

# AGENDA ITEM SUMMARY

City Council

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## STAFF

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## SUBJECT FOR DISCUSSION

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**Land Use Code Extended Discussion.**

## EXECUTIVE SUMMARY

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The purpose of this work session is to seek feedback from Council regarding potential alternatives for Land Use Code (LUC) housing-related changes and to seek guidance on next steps on changes related to specific zone districts and topic areas. This work session focuses only on the key topic areas presented to Council at previous work sessions and explored during community engagement, recognizing that there are many other changes to the existing LUC (e.g., code reorganization, increasing graphic representations, clarifying language and rules of measurement) that will also be brought forward for Council consideration.

## GENERAL DIRECTION SOUGHT AND SPECIFIC QUESTIONS TO BE ANSWERED

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

## BACKGROUND / DISCUSSION

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Following the submission and certification of a petition sufficient for referendum, Council reconsidered Ordinance No. 114, 2023 at the Regular Meeting on January 17, 2023. Council voted unanimously (7-0) to repeal Ordinance No. 114, 2022, *Repealing and Reenacting Section 29-1 of the Code of the City of Fort Collins Code to Adopt the Land Development Code and Separately Codifying the 1997 Land Use Code As "Transitional Land Use Regulations"*. Council directed staff to explore next steps to allow for additional community engagement and refinement of housing-related Land Use Code (LUC) changes.

## RECENT COUNCIL COMMUNICATION AND COMMUNITY ENGAGEMENT

Three memos were recently provided to Council:

1. Discussion of engagement events held between March and June and a summary of community feedback received throughout.
2. Discussion of potential code alternatives, the purpose of those alternatives and the framework used to evaluate them.
3. Information about Inclusionary Housing Ordinances (IHO) and policy implications for Fort Collins.

## Participation to Date

Potential changes to the LUC have resulted in robust community dialogue and many comments shared with City Leaders and staff. Between March and June 2023, staff engaged with hundreds of residents through online comments, virtual engagement opportunities, and in-person events:

- More than 38 meetings and events from April-July 2023
- More than 10 updates to Council and Boards and Commissions
- 187 general comments received through the FCGov.com general comment form
- 60 attendees at the Virtual Info Session
- 70 attendees at the Deliberative Forum
- 175 attendees at the May 8 open house event
- Over 100 attendees at the 14 completed Walking Tours, including a general tour for those who were not able to attend one in their neighborhood

