

WORK SESSION AGENDA ITEM SUMMARY

City Council



STAFF

Megan Keith, Senior City Planner
Sylvia Tatman-Burruss, Sr. Policy & Project Manager

SUBJECT FOR DISCUSSION

Land Use Code Update: Commercial Corridors and Centers.

EXECUTIVE SUMMARY

The purpose of this item is to update Council on the scope, approach, and timeline for Phase 2 of the Land Use Code (LUC) update.

GENERAL DIRECTION SOUGHT AND SPECIFIC QUESTIONS TO BE ANSWERED

1. Do Councilmembers have feedback regarding the focus, timeline or approach to Phase 2 of the Land Use Code update?
2. Are the Draft Guiding Principles heading in the right direction?

BACKGROUND / DISCUSSION

From July 2021 through April of 2024, staff led a process to explore changes to the Land Use Code (LUC) in what was called "Phase 1" of the overall LUC update. Phase 1 focused primarily on changes seeking to reduce barriers to the development of housing across the community, including those barriers related to the creation of subsidized affordable housing. The process included extensive community engagement, policy analysis and synthesis, development of guiding principles, a diagnostic report of the existing Land Use Code, and code drafting across multiple iterations of the code. Two referendums led by a group of voters required that Council reconsider the Ordinance in 2023 and again in 2024. Extensive community outreach and modifications to the LUC ended with Council adoption of the Foundational Land Use Code changes in April of 2024.

Several foundational Phase 1 LUC changes were adopted by Council on April 16, 2024. These include:

- Reorganized content so the most used information is first in the Code
- Reformatted zone districts with consistent graphics, tables, and illustrations
- Created a menu of building types and form standards to guide compatibility
- Updated use standards, rules of measurement, and definitions to align with new building types and standards
- Expanded and re-calibrated incentives for affordable housing
- Regulate density through form standards and building types instead of dwelling units per acre

Phase 2 will focus on updates to commercial corridors, which primarily include mixed-use, commercial, and employment districts. Potential updates were identified in the Land Use Code Audit, and the Land Use Code Diagnostic mentioned above. Staff confirmed project direction and general scope at the June 11th Work Session.

Project Overview

Land Use Codes are used by municipalities and County governments across the country. These plans and accompanying policies often carry out the vision of the community adopted within the Comprehensive Plan and must conform to some State and National laws and standards. The Land Use Code primarily governs design and use standards on private property. Land Use Codes must work with other code standards, such as Municipal Codes, Building Codes, Fire Codes, and stormwater mitigation standards, among others.

Policy Foundation

Code updates are complex, multifaceted efforts that build on years of previous planning work. The LUC is one of the City's primary regulatory tools for implementing our community's vision as described in various policies and adopted plans. It is critical to establish a clear understanding of the relationship between the City's policy priorities and the current LUC early in the process. The following documents contain just some of the adopted policies that could inform the LUC Updates:

- *City Plan*
- *Housing Strategic Plan (HSP)*
- *Economic Health Strategic Plan*
- *Our Climate Future (OCF)*
- *Transit Master Plan*
- *15-Minute City Analysis*
- *Land Use Code Audit (which identified opportunities to align LUC with the newly-adopted City Plan)*
- *Council Priorities (affordable and achievable housing strategies; 15-minute communities)*
- *Urban Forest Strategic Plan*

Relevant Goals, Policies, and Action Items

Attachment number 2 in your packet details the policies and strategies relevant to Phase 2 of the Land Use Code update found in several of the City's adopted plans. These have been organized based on Council Priorities within the attachment and they were used to create the draft Guiding Principles outlined below.

Relevant Council Priorities

- **Council Priority No. 1:** Operationalize City resources to build and preserve affordable housing
- **Council Priority No. 3:** Advance a 15-minute city by igniting neighborhood centers
- **Council Priority No. 4:** Pursue an integrated, intentional approach to economic health
- **Council Priority No. 8:** Advance a 15-minute city by accelerating our shift to active modes

These documents and priorities serve as primary inputs to the formation of future Guiding Principles and code language, augmented by work accomplished in Phase 1 of the LUC update.

