at the April Deliberative Forum
- 175 attendees at the May 8th open house event
- 100+ attendees total at 13 neighborhood-specific walking tours and 1 general walking tour



Stage 1 (March - April)

- Begin outreach
- Identify areas for engagement and potential adjustment

Stage 2 (April - June)

- Gather feedback through dialog
- Listen, Consult & Involve

Stage 3 (June - July)

- Draft Potential Alternatives
- Analysis & Legal Review

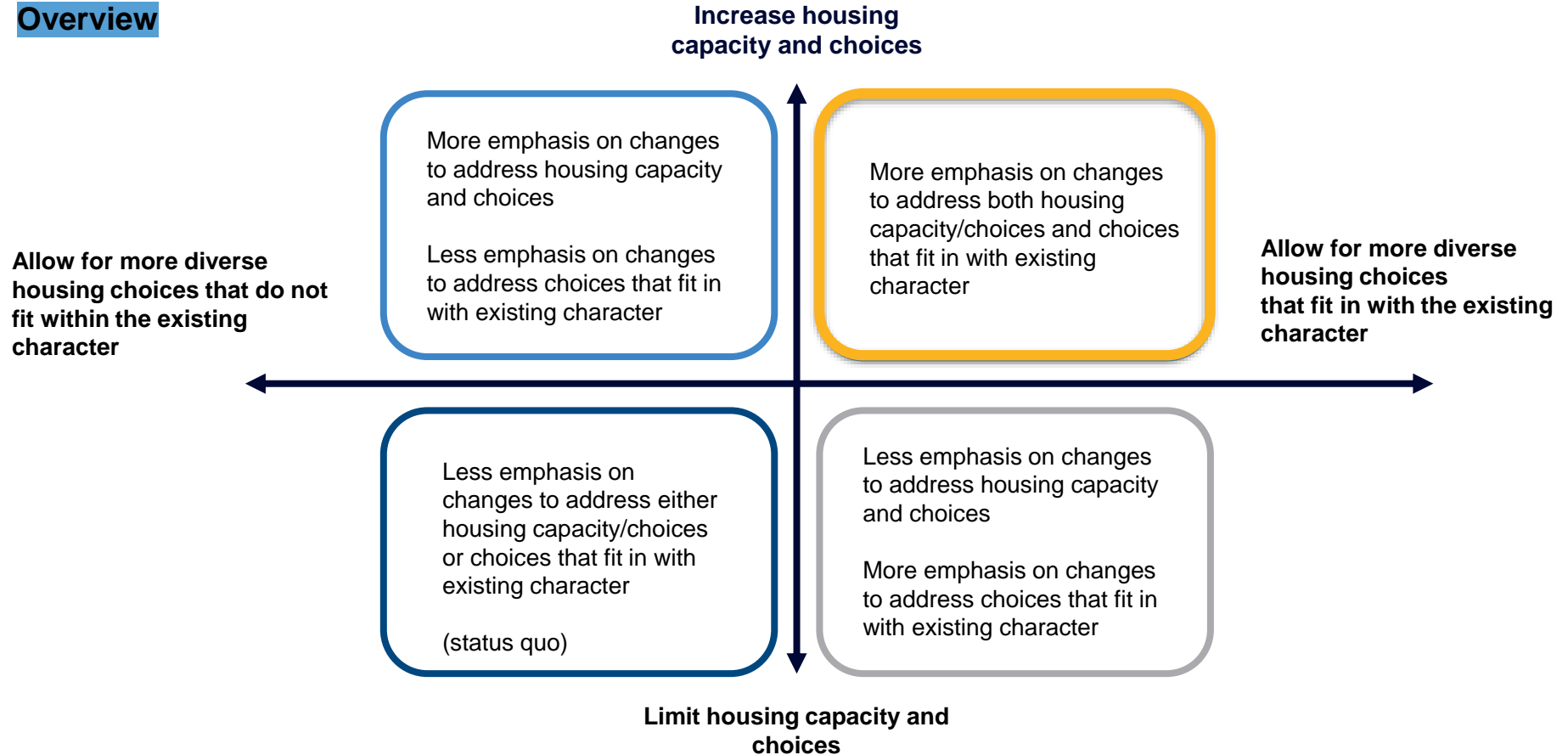
Stage 4 (August - October)

- Code drafting
- Recommendations & Adoption

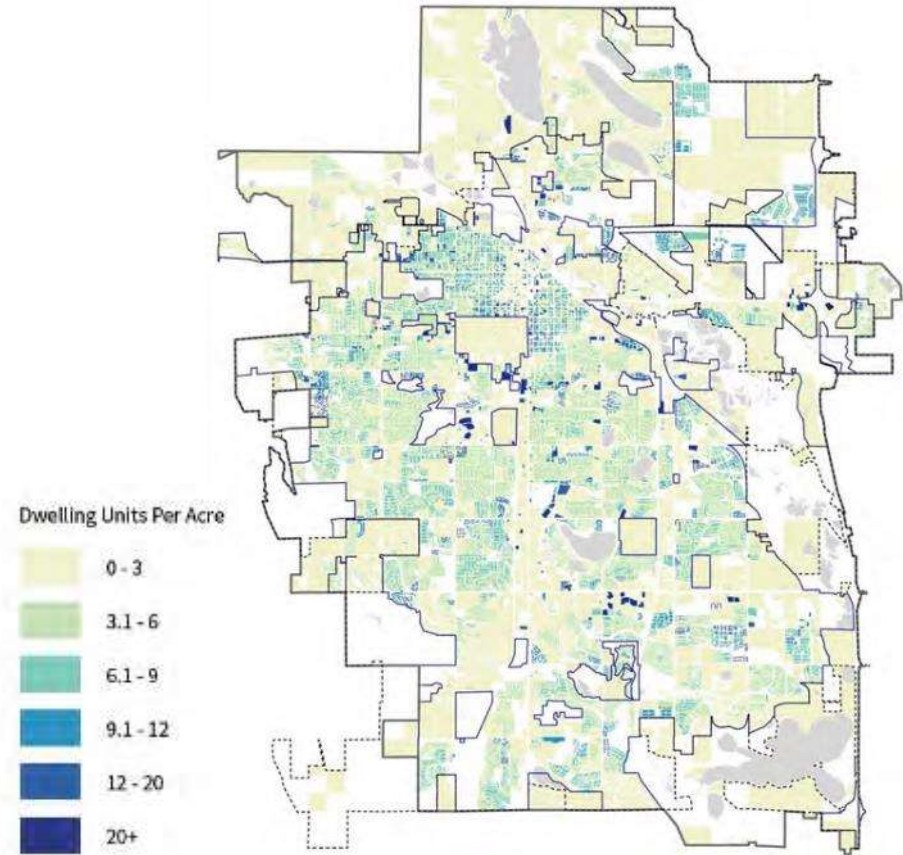


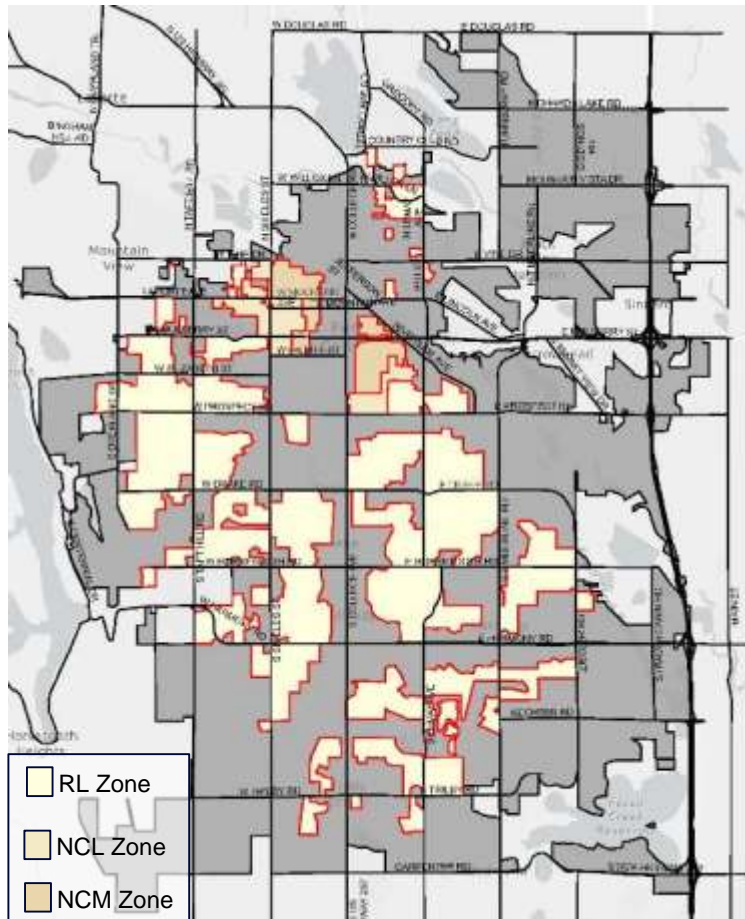
Potential Alternatives and Revisions

Overview

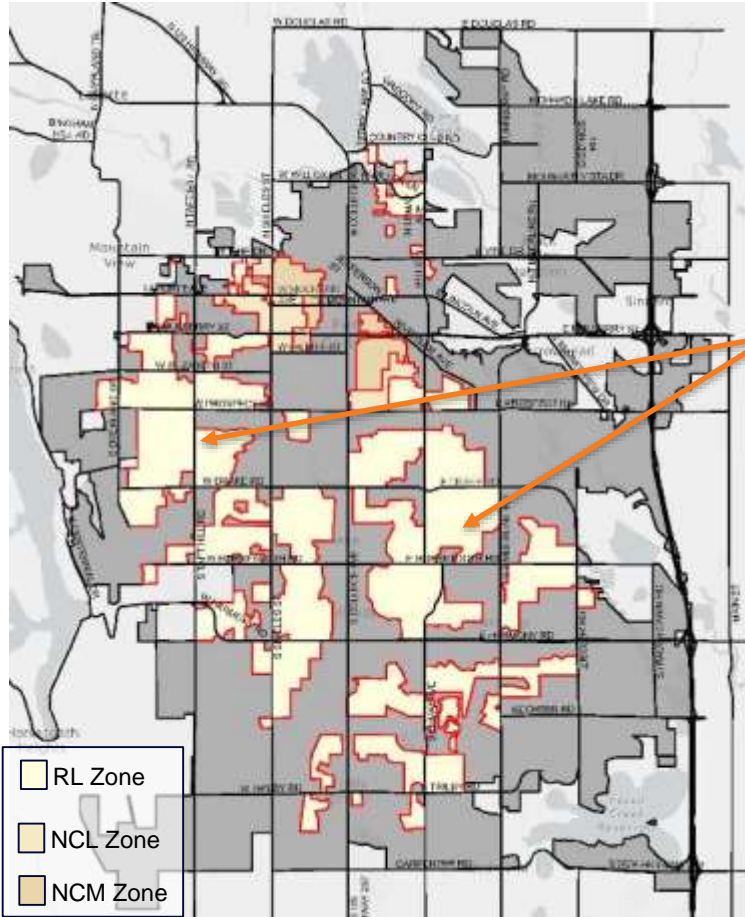


- Sufficient zoned capacity increases the opportunity to meet current and future housing needs and supports the build-out of the Transit Master Plan
- About 15% of the city's land area contains 9 or more dwelling units per acre
- About 85% of the city's land area contains less than 9 dwelling units per acre
 - About 35% is 3-6 units per acre
 - About 31% is less than 3 units per acre
- Potential alternatives represent an attempt to address both the desire for increased housing capacity and community feedback indicating that previous proposals allowed for too much density, especially in neighborhoods predominately comprising single-unit, detached houses





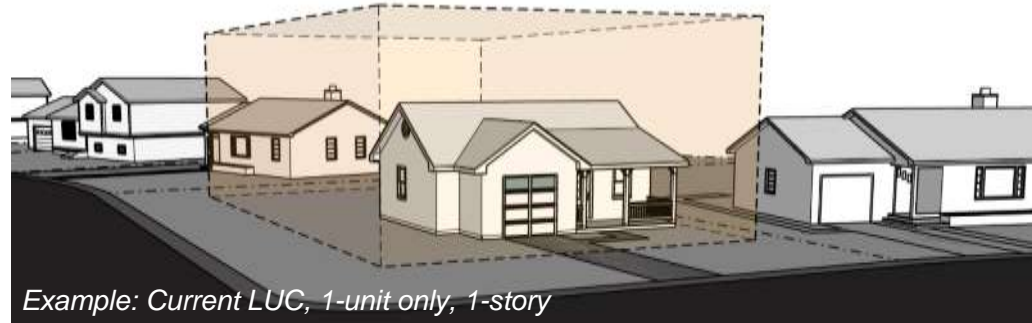
- There are 26 total zone districts within the City
- Alternatives focus on three residential zone districts:
 - Residential, Low Density (RL)
 - Neighborhood Conservation, Low Density (NCL)
 - Neighborhood Conservation, Medium Density (NCM)
- Combined, these three zones comprise about 25% of the city's land area



- Largest zone district in Fort Collins
- 23% of zoned land area in City limits
- Most neighborhoods contain primarily single-unit, detached homes
- Over 50% of existing housing was built between 1960 and 1997



- *Housing Types:* Single-unit detached house
- *Lot Size:* 6,000 sq feet minimum and 3 times the total floor area, whichever is greater
- *Maximum Height:* 28 feet for residential buildings
- *Hearing Type:* Building permit for parcel in an existing subdivision; Public Hearing (Type 1) for new subdivision



Should the RL Zone allow up to two units maximum?

4 Allow two units maximum (house + ADU or duplex only).

Should Accessory Dwelling Units (ADUs) be permitted?

1 Limit ADUs to one story when there is no alley.

2 Allow ADU with single unit dwelling, not with a duplex.

3 Require ADU properties to be owner occupied (meaning owner has to reside in one of the units).

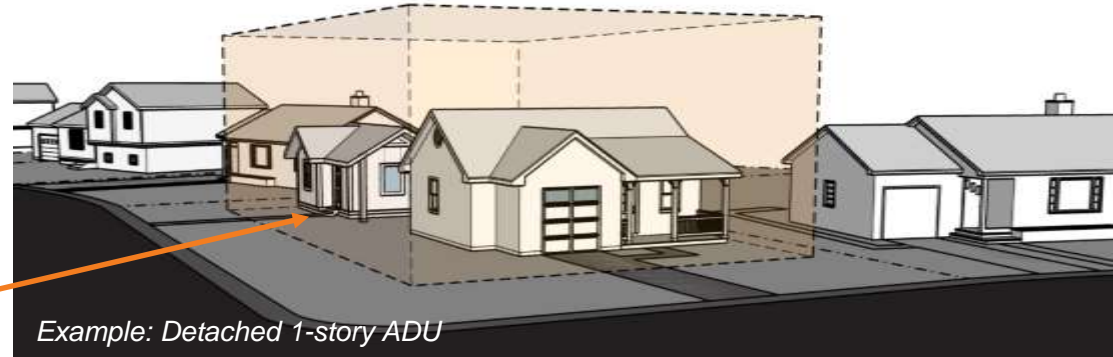
Should duplexes be permitted?

5 Allow duplexes ONLY IF 1) a lot is 100ft width or wider or 2) one unit is an affordable housing unit or 3) the duplex converts and integrates an existing structure or 4) a lot is within 1/4 mile of current or future high-frequency transit.

4 Allow two units maximum (house + ADU or duplex only)

- + housing capacity
- + housing diversity

Detached ADU in backyard of 1-story single unit house



Example: Detached 1-story ADU

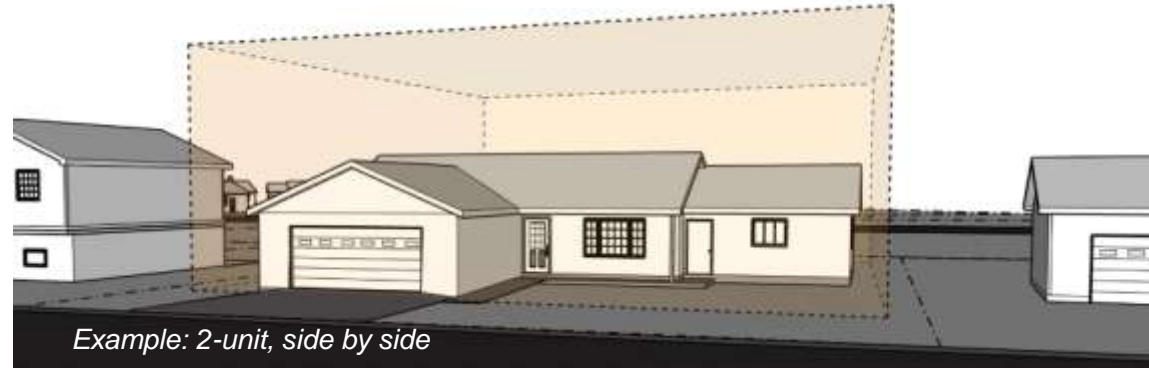
Detached ADU in backyard of 2-story single unit house



Example: Detached 1-story ADU

4 Allow two units maximum (house + ADU or duplex only)

+ housing capacity
+ housing diversity



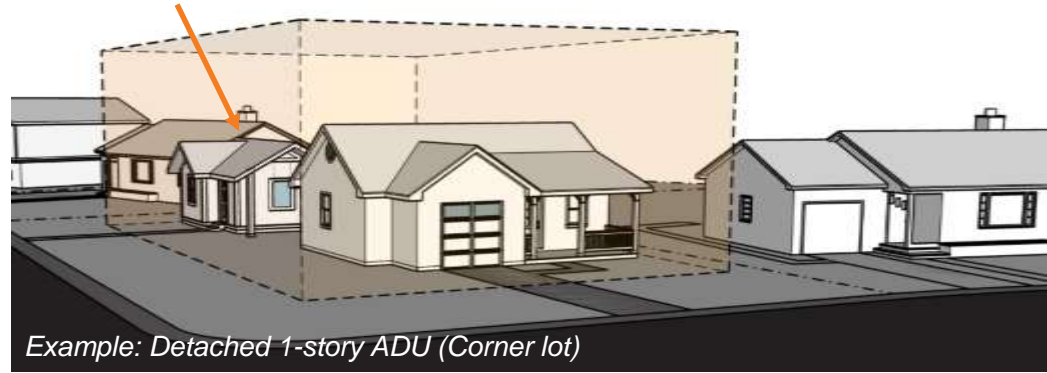
Second unit; convert portion of existing house or addition



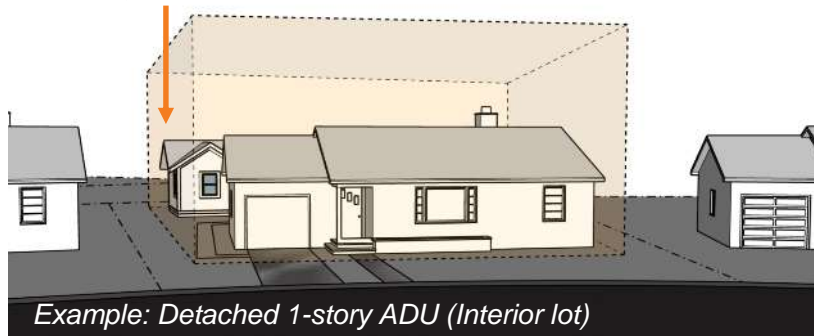
- 1 Limit ADUs to one story when there is no alley.
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- 3 Require ADU properties to be owner occupied (meaning owner has to reside in one of the units).

**Responds to community feedback*

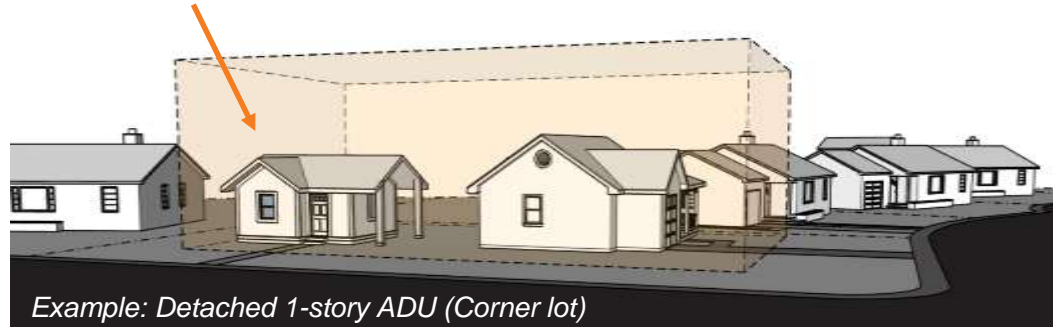
1-story limit



1-story limit



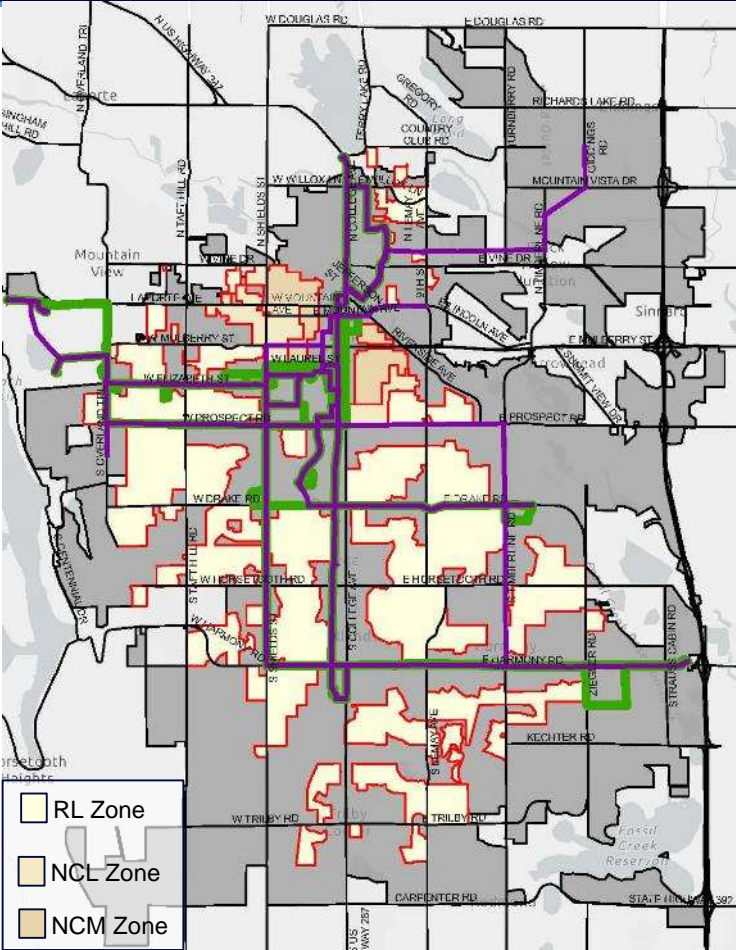
1-story limit



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**Responds to community feedback*

Total parcels	24,990
Parcels wider than 100 feet	4,906
% parcels wider than 100 feet	19.6%
Parcels within 1/4 mile of current or future high-frequency transit	7,747
% parcels within 1/4 mile of current or future high-frequency transit	31.3%



Should the RL Zone allow up to two units maximum?

- 4 Allow two units maximum (house + ADU or duplex only).

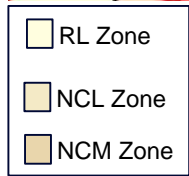
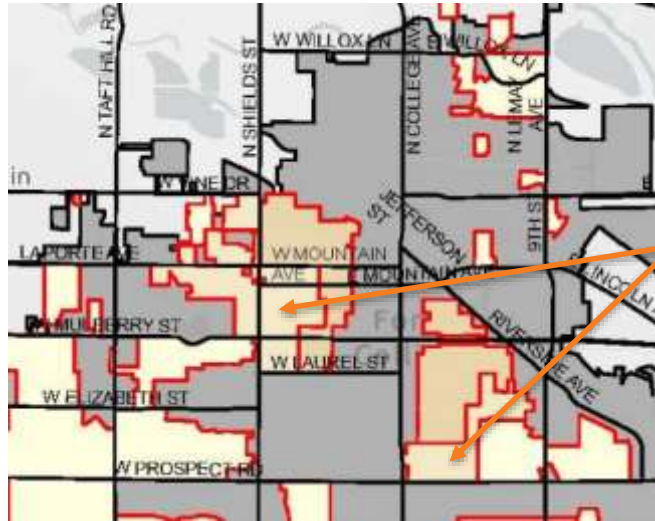
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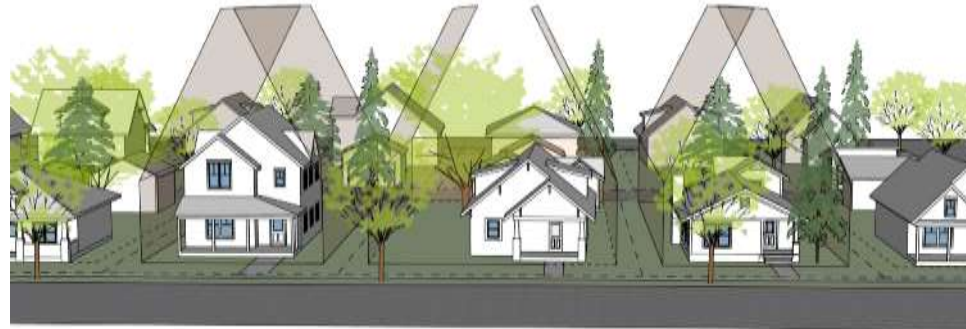
What feedback do Councilmembers have about these alternatives?



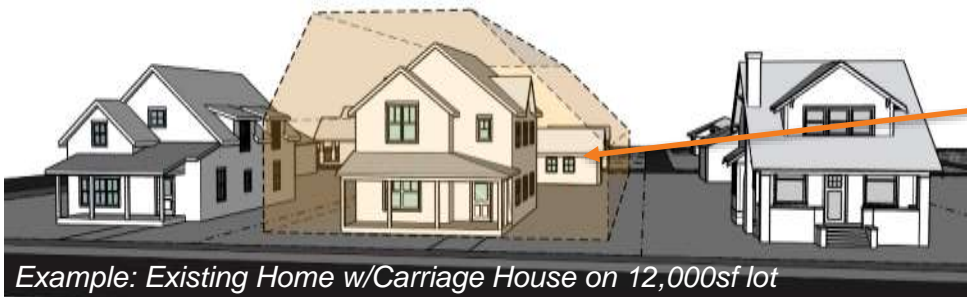
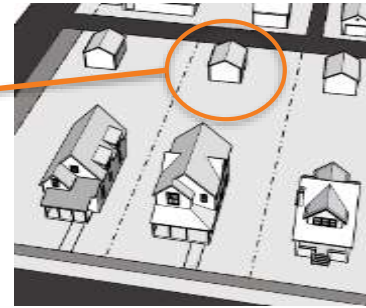
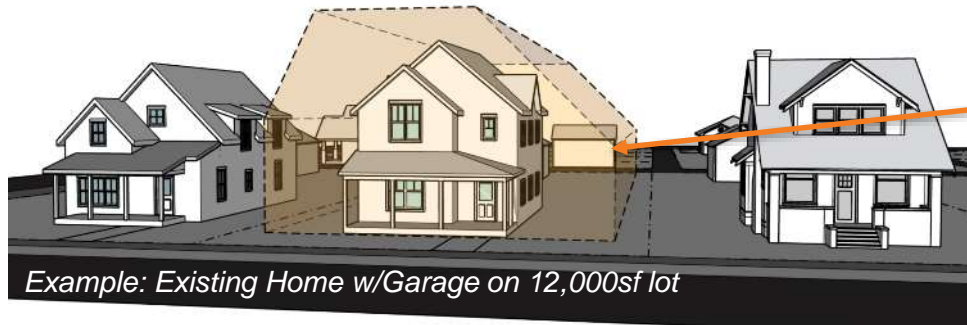
- 1.4% of zoned land area in City limits
- Allowance for “Carriage Houses” (ADUs) on lots over 12,000 sq. feet
- Neighborhoods generally built before 1959, near Downtown
- Single-unit, detached houses on blocks with alleys
- Some blocks with duplexes and larger lots with Carriage Houses



- *Housing Types:* Single-unit detached house; carriage house
- *Lot Size:* 6,000 sq. feet minimum; 12,000 sq. feet minimum for carriage house
- *Maximum Height:* 2 stories, 1.5 stories for carriage house or building at the rear of the lot
- *Hearing Type:* Administrative Review (Basic Development Review/BDR) for single-unit detached house, Public Hearing (Type 1) for 2 units or alley-fronting buildings
- Additional requirements for façade and bulk in NCL



- Lot Size: 12,000 sq. feet minimum for carriage house



Should the NCL Zone allow up to two units maximum on smaller parcels?

6 Decrease minimum lot size to 4,500 sf.

7 Allow two units maximum on lots 4,500 - 6,000 sf (house + ADU or duplex).

Should height restrictions be placed on ADUs in the NCL Zone?

8 Restrict ADU height to the height of the primary building.

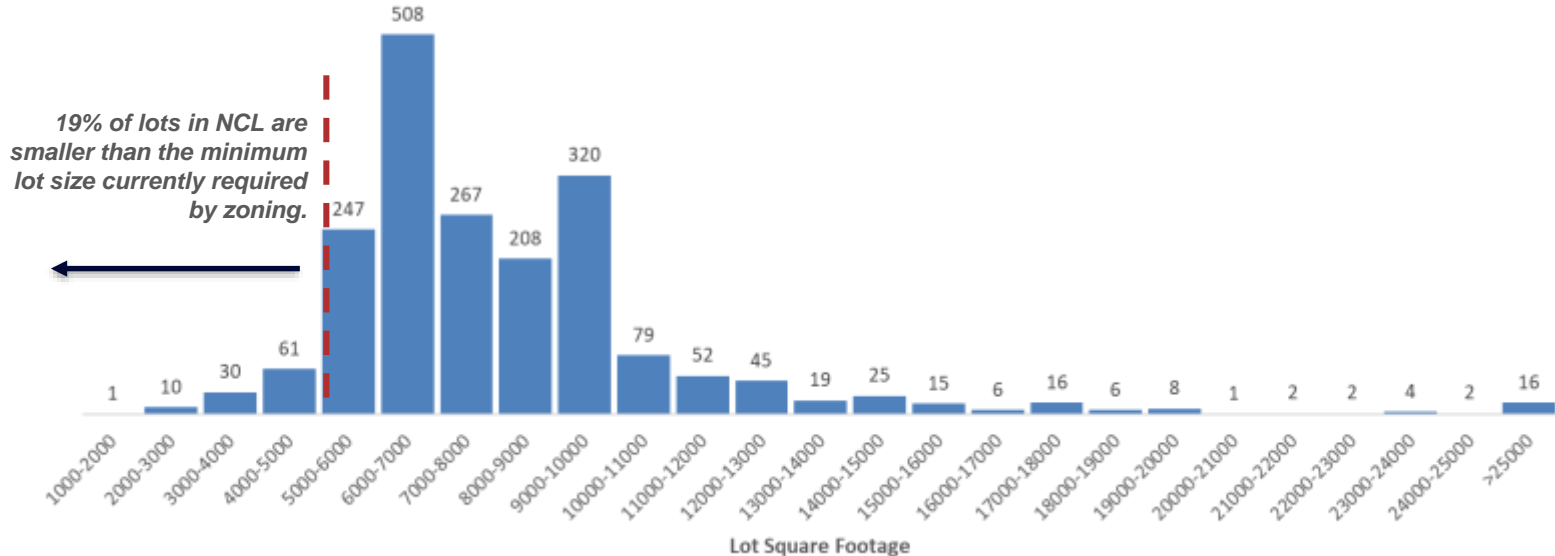
Should the NCL Zone allow up to three units maximum on larger parcels?

9 Allow three units maximum on lots 6,000+ sf ONLY IF 1) a duplex + ADU or triplex converts and integrates an existing structure OR 2) a triplex or 3-unit cottage court includes one affordable unit.

Lot Sq Ft	Number of Lots	Percentage
0-4499 sqft	67	3.9
4500-5999 sqft	267	15.5
6000-8999 sqft	805	46.8
9000+ sqft	580	33.7
Total	1719	

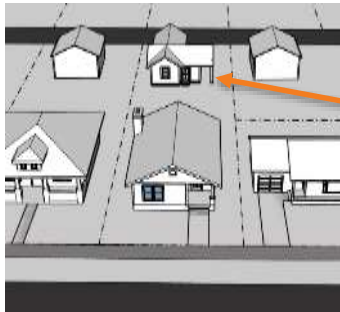
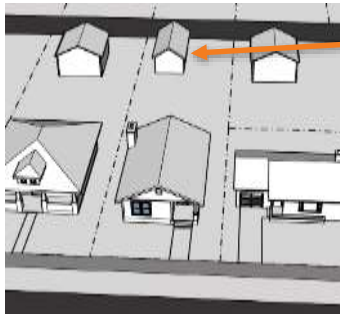
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- 7** Allow two units maximum on lots 4,500 – 5,999 sf (house + ADU or duplex).

+ housing capacity
+ housing diversity

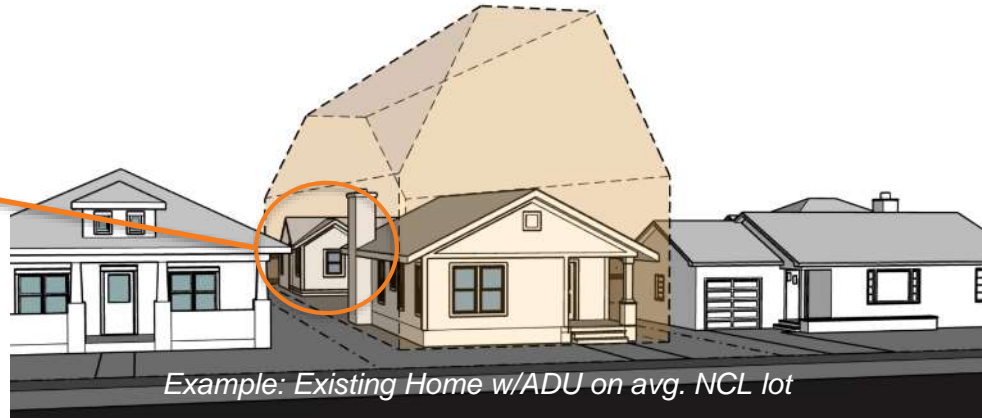


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|---|--|
| 6 | Decrease minimum lot size to 4,500 sf |
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+ housing capacity
+ housing diversity



Example: Existing Home w/Existing garage on avg. NCL lot



Example: Existing Home w/ADU on avg. NCL lot

*Height limited by
primary building*

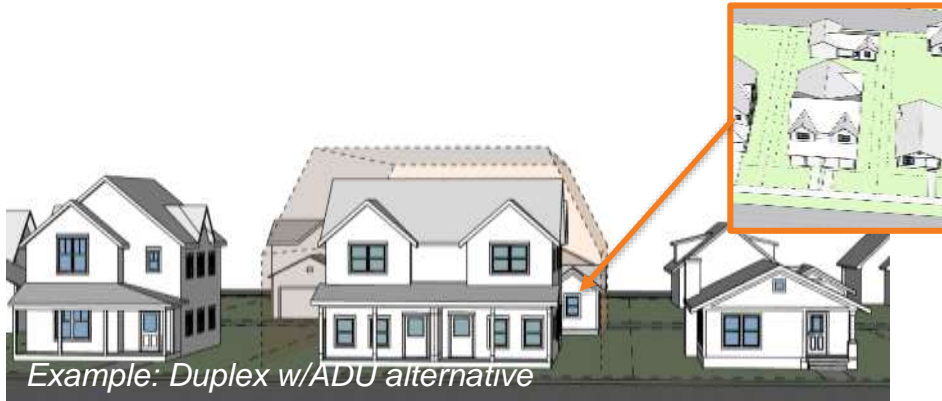


8 Restrict ADU height to the height of the primary building.

** Responds to community feedback*

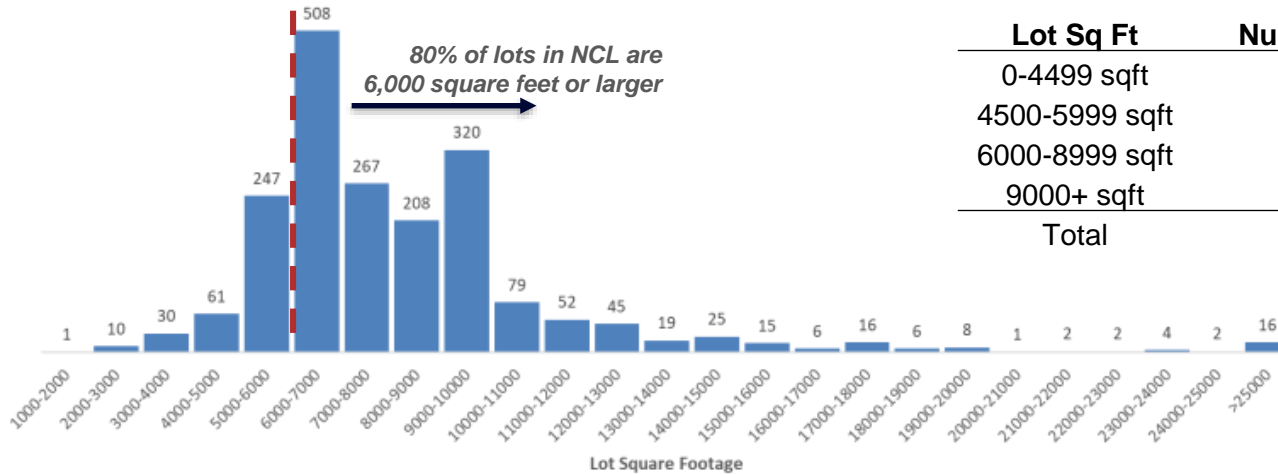


Example: 2 story home, 2 story ADU



9 Allow three units maximum on lots 6,000+ sf ONLY IF 1) a duplex + ADU or triplex converts and integrates an existing structure *OR* 2) a triplex or 3-unit cottage court includes one affordable unit.

**Responds to community feedback*



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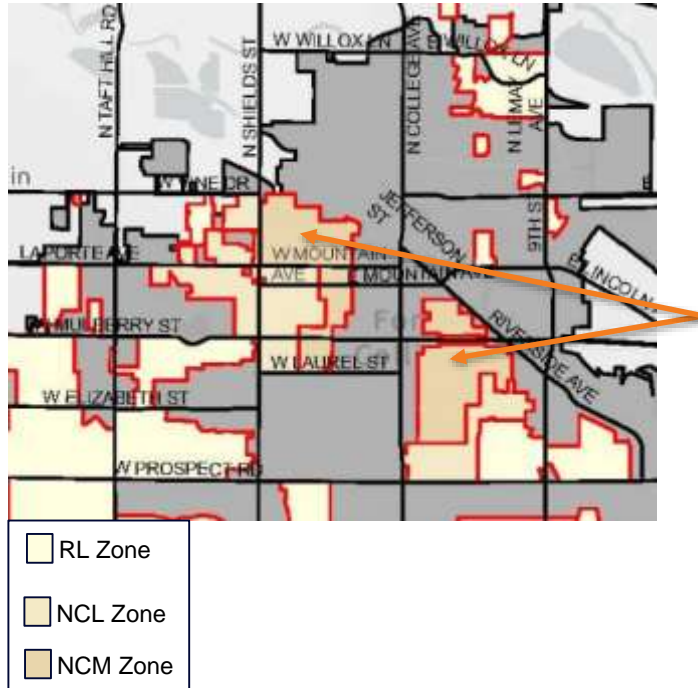
Should height restrictions be placed on ADUs in the NCL Zone?

- 8 Restrict ADU height to the height of the primary building.

What feedback do Councilmembers have about these alternatives?

Should the NCL Zone allow up to three units maximum on larger parcels?

- 9 Allow three units maximum on lots 6,000+ sf **ONLY IF** 1) a duplex + ADU or triplex converts and integrates an existing structure **OR** 2) a triplex or 3-unit cottage court includes one affordable unit.



- 1.5% of zoned land area in City limits
- Neighborhoods near Downtown
- Diverse mix of single-unit detached, duplex, and multi-unit residential buildings
- Housing types often integrated on the same block with commercial uses and services within walking distance.



- *Housing Types:* Single-unit detached house; carriage house; multi-unit up to 4 units (e.g. duplex, triplex, fourplex)
- *Lot Size:* 5,000 sq. feet minimum for single-unit detached house; 6,000 sq. foot minimum for multi-unit buildings up to 4 units; 10,000 sq. feet minimum for carriage house
- *Maximum Height:* 2 stories, 1.5 stories for carriage house or building at the rear of the lot
- *Hearing Type:*
 - Administrative Review (BDR) for single-unit detached house or up to 2 units in one building on a vacant lot or with no exterior changes to an existing building
 - Public Hearing (Type 1) for 2 units in more than one building or up to 4 units on a vacant lot or with no exterior changes to an existing building
 - Public Hearing + neighborhood meeting (Planning and Zoning Commission) for 2-4 units when structural additions or exterior alterations are made to an existing building



Should the NCM Zone allow up to three units maximum on smaller parcels?

10 Decrease minimum lot size to 4,500 sf.

11 Allow three units maximum on lots 4,500 - 6,000 sf (single unit, duplex, row house and ADU only).

Should the NCM Zone allow up to six units maximum on larger parcels?

12 Allow five units maximum on lots larger than 6,000 sf.

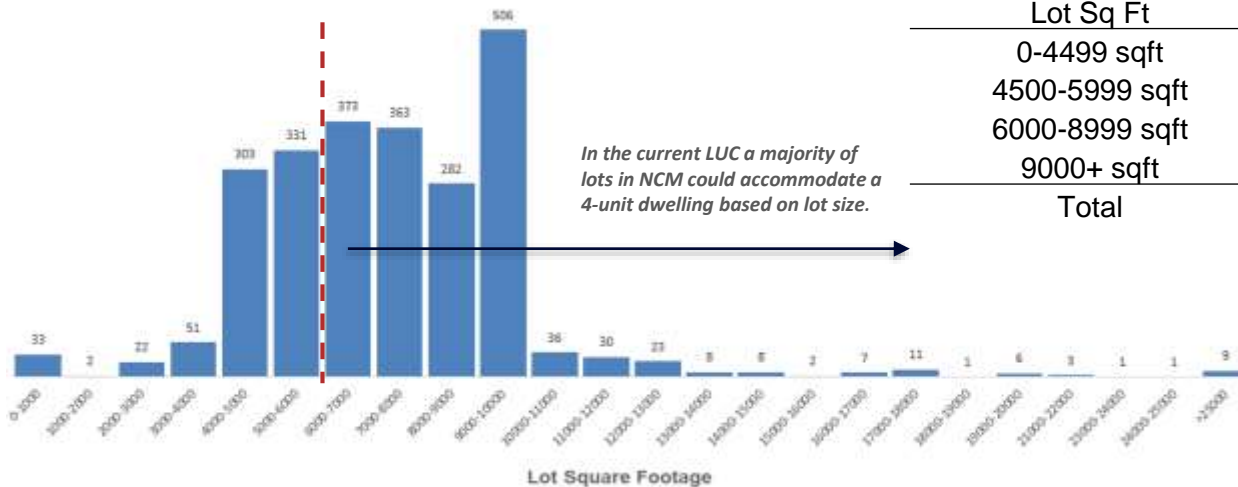
13 Allow six units on 6,000 sf or larger ONLY IF the development converts and integrates an existing structure (single unit, duplex, row house and ADU only) AND one unit is affordable.

Should Cottage Courts be a permitted housing type in NCM?

14 Allow a Cottage Court (minimum 3 units, maximum 6 units) on lots 9,000 sf or larger.

- 10** Decrease minimum lot size to 4,500 sf.
- 11** Allow three units maximum on lots 4,500 - 6,000 sf (single unit, duplex, row house and ADU only).

+ housing capacity
+ housing diversity



Lot Sq Ft	Number of Lots	Percentage
0-4499 sqft	154	7.5
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9000+ sqft	627	30.5
Total	2053	

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| <p>12</p> | <p>Allow five units maximum on lots larger than 6,000 sf.</p> |
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**Responds to community feedback*

+ housing capacity

+ housing diversity



5 unit example: Existing large house on 6,000+ sf parcel; converted into 5 studio dwelling units.



ADU in backyard for 6th unit

6 unit example: Existing large house on 6,000+ sf parcel; converted into 5 studio dwelling units with backyard ADU

14 Allow a Cottage Court (minimum 3 units, maximum 6 units) on lots 9,000 sf or larger.

- *Responds to community feedback*
- + housing capacity*
- + housing diversity*



Example: 6-unit Cottage Court, 17,500sf lot

Should the NCM Zone allow up to three units maximum on smaller parcels?

10 Decrease minimum lot size to 4,500 sf.

11 Allow three units maximum on lots 4,500 - 6,000 sf (single unit, duplex, row house and ADU only).

Should the NCM Zone allow up to six units maximum on larger parcels?

12 Allow five units maximum on lots larger than 6,000 sf.

13 Allow six units on 6,000 sf or larger **ONLY IF** the development converts and integrates an existing structure (single unit, duplex, row house and ADU only) **AND** one unit is affordable.

Should Cottage Courts be a permitted housing type in NCM?

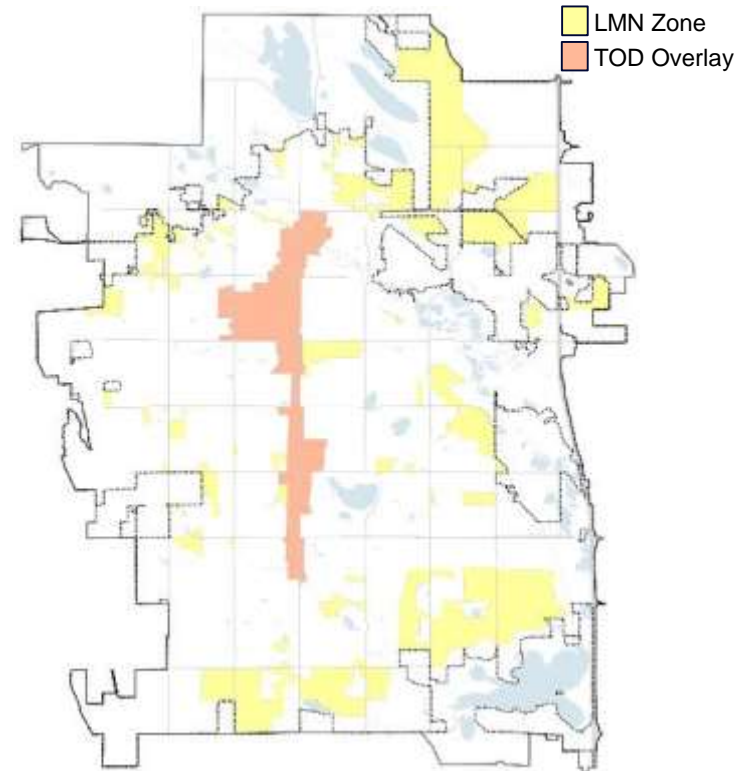
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What feedback do Councilmembers have about these alternatives?

LUC Incentives Available:

- *Density bonus* of 3 additional dwelling units per acre in the Low-Density Mixed-Use Neighborhood (LMN) Zone
- *Height bonus* of 2 stories for buildings that are both mixed-use and affordable in the Transit-Oriented Development Overlay (TOD) Zone
- *Parking Reductions* of up to 50% in the TOD Zone for affordable developments at 60% Area Median Income (AMI) or below
- Reduced tree sizes permitted for affordable housing developments



Note: Current incentives require 10% of units to be affordable to households earning 80% of AMI for 20 years

Should Affordable Housing incentives be expanded to more parts of the city?

- 15 Expand affordable housing incentives and calibrate market-feasible incentives for ownership and rental.**

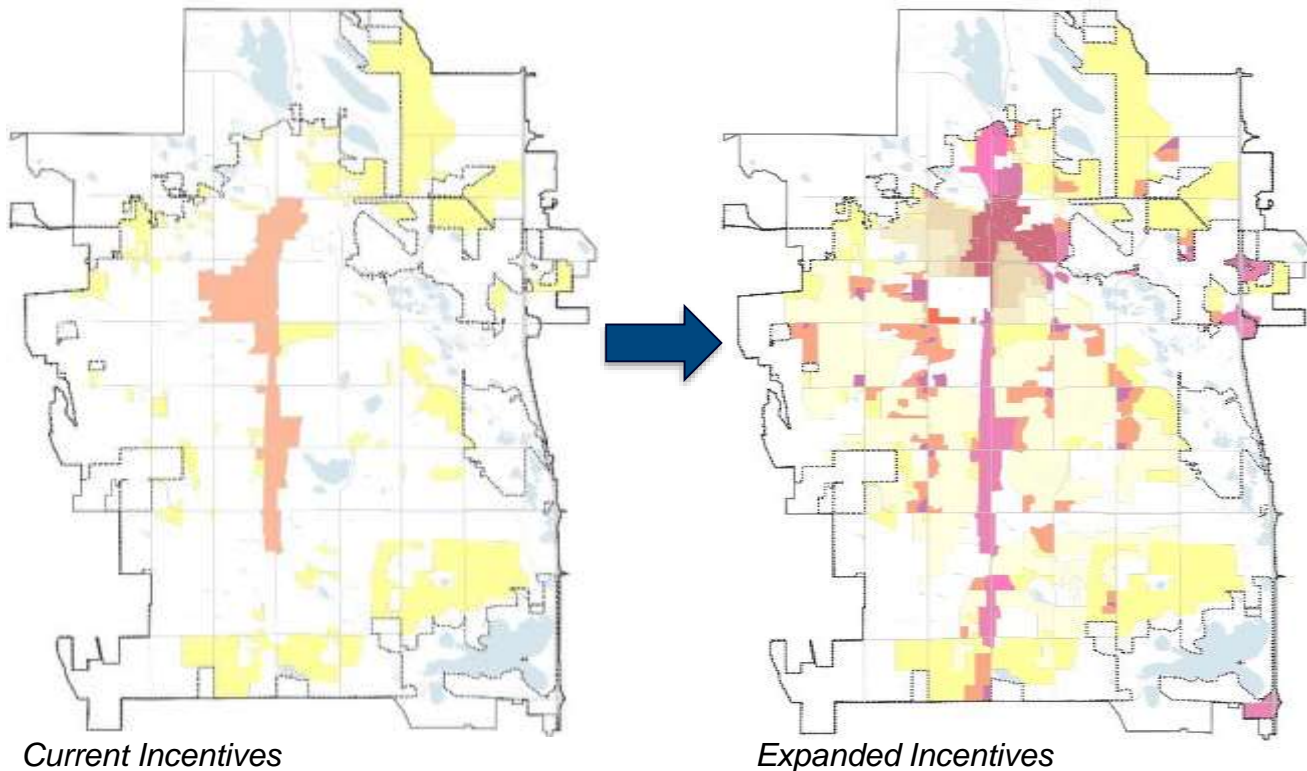
Should Affordable Housing requirements be updated and adjusted for ownership and rental needs?

- 16 Update definitions of affordable housing to match market needs for ownership and rental.**

Should deed restrictions be lengthened for affordable developments seeking to use Affordable Housing incentives?



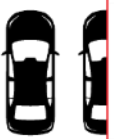


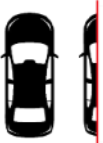


- 17 Extend required affordability term to 99 years.**

- 15** Expand affordable housing incentives and calibrate market-feasible incentives for ownership and rental.



- The most effective incentives vary by zone and depend on how the Land Use Code regulates what can be built on a parcel.
- With this alternative, affordable housing incentives would be available on about 60% of the city’s buildable land in residential and mixed-use zones, creating capacity for about 4,700 potential affordable units.

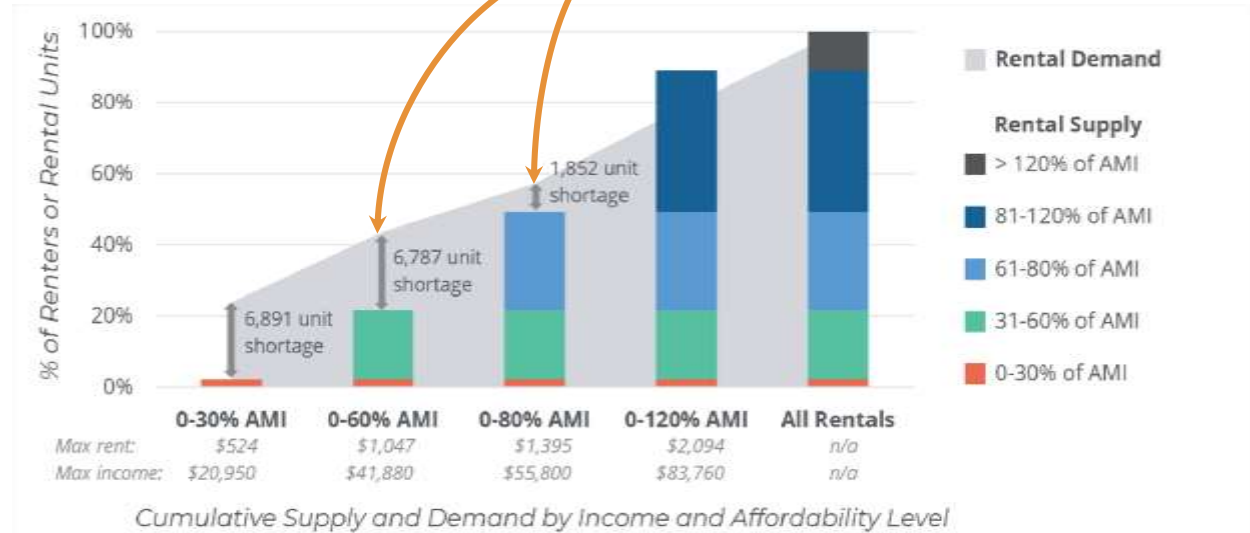
<i>Zone</i>	<i>Incentive</i>
Residential Zones (RL, NCL, NCM)	Additional housing types
Low-Density Mixed-Use Neighborhood (LMN) Zone	Additional density (remove density maximum)
Mixed-use Zones	Additional height (1-2 stories)
Multi-unit developments (7 or more units)	Reduced parking requirements (25-50% reduction depending on unit types)

UNIT SIZE	PROPOSED BASE REQUIREMENT	PROPOSED PARKING REDUCTION INCENTIVE
1 or less bedrooms	1 space per unit 	0.75 spaces per unit 
2 bedrooms	1.5 spaces per unit 	1 space per unit 
3 bedrooms	2 spaces per unit 	1.25 spaces per unit 
4 or more bedrooms	3 spaces per unit 	1.5 spaces per unit 

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| 16 | Update definitions of affordable housing to match market needs for ownership and rental. |
| 17 | Extend required affordability term to 99 years. |

The shortage of rental units for households earning less than 60% of AMI is nearly 4 times greater than the shortage of rental units for households earning less than 80% of AMI.

There is a greater need for affordable units at income levels of less than 60% of AMI than at 80% of AMI

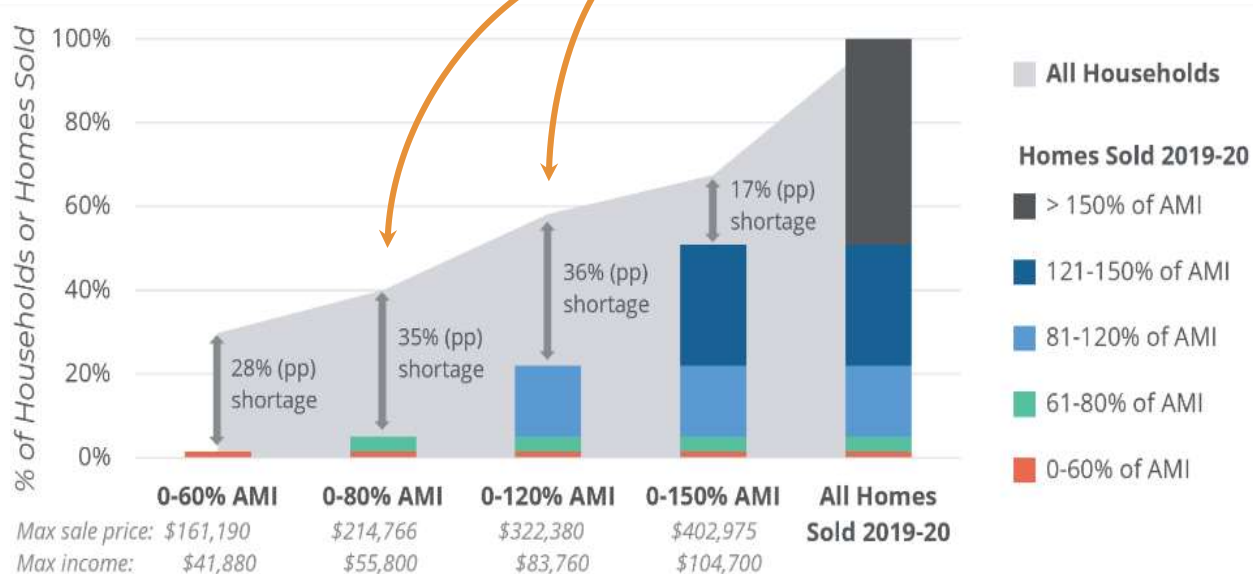


Note: Income limits assume a 2-person household and allow for 30% of monthly income for housing costs.
 Source: 2019 American Community Survey (ACS), HUD 2019 Income Limits, and Root Policy Research

The shortage of affordable ownership units is slightly different.

Even households earning greater than 80% of AMI face a critical shortage of affordable for-sale options. The depth of the shortage of households earning up to 120% of AMI is similar to the shortage for households at 80% of AMI.

Moderate income households earning up to 100-120% of AMI have few options for affordable homeownership.



Cumulative Supply and Demand by Income and Affordability Level

Note: Shortage shown in percentage points (%pp). Income limits assume a 2-person household and allow for 30% of monthly income for housing costs including 30-year fixed mortgage with 4% interest rate and 5% down payment.
 Source: 2019 ACS, Larimer County Assessor Sales Database 2020, HUD 2019 Income Limits, and Root Policy Research.

	EXISTING CODE	POTENTIAL ALTERNATIVE	
		RENTAL	OWNERSHIP
Required minimum percentage of affordable units	10%	10%	10%
Maximum income level as percent of Area Median Income	80% of AMI	60% of AMI	100% of AMI
Current max household income for a 2-person household	\$68,650	\$51,540	\$85,800
Current max monthly rent or sale price for a 2-person household	\$1,716 Monthly Rent \$208,000 Sale Price	\$1,288	\$287,000

Should Affordable Housing incentives be expanded to more parts of the city?



What feedback do Councilmembers have about these alternatives?

- 15** Expand affordable housing incentives and calibrate market-feasible incentives for ownership and rental

Should Affordable Housing requirements be updated and adjusted for ownership and rental needs?

- 16** Update definitions of affordable housing to match market needs for ownership and rental.

Should deed restrictions be lengthened for affordable developments seeking to use Affordable Housing incentives?






- 17** Extend required affordability term to 99 years.

What feedback do Councilmembers have about these alternatives?





- Homeowners Associations (HOAs) can regulate several aspects of aesthetics and design including exterior colors, materials, and some aspects of design
- HOAs cannot restrict residents from having solar panels, xeric landscaping, or clothes-drying lines on their properties

18	Allow an HOA to regulate the option for detached or attached ADU
19	Specify that HOA's can continue regulate aesthetics (color, window placement, height, materials, etc.) within the bounds of their existing rules
20	Add language to allow HOA's to regulate site placement (additional setbacks, separation requirements)
21	Allow an HOA to regulate whether a lot can be further subdivided

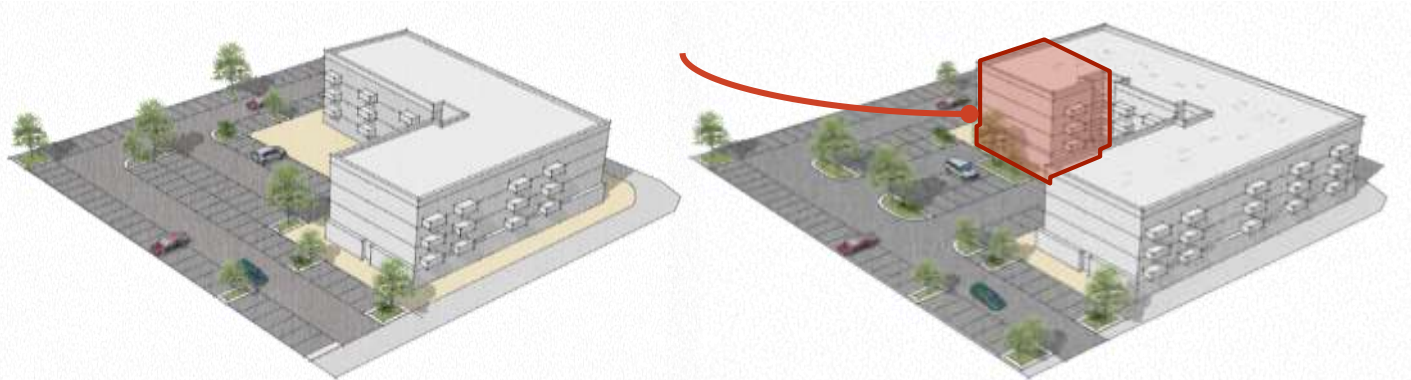
- Adequate Public Facilities (APF) management system ensures that public facilities and services are available concurrently with the impacts of development
- Public streets are constructed to allow on-street parking
- All developments are required to meet minimum parking standards

UNIT SIZE	EXISTING CODE REQUIREMENT	
1 or less bedrooms	1.5 spaces per unit	
2 bedrooms	1.75 spaces per unit	
3 bedrooms (no change)	2 spaces per unit	
4 or more bedrooms (no change)	3 spaces per unit	

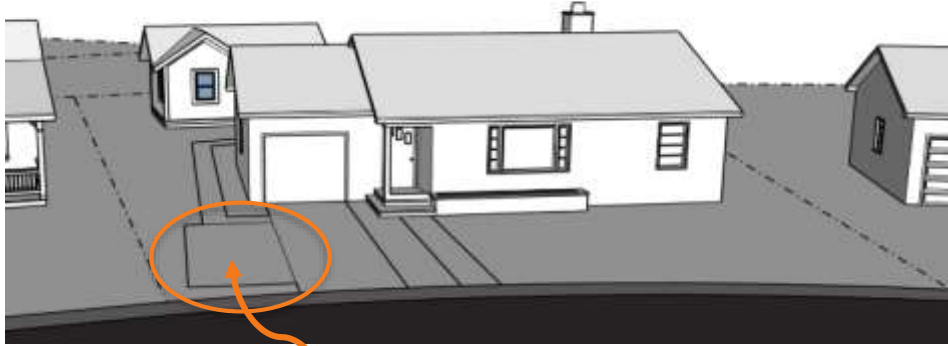
22	Reduce parking requirements for multi-unit developments: 1 bedroom = from 1.5 to 1, 2 bedroom = from 1.75 to 1.5.
23	Reduce parking requirements for affordable housing ONLY if the development has 7 or more units.

UNIT SIZE	PROPOSED CODE REQUIREMENT
1 or less bedrooms	1 space per unit 
2 bedrooms	1.5 spaces per unit 
3 bedrooms (no change)	2 spaces per unit 
4 or more bedrooms (no change)	3 spaces per unit 

Alternative 22 would enable **16 additional units** on the example site below because less of the site is occupied by parking and more building floor area for housing can be added to the site without generating the need for a larger parking lot.

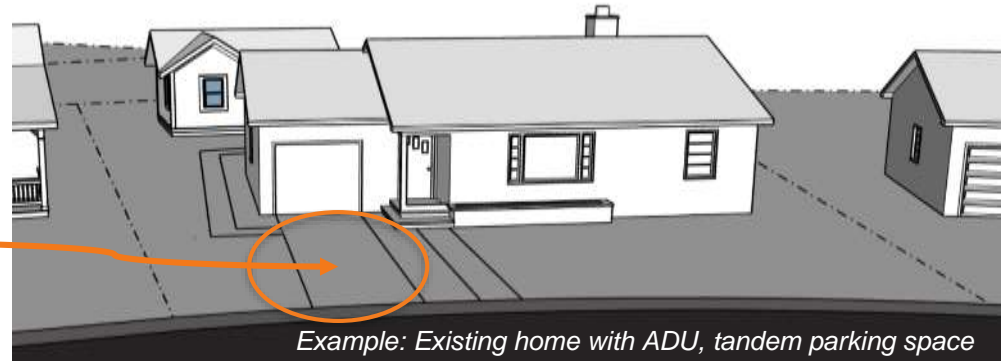


Example: Existing home with ADU, additional parking space



Example of 1 parking space requirement for an ADU

Example of 1 tandem parking space for an ADU



Example: Existing home with ADU, tandem parking space

24	Require 1 parking space for an ADU.
25	Allow a tandem parking space to count ONLY IF an ADU or extra occupancy.

Should parking requirements be reduced for smaller units in multi-unit developments?

22	Reduce parking requirements for multi-unit developments: 1 bedroom = from 1.5 to 1, 2 bedroom = from 1.75 to 1.5.
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What feedback do Councilmembers have about these alternatives?

Should reduced parking requirements be included as an incentive for affordable housing?

23	Reduce parking requirements for affordable housing ONLY if the development has 7 or more units.
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Should parking be required for ADUs?

24	Require 1 parking space for an ADU.
25	Allow a tandem parking space to count ONLY IF an ADU or extra occupancy.

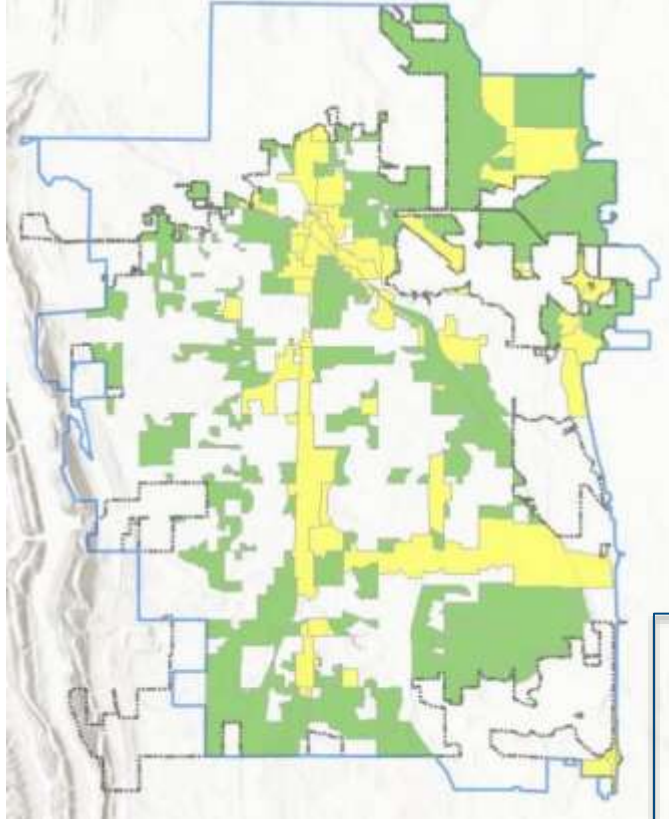
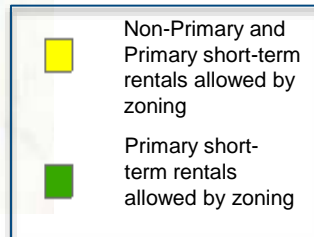
- Notification and hearing requirements depend on the proposed use
- Review Types:
 - Basic Development Review (BDR) – staff-level decision
 - Type 1 Review – public hearing, hearing officer decision
 - Type 2 Review –public hearing, Planning & Zoning Commission decision
- Generally, projects that require a Planning and Zoning Commission hearing also require a neighborhood meeting.
- Most larger-scale residential projects are currently subject to both a neighborhood meeting and public hearing.
- The intention of the neighborhood meeting is to allow adjacent neighbors to learn more about the project and share feedback early in the development review process.

What feedback do Councilmembers have about these alternatives?

26	Allow residential projects to be reviewed under Basic Development Review.
27	Require a neighborhood meeting for some projects (larger, more complex, etc.)
28	Require a pre-application conceptual review meeting for projects over 6 units.
29	Establish a defined comment period for public comments on Basic Development Reviews.
30	Require projects with Modifications go to P&Z when it involves a modification for certain code sections (such as parking, height, density) or;
31	Require projects with Modifications go to P&Z when it involves more than a certain number of modifications.

Current Short-Term Rental Map

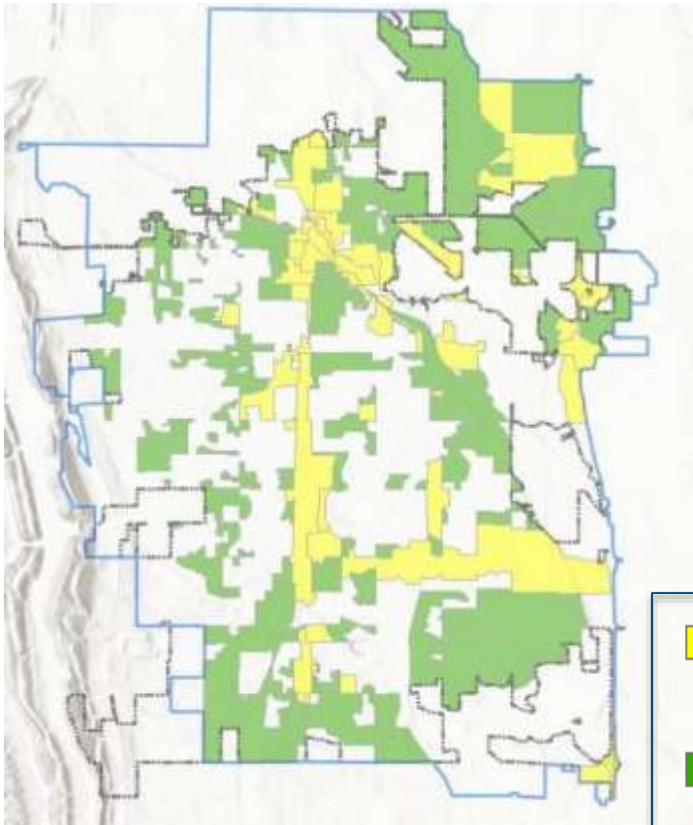
- Currently only allowed in existing dwelling units in certain zone districts.
- Depending on the area, two different STR types are allowed:
 - **Non-primary short-term rental** is a dwelling unit that is not a primary residence and that is leased in its entirety to one party at a time for periods of less than 30 consecutive days
 - **Primary short-term primary rental** is a dwelling unit that is the owner's primary home and a portion of the home is leased to one party at a time for periods of less than 30 consecutive days. Owners must reside in their primary STR at least 9 months out of the year





Current Short-Term Rental Map

What feedback do Councilmembers have about these alternatives?

32	Restrict new ADUs from being used as STR.
33	Allow existing ADU or Accessory Structures with STR license to continue operating under current license.



	Non-Primary and Primary short-term rentals allowed by zoning
	Primary short-term rentals allowed by zoning

Which alternatives would Councilmembers like to incorporate into the draft Land Use Code?





City of
Fort Collins

Next Steps

- **Additional engagement** exploring potential alternatives
- **Additional analysis** of preferred alternatives
- **August 22nd Work Session:** Present draft code amendments