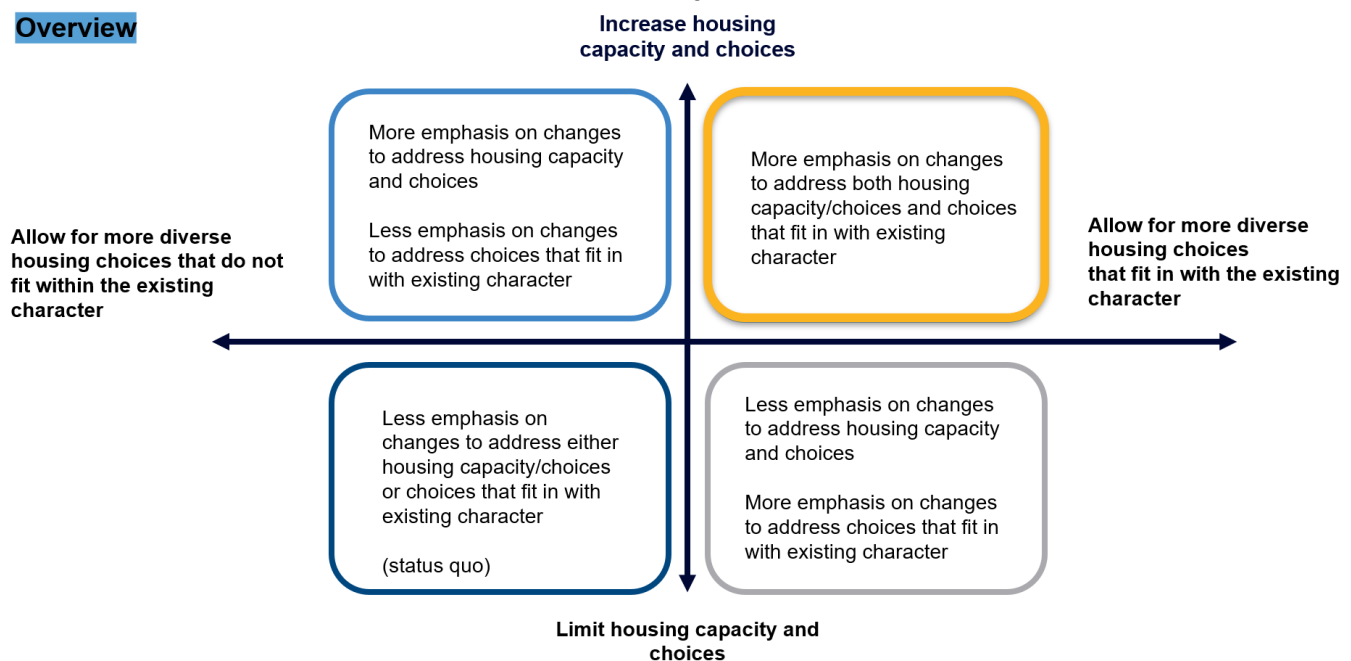
## Overall Engagement Timeline

- Most large-scale engagement events were complete by the end of June.
- Development of code alternatives that integrate and respond to community feedback began in late June.
- Community engagement with potential alternatives will continue throughout the drafting process.
- An Open House is being planned for early August to offer an opportunity for community members to further engage with potential alternatives.

## Exploration of Polarities and Council Direction for Code Drafting

At the May 23 work session, staff presented an approach to potential code alternatives using a quadrant framework that highlighted the spectrum of options for code revisions and the potential trade-offs. At that work session, Council feedback generally focused within the right, upper-hand quadrant:

### Overview



Given the feedback from the Work Session, staff formulated potential code alternatives informed by community feedback that address housing capacity while emphasizing existing neighborhood character.

## **DEEP DIVE: FIVE GUIDING PRINCIPLES**

Revisions to the code continue to support the five guiding principles confirmed by Council in November 2021 and re-affirmed by most Councilmembers at a work session in February 2023: While the potential code alternatives outlined within this AIS continue to advance each of the guiding principles, they focus specifically on those highlighted below. The potential alternatives outlined in this AIS also attempt to incorporate feedback heard through community engagement regarding neighborhood character and stability with the advancement of these principles:

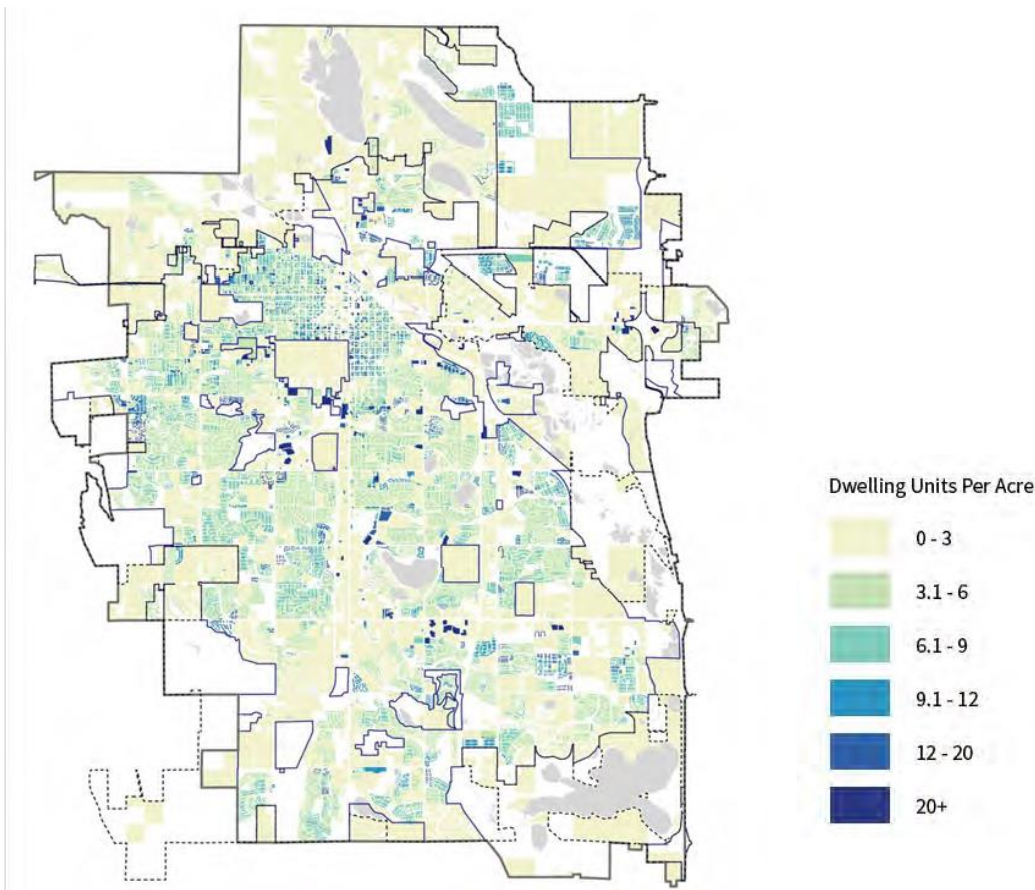
1. **Increase overall housing capacity** (market rate and affordable) and calibrate market-feasible incentives for deed-restricted affordable housing.
2. **Enable more affordability**, especially near high frequency transit and growth areas.
3. **Allow for more diverse housing choices** that fit in with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

### **Principle Number One: Increase Overall Housing Capacity**

Across the community, much of the zoned residential land only permits housing types that are more expensive to build, purchase, or rent. While density is not necessarily a predictor of affordability, allowing additional types of housing and more housing units per acre can help to mitigate some of the high cost of land by spreading the cost to build over a larger number of housing units.

Demand for housing already exceeds existing supply and is anticipated to exceed the city's zoned capacity by around 2,000 units given 2040 population estimates.

The following map depicts existing housing density across Fort Collins, expressed as Dwelling Units per Acre (DUA). About 85% of area within the city is less than 9 dwelling units per acre. About 35% is 3-6 dwelling units per acre and 31% is less than 3 dwelling units per acre.



The potential alternatives explored below represent an attempt to address both the desire for increased housing capacity and community feedback that the repealed code allowed for too much density, especially in neighborhoods predominantly comprising single-unit, detached houses.

**Principle Number Two: Enable More Affordability**

Housing affordability is an increasing challenge in Fort Collins, and the City’s adopted goal is to achieve 10% of the housing stock as deed-restricted and affordable by 2040. While the city is maintaining current affordable housing inventory at about 5% of all housing stock, the community is behind where it should be to reach the adopted 10% goal. Recent estimates from the Housing Strategic Plan indicate that the community needs to produce about 280 units or more of affordable housing every year, which is more than double the historic average production of about 120 units per year.

The City’s housing authority and other affordable housing providers have built the vast majority of the city’s roughly 3,800 affordable housing units, and these homes are typically found in 100% deed-restricted, affordable developments. During community engagement, staff heard many comments supporting additional affordable housing development, encouraging participation from market-rate developers in affordable housing, and expressing concerns that the LUC does not do enough to increase housing affordability.

**Principle Number Three: Allow for More Diverse Housing Choices that Fit within Existing Context**

The current Land Use Code was calibrated to primarily guide development of vacant parcels or “greenfield” development. Because of this, development in older neighborhoods experiences many challenges often with results that are out of scale with existing building patterns. Community members have expressed

concerns about new construction, especially in Old Town neighborhoods, being too large and out of scale and character with surrounding homes.

The potential code alternatives seek to consider infill and redevelopment in existing neighborhoods and guide more compatible and contextual design outcomes. For example, reducing the minimum lot size for a detached home (single-unit dwelling) seeks to increase infill development to be compatible with older and existing lot configurations shaped by the original 1929 zoning, which allowed for smaller homes on smaller lots than the current Land Use Code.

Potential alternatives within the Residential, Low Density zone district seek to increase housing capacity and choice while mitigating some of the concerns expressed through community engagement regarding privacy, shading, and neighborhood character. For example, allowing a duplex within an existing structure maintains neighborhood character while allowing for more housing capacity, diversity, and choice. Potential code alternatives related to parking requirements for Accessory Dwelling Units (ADUs) also seek to mitigate concerns for parking congestion in existing single-family neighborhoods while still allowing for an increase in housing capacity and choice.

## **POTENTIAL ALTERNATIVES IN DETAIL**

### **Development of Alternatives**

Utilizing feedback received through engagement events and other correspondence, including online feedback forms and emails, staff formulated a menu of 33 potential code alternatives for Council consideration. These code alternatives attempt to respond to community feedback regarding preservation of existing neighborhood character while still adhering to the Guiding Principles outlined above. Where applicable, potential alternatives have been organized into different zone districts. Other potential alternatives are city-wide changes for Council to consider. These alternatives are not staff recommendations, and instead offer a list of options to consider based on community feedback and previous Council discussions.

### **Evaluation Framework**

City staff then created a list of criteria by which each potential alternative was evaluated to determine alignment with the goals and purpose of the Land Use Code updates. The completed evaluation was attached to the Potential Code Alternatives Memo and is attached to this AIS. In creating the evaluation framework, staff considered several factors including alignment with the 5 Guiding Principles, potential impact on equity, resources necessary for implementation, whether the alternative responded to community feedback, and whether the alternative could advance community goals as expressed in key adopted plans. More information regarding the evaluation process can be found in the attachment.

### **Scope of Potential Alternatives**

This work session focuses only on the key topic areas presented to Council at previous work sessions and explored during community engagement, recognizing that there are many other changes to the existing LUC (e.g., code reorganization, increasing graphic representations, clarifying language and rules of measurement) that will also be brought forward for Council consideration. Zone districts and topics covered include:

- RL – Low Density Residential Zone District
- NCL – Neighborhood Conservation, Low Density Zone District
- NCM – Neighborhood Conservation, Medium Density Zone District
- Affordable Housing

- Private Covenants/Homeowners Associations
- Parking/Infrastructure
- Input in Development Review
- Short Term Rentals

For each group of alternatives, information has also been included about what is currently permitted under the existing LUC and how the potential alternatives might apply to parcels in each zone district where applicable.

### Zone-specific Alternatives

The following alternatives have been organized to match the format of the conversation in the Work Session presentation. The numbering still corresponds to the numbering in the Alternatives Memo (for example, we begin the RL Alternatives with “Alternative Number 4”).

RL – Residential, Low-Density Zone District: The Residential, Low Density (RL) Zone District is the largest residential zone district in Fort Collins. Most neighborhoods within the RL zone district are comprised primarily of single-unit, detached homes. Over 50% of existing housing was built between 1960 and 1997.

Currently allowed under the existing Land Use Code in RL:

- *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

### Potential Alternatives for RL:

- **Alternative Number 4:** Allow two units maximum (house & ADU OR Duplex only)
- **Alternative Number 1:** Limit ADUs to one story when there is no alley (based on experience that garages frequently abut alleys and an above garage ADU is common.)
- **Alternative Number 2:** Allow ADU with single unit dwelling, not with a duplex thereby limiting total number of dwelling units on a parcel.
- **Alternative Number 3:** Require ADU properties to be owner-occupied (meaning the owner must reside in one of the units)
- **Alternative Number 5:** Allow duplexes only under the following circumstances: 1) If a lot is at least 100ft wide, OR 2) One unit is an affordable housing unit, OR 3) Lot is within ¼ mile of current or future high-frequency transit

*Considerations:*

- There are about 25,000 parcels within the RL zone district.
- About 5,000 parcels (20% of RL parcels) are 100 feet wide or wider.
- About 7,750 parcels (31% of RL parcels) are within ¼ mile of current or future high-frequency transit.
- There are no current incentives for affordable housing in the RL Zone.

- While property owners would be allowed to build a second unit under specific circumstances, other constraints, such as setback, height, utility, access, and parking requirements may make some parcels infeasible for two dwelling units.
- These alternatives aim to mitigate impacts of additional housing in neighborhoods (concerns about density, character, and parking) while still allowing a limited increase in housing capacity.

**NCL – Neighborhood Conservation, Low Density Zone District:** The Neighborhood Conservation, Low Density Zone District is like the RL Zone District in that it permits primarily single-unit, detached houses; however, the NCL Zone also permits “Carriage Houses” on lots over 12,000 square feet (about 10% of all NCL lots). The NCL Zone District areas are generally west and southeast of Downtown. These neighborhoods were mostly built before 1959 and comprise single-family homes on blocks with alleys. Some blocks in the NCL Zone also include duplexes built prior to the current LUC, and some larger lots include Carriage Houses.

A carriage house is a detached single unit dwelling that is behind another detached single unit dwelling. It is limited in size to a maximum 1,000 sf of floor area and requires an additional parking space.

Currently allowed under the existing Land Use Code:

- *Housing Types:* Single-unit detached house; carriage house
- *Lot Size:* 6,000 sq. feet minimum; 12,000 sq. feet minimum for carriage house (10% of NCL lots)
- *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

**Potential Alternatives for NCL:**

- **Alternative Number 6:** Decrease minimum lot size from 6,000 to 4,500 square feet.

*Considerations:*

- There are currently 1,719 parcels within the NCL zone district (about 1.4% of total zoned land area in City limits)
- This alternative would address about 267 parcels (15% of NCL parcels) that are nonconforming because they are between 4,500-6,000 square feet.
- Parcels 9,000 square feet or larger and 80 feet in width could be subdivided into 4,500 square foot parcels under this alternative. Minimum lot width in NCL is 40 feet.
- Many parcels in the NCL zone are long and narrow. This alternative seeks to allow additional housing capacity while aligning with the historic pattern of development by reducing the required lot size.

- **Alternative Number 7:** Allow a maximum of two dwelling units on lots 4,500 to 5,999 square feet, as a combination of a house plus an ADU, or one duplex.

*Considerations:*

- About 267 parcels (15% of NCL parcels) are between 4,500-6,000 square feet.

- A homeowner could build an ADU (attached or detached) on any conforming parcel under this alternative.
- While property owners would be allowed to build a second unit, other constraints, such as setback, height, utility, access, and parking requirements may make some parcels infeasible for two dwelling units.
- This alternative aims to mitigate potential impacts of additional housing in neighborhoods (heard as a concern during public engagement) while still allowing a limited increase in housing capacity.

- **Alternative Number 8:** Restrict ADU height to the height of the primary building, based on community concern for privacy/shading of adjacent neighbors.
- **Alternative Number 9:** Allow three units maximum on lots larger than 6,000 square feet only under the following circumstances: 1) A duplex plus an ADU or a triplex that converts and integrates an existing structure, OR 2) A triplex or 3-unit cottage court that includes one affordable unit, OR 3) A lot is within ¼ mile of a current or future high-frequency transit line.

*Considerations:*

- About 1,385 parcels (80% of NCL parcels) are larger than 6,000 square feet
- There are no current incentives for affordable housing in the NCL Zone.
- While property owners would be allowed to build up to three units on parcels larger than 6,000 square feet, other constraints, such as setback, height, utility, access, and parking requirements may make some parcels infeasible for three dwelling units.
- This alternative seeks to increase housing capacity on larger parcels while incentivizing the use of existing structures, incentivizing affordable housing, and increasing density near high-frequency transit.

NCM – Neighborhood Conservation, Medium Density Zone District: The Neighborhood Conservation, Medium Density Zone District comprises neighborhoods that are adjacent to Downtown and includes a diverse mix of single-unit detached, duplex, and multi-unit residential buildings often integrated on the same block with commercial uses and services within walking distance.

Currently allowed under the existing Land Use Code:

- *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



## Potential Alternatives for NCM:

- **Alternative Number 10:** Decrease minimum lot size to 4,500 from 5,000

### *Considerations:*

- There are currently 2,053 parcels within the NCM zone district (about 1.5% of total zoned land area in City limits)
- This alternative would address about 303 parcels (15% of NCM parcels) that are nonconforming because they are between 4,500-5,000 square feet.
- Parcels 9,000 square feet or larger and 80 feet in width could be subdivided into 4,500 square foot parcels under this alternative. Minimum lot width in NCM is 40 feet.
- Many parcels in the NCM zone are long and narrow. This alternative seeks to allow additional housing capacity while aligning with the historic pattern of development by reducing the required lot size.

- **Alternative Number 11:** Allow a maximum of three units on lots 4,500 to 6,000 square feet (combination of the following building types; single unit, duplex, row house, or ADU)

### *Considerations:*

- About 462 parcels (22% of NCM parcels) are between 4,500-6,000 square feet.
- A homeowner could build an ADU (attached or detached) on any conforming parcel under this alternative.
- While property owners would be allowed to build additional units, other constraints, such as setback, height, utility, access, and parking requirements may make some parcels infeasible for three dwelling units.
- This alternative aims to mitigate potential impacts of additional housing in neighborhoods (heard as a concern during public engagement) while still allowing a limited increase in housing capacity.

- **Alternative Number 12:** Allow a maximum of five units on lots larger than 6,000 square feet.
- **Alternative Number 13:** Allow six units on lots 6,000 square feet and larger IF the development converts and integrates an existing structure AND one unit is affordable.
- **Alternative Number 14:** Allow a Cottage Court (minimum 3 units, maximum 6 units) on lots 9,000 square feet or larger.

### *Considerations:*

- About 1,437 parcels (70% of NCM parcels) are larger than 6,000 square feet. Of these larger parcels:
  - About 810 parcels (39% of all NCM parcels) are between 6,000-9,000 square feet.
  - About 627 parcels (31% of all NCM parcels) are larger than 9,000 square feet.
- There are no current incentives for affordable housing in the NCL Zone.

- While property owners would be allowed to build additional units, other constraints, such as setback, height, utility, access, and parking requirements may make some parcels infeasible for five or six dwelling units.
- This alternative aims to mitigate potential impacts of additional housing in neighborhoods (heard as a concern during public engagement) while still allowing a limited increase in housing capacity.

## Citywide Alternatives

The following are topics of concern heard citywide through the current community engagement process. The alternatives listed below would be enforced citywide and do not necessarily pertain to the specific zone districts outlined above. These alternatives are meant to address concerns heard.

**Affordable Housing:** Potential alternatives regarding affordable housing are meant to enable more affordability overall, especially near high frequency transit. The incentives proposed are intended to make affordable housing more economically feasible and easier to build across the housing spectrum and throughout the city.

Currently allowed under the existing Land Use Code:

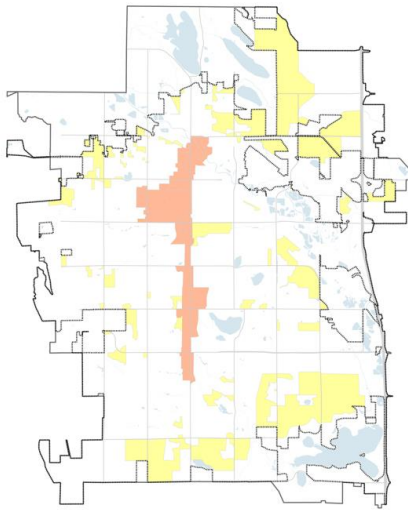
- Density bonus of 3 additional dwelling units per acre in the Low- Density Mixed-Use Neighborhood (LMN) Zone
- Height bonus of 2 stories for buildings that are both mixed-use and affordable in the Transit-Oriented Development Overlay (TOD) Zone
- Parking Reductions of up to 50% in the TOD Zone for affordable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

**Potential Alternatives for Affordable Housing:** The alternatives outlined below would create a citywide incentive structure that would both allow affordable housing providers to build more affordable units as well as encourage private developers to contribute to the city's affordable housing needs by using incentives to close the gap between market rate homes and affordable homes.

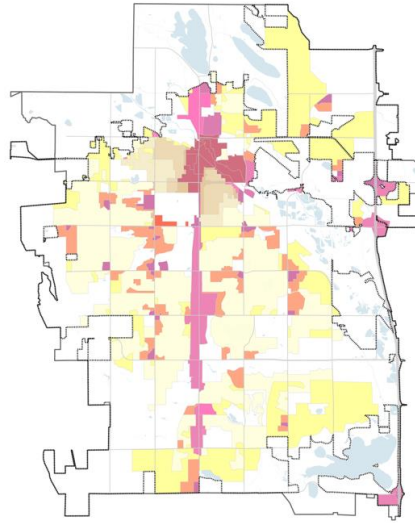
It is important to note that these alternatives do not require affordable housing to be built; rather, they increase the opportunity for affordable housing to be built across the community while attempting to incorporate community desire to maintain neighborhood character. If Council chooses to explore mandatory requirements for affordable housing in the future, adequate zoning capacity for affordable housing and a well-calibrated incentive program will be essential to designing an effective approach.

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

Current Incentives:



Expanded Incentives:



*Considerations:*

- Incentives include additional density in the LMN zone, reduced parking requirements for multi-unit affordable housing developments, additional height in mixed-use zones, and additional housing types in the RL, NCL, and NCM zones.
- With this alternative, affordable housing incentives would be available on 60% of the buildable land in the city’s residential and mixed-use zones, creating capacity for 4,700 potential affordable units.

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

	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	\$1,288	\$287,000
	\$208,000 Sale Price		

*Considerations:*

- The Housing Strategic Plan identified that the greatest need for rental units is among households with incomes at or below 60% of Area Median Income (AMI).
- The greatest need for ownership units is for households at or below 100% of AMI.
- This alternative aligns LUC definitions and incentives to match these needs for any project seeking LUC incentives for affordable housing.

- **Alternative Number 17:** Extend required affordability term to 99 years for any project seeking LUC incentives for affordable housing.

*Considerations:*

- Council has expressed interest in extending the City's required affordability term from the current 20-year requirement to ensure that affordable housing continues to remain affordable into the future.
- A 99-year deed restriction is the longest term legally permitted.

**Private Covenants/Homeowners Associations (HOAs):** The following potential code alternatives are meant to respond to feedback expressed through public engagement, especially from residents of HOAs. There are currently over 200 HOAs registered in Fort Collins. They vary based on neighborhood size, housing type and the types of things their covenants address. HOAs can currently regulate several aspects of aesthetics including exterior colors, materials, and some design elements. HOAs cannot restrict residents from having solar panels, xeric landscaping, or clotheslines.

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

*Considerations:*

- Community engagement highlighted that many residents who live in HOA neighborhoods would like additional options to regulate or restrict ADUs.
- This alternative seeks to reflect desire for more regulation by HOAs with the interest expressed to increase housing capacity across the community.

**Parking & Infrastructure:** Parking was expressed as a source of concern during public engagement. Parking is also a driver of cost for development given the amount of land required that would otherwise be used as housing units. The potential alternatives below attempt to address concerns about parking congestion in neighborhoods while recognizing the potential trade-off of fewer housing units.

- **Alternative Number 22:** Reduce parking requirements for multi-unit developments: 1 bedroom = from 1.5 to 1, 2 bedroom = from 1.75 to 1.5.
- **Alternative Number 23:** Reduce parking requirements for affordable housing ONLY if the development has 7 or more units.
- **Alternative Number 24:** Require 1 parking space for an ADU.
- **Alternative Number 25:** Allow a tandem parking space to count ONLY IF there is an ADU or extra occupancy.

*Considerations:*

- Alternatives respond to community input indicating concerns about parking availability.
- Maintaining the existing APF requirements ensures that public facilities and services are available concurrently with the impacts of development.
- Slightly reducing parking requirements for studio, 1- and 2-bedroom units in multi-unit buildings responds to community feedback while right-sizing parking requirements.
- Reducing parking requirements for affordable housing developments over 7 units creates a meaningful incentive and increases housing capacity and choice.
- Requiring parking for ADUs responds to community feedback.

**Input in Development Review:** Many residents expressed frustration with community engagement in the development review process overall. The following potential alternatives create more opportunity for community engagement in the process while balancing a desire to simplify and streamline the review process for residential projects that meet all code requirements.

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

*Considerations:*

- Basic Development Review (BDR) streamlines the review process for residential projects and can still incorporate and include a robust public comment period and feedback process.
- A neighborhood meeting for larger or complex projects provides a formal engagement opportunity early in the process.

- Conceptual Review for 6-unit projects provides notification on the website sooner for larger projects and helps applicants prepare for more complete submittals.
- Adding a formal comment period can provide a clear window for public input and allow for clear feedback as to what was and was not incorporated into the final project.
- In addition to a formal comment period, a timeframe for project decision-making can also be created to allow for more predictability in the process.
- Projects requiring certain types of modifications can be referred to the Planning and Zoning Commission for decision.
- Modification referral to P&Z for certain code sections seeks to ensure that projects requesting modifications to code standards that are important to context of the zone district receive a public hearing and decision.

**Short Term Rentals:** Short Term Rentals (STRs) are currently permitted in some parts of the city. There are approximately 500 STRs in operation citywide, or approximately 0.8% of the city’s total housing stock. Community members expressed concern that increasing housing capacity could create more opportunity for STRs.

Currently permitted under the existing Land Use Code:

- STRs are currently only allowed in single-family homes (including single-family-attached homes) and only within specific areas
- 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 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.

**Potential Alternatives for STRs:**

- **Alternative Number 32:** Restrict new ADUs from being used as short term rentals.
- **Alternative Number 33:** Allow ADU or Accessory structures with existing STR licenses to continue operating under current license.

*Considerations:*

- These alternatives seek to prevent new ADUs or accessory structures from being used as STRs.
- Under these alternatives, existing carriage houses could still be used for short term rentals where they are permitted by zoning.
- These alternatives would not change the zone districts where STRs are permitted or the types of short term rentals allowed.

## **NEXT STEPS**

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Community engagement will continue through July and August as code alternatives are finalized. One Work Session is scheduled in August:

- August 22nd: Present Draft Code Amendments

## **ATTACHMENTS**

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1. List of all Potential Alternatives
2. Zoning Map
3. At-a-Glance Existing Code Conditions
4. Presentation