Process Refinement

Phase 2 of the Land Use Code update began with an analysis of goals and strategies within adopted plans, a thorough review of the Land Use Code Audit, and the Diagnostic Report. The following graphic represents the process of analyzing adopted plans, and Council priorities through the Diagnostic Report and the Land Use Code Audit to understand where the existing Land Use Code falls short of the vision

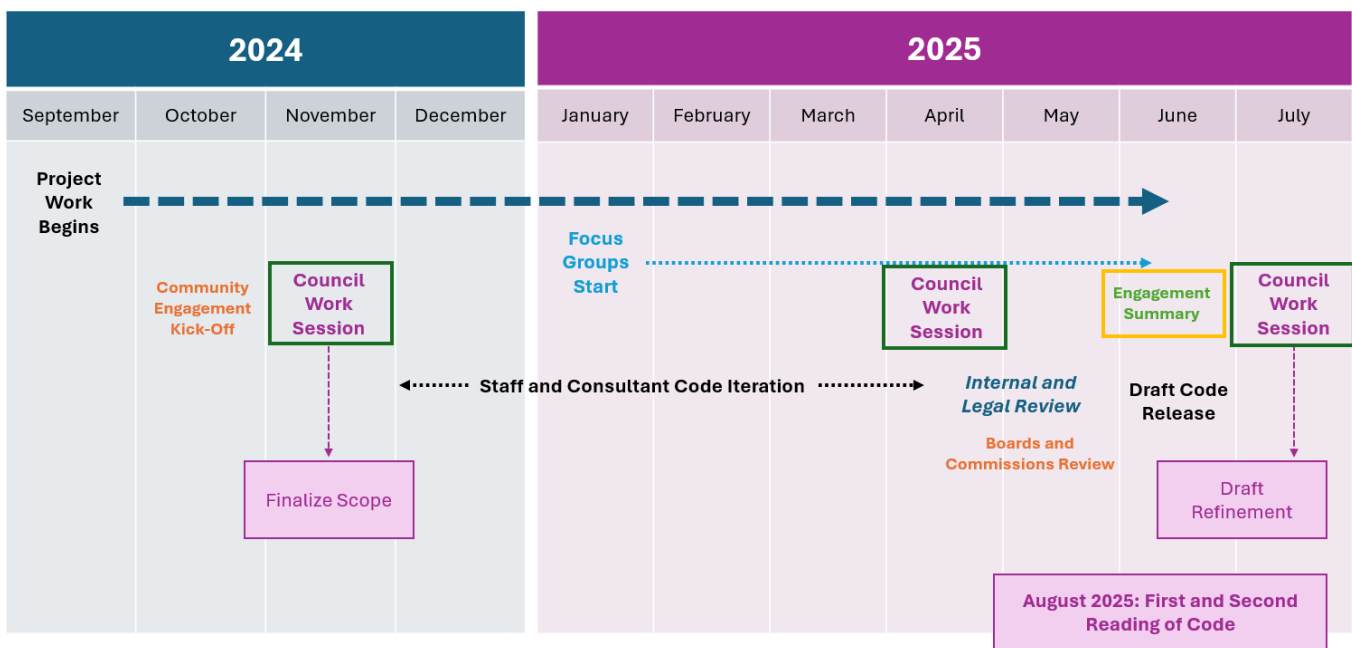
outlined in the adopted plans. The gap between existing standards and the future vision has been distilled into four draft guiding principles explained in more detail below. The subsequent Project Approach section includes a timeline for how this work will be advanced over the next year.



Project Approach

Timeline

Because Phase 1 of the LUC changes took longer than originally expected the timeline for Phase 2 has been condensed to meet the desired timeframe for Councilmembers. This also means the scope for Phase 2 is tight and adheres to changes related most specifically to items relevant to Council Priorities and successful commercial corridors. Below is a timeline that anticipates consideration for adoption in late summer of 2025:



Structure Plan Alignment

The Land Use Code Diagnostic analyzed the extent to which the LUC aligns with the Future Place Types within the Structure Plan outlined in the City's Comprehensive Plan (City Plan). In City Plan, the Structure Plan map and accompanying place types-or land use categories-provide a framework to guide growth and investment as the Fort Collins Growth Management Area population grows.

Phase 2 primarily affects alignment of uses and patterns of development within the Mixed-Use Place Type Districts. These districts are intended to provide opportunities for a range of retail and commercial services, office and employment, multifamily residential, civic and other complementary uses in a compact, pedestrian and transit-supportive setting. Mixed-use districts are the locations in the community most likely to experience significant changes in density and intensity. The gradual transition of existing, auto-oriented mixed-use districts will be encouraged to help maximize available land and infrastructure, as well as to support other community objectives, such as expanded housing options, improved access to services and a more robust transit system.

While Downtown is a Mixed-Use District, Phase 2 updates do not contemplate changes within the Downtown area. This is because the Downtown Plan was recently adopted, with accompanying zoning and use changes that are in line with the City Plan vision.

Proposed Updates and Alignment with Guiding Principles

Draft Guiding Principle: *Enable more housing and compatible infill, especially along transit corridors and near commercial centers*

Potential Land Use Code Updates to Address Guiding Principle:

- *Evaluate permitted uses and intensities near transit*
 - *Consider whether the allowed uses in these districts promote or inhibit mixed-use development.*
- *Review process requirements to understand timing and barriers to intended outcomes.*
- *Analyze various parking requirement scenarios and how those impact development of mixed-use projects.*

Relevant Council Priorities:

- **Council priority No. 1:** *Operationalize City resources to build and preserve affordable housing*
- **Council Priority No. 3:** *Advance a 15-minute city by igniting neighborhood centers*
- **Council Priority No. 4:** *Pursue an integrated, intentional approach to economic health*

Draft Guiding Principle: *Create resilient commercial and employment centers that are adaptable to future needs*

Potential Land Use Code Updates to Address Guiding Principle:

- *Examine required ratios of primary employment uses versus secondary supporting uses (residential, retail, childcare, etc.)*
- *Examine any other barriers to mixed-use development within the Employment and Harmony Corridor zones, such as process-based, form-based or other code-based impediments.*

<p>Relevant Council Priorities:</p> <ul style="list-style-type: none"> • Council priority No. 1: Operationalize City resources to build and preserve affordable housing • Council Priority No. 3: Advance a 15-minute city by igniting neighborhood centers • Council Priority No. 4: Pursue an integrated, intentional approach to economic health • Council Priority No. 8: Advance a 15-minute city by accelerating our shift to active modes
<p>Draft Guiding Principle: Create better form standards for greater predictability along transit investment corridors.</p>
<p>Potential Land Use Code Updates to Address Guiding Principle:</p> <ul style="list-style-type: none"> • Explore and develop form-based standards for non-residential structures • Explore and develop standards that focus on public realm, pedestrian/multimodal site design and orientation • Analyze multimodal connectivity standards that connect to public infrastructure, i.e., transit, bike lanes and pedestrian walkways
<p>Relevant Council Priorities:</p> <ul style="list-style-type: none"> • Council Priority No. 3: Advance a 15-minute city by igniting neighborhood centers • Council Priority No. 4: Pursue an integrated, intentional approach to economic health • Council Priority No. 8: Advance a 15-minute city by accelerating our shift to active modes
<p>Draft Guiding Principle: Improve predictability of the Land Use Code, especially to support small business owners.</p>
<p>Potential Land Use Code Updates to Address Guiding Principle:</p> <ul style="list-style-type: none"> • Change-of-use process for existing sites and buildings • Explore strategies to help ensure sites are brought up to modern standards over time without discouraging new business formation
<p>Relevant Council Priorities:</p> <ul style="list-style-type: none"> • Council Priority No. 3: Advance a 15-minute city by igniting neighborhood centers • Council Priority No. 4: Pursue an integrated, intentional approach to economic health

State Legislation

Several bills were passed in 2024 through the state legislature that will affect local Land Use Policy. Compliance with these bills will be brought to Council as separate items in advance of their associated deadlines:

HB-1313 Housing in Transit-Oriented Communities:

This bill will require the establishment of a Housing Opportunity Goal, potential rezonings, establishment of anti-displacement strategies, and reporting on an on-going basis.

HB-1152 Accessory Dwelling Units:

This bill will require updating our Land Use Code to permit Accessory Dwelling Units (ADUs) wherever we allow single-family detached homes. Code language from previous iterations of the Land Use Code has already been drafted. Will need to confirm that previously written code language would comply with this bill.

HB-1304 Minimum Parking Requirements:

This bill will require updates to the Land Use Code to remove minimum parking requirements for multi-family and certain mixed-use projects in applicable transit areas.

While the Phase 2 Team will be involved in the work to come into compliance with the above house bills, the project team will need to connect with several other departments across the city to ensure alignment across standards and other requirements

Community Engagement

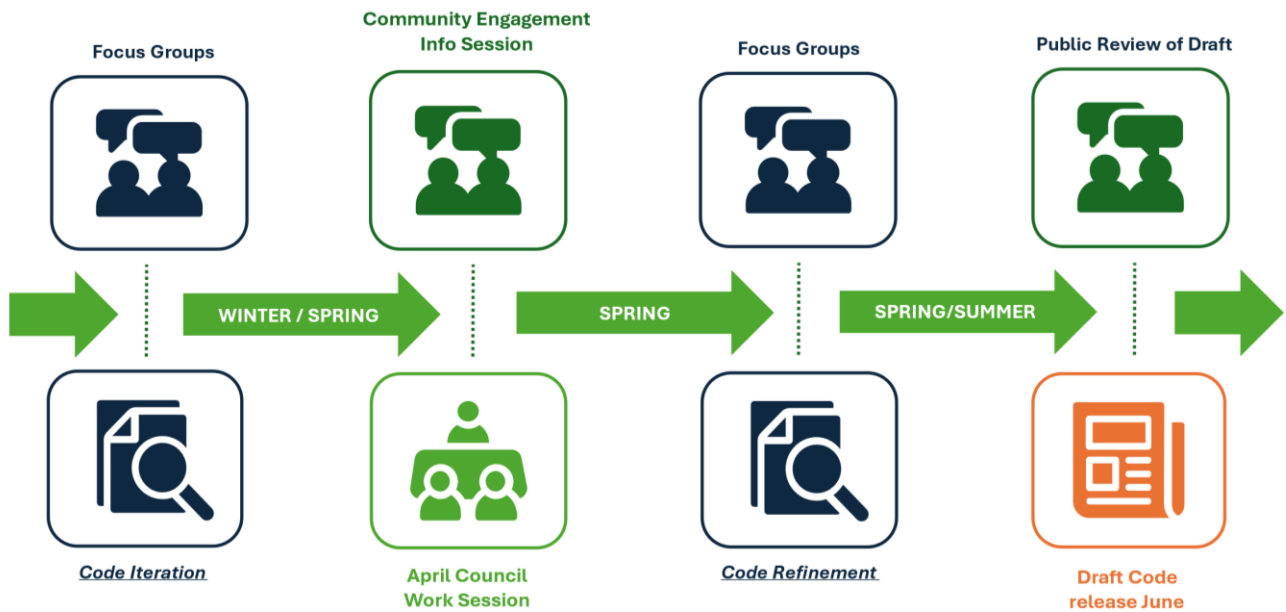
Engagement kick-off events began in early October and were spread across the community at various neighborhood commercial centers. Six of these events were held throughout October. Online comments were also collected through the OurCity platform. An interactive map garnered over 350 geographically specific comments. Attached is a summary of comments heard at the events and the online comments.

Engagement Strategy

Engagement for Phase 2 will utilize the following strategies:

- Broad community outreach, involving newsletters, website updates, informational videos, social media posts and press releases, among others.
- Targeted geographic outreach, when necessary, to gather feedback from adjacent neighbors when considering specific code changes that affect specific commercial areas.
- Business-focused outreach to better understand the needs of business owners who occupy physical buildings, lease space, and/or have been through a Development Review process with the City.
- Focus group conversations to gather very specific feedback on technical aspects of the Land Use Code.

There will be several cycles of consultant production, staff review and community engagement prior to each Council work session and prior to the release of a draft code. The following is an illustration of sequencing for next steps in the process:



Council Engagement

Council engagement will be important throughout the process. Potential methods for Council engagement will include:

- Work Sessions at key decision points
- Invitations to community engagement events
- Listening Sessions
- Interim memos from staff

Staff will also be available to answer questions throughout the process.

NEXT STEPS

If Council is supportive of the approach outlined at this work session, staff will finalize the scope of work and return for another Council work session in April of 2025. Staff will also update Council with a packet memo in early 2025 as the work progresses.

ATTACHMENTS

1. Adopted Plan Policies and Council Priorities
2. Engagement Summary
3. Presentation