

WORK SESSION AGENDA ITEM SUMMARY

City Council



STAFF

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SUBJECT FOR DISCUSSION

Land Use Code Discussion.

EXECUTIVE SUMMARY

The purpose of this work session is to seek feedback regarding potential revisions to Land Use Code (LUC) housing-related changes and to seek guidance on next steps on other portions of the Code. This work session focuses on the key topic areas presented to Council at the December 19 Regular Council meeting. Other changes to the existing LUC (e.g., code reorganization, increasing graphic representations, clarifying language and rules of measurement) will also be brought forward for Council discussion.

GENERAL DIRECTION SOUGHT AND SPECIFIC QUESTIONS TO BE ANSWERED

1. Do Councilmembers support Work Stream #1 and direct staff to return with a new draft code in March/April?
2. Do Councilmembers support proposed revisions?

BACKGROUND / DISCUSSION

Following the submission and certification of a petition sufficient for referendum, Council reconsidered Ordinance No. 136, 2023 at the Regular Meeting on December 19, 2023. Council voted (3-2) to repeal Ordinance No. 136, 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 then directed staff to explore next steps for refinement of housing-related Land Use Code (LUC) changes.

Background

The current Land Use Code (LUC) was developed in 1997, replacing the Land Development Guidance System (LDGS) that did not offer a high level of predictability for development across the community. The 1997 Land Use Code was designed to increase predictability of development and guide “greenfield” development in Fort Collins.

When City Plan, the Fort Collins comprehensive plan, was updated and adopted in 2019 with extensive community outreach, the plan highlighted ways that the 1997 Land Use Code was not able to adequately address the many infill projects that were beginning to be developed in existing residential and commercial neighborhoods. Further, the Transit Master Plan, the Housing Strategic Plan, and the Our Climate Future (OCF) Plan illustrated areas of improvement for better transit service, affordable housing options and climate impacts, several of which were related to the Land Use Code.

Upon adoption of the Housing Strategic Plan in 2021, Council approved an off-cycle budget appropriation to update the Land Use Code. An extensive Diagnostic Report was conducted to understand barriers to achieving the goals within the most recently adopted plans, including City Plan, the Housing Strategic Plan, the Transit Master Plan and the Our Climate Future Plan. The Diagnostic Report suggested that the current LUC does not provide a clear, context-specific framework for infill and redevelopment. Rather, the LUC has many standards that assume a “greenfield” or undeveloped site. As Fort Collins continues to grow, more development will take place in existing neighborhoods and commercial areas because the outward expansion of Fort Collins is limited by the Growth Management Area (GMA). The Diagnostic Report outlined a range of potential changes to the LUC that would adjust land use regulations to guide infill and redevelopment more appropriately.

Five Guiding Principles

Revisions to the code have continued to support the five guiding principles confirmed by City Council in November 2021 and re-affirmed by a majority of Councilmembers at a work session in February 2023:

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

Staff has explored next steps for refinement of housing-related Land Use Code (LUC) changes as directed by Council. At this Work Session, staff will outline several potential work streams for Council consideration and direction.

Potential Future Work Streams

Depending on feedback received, staff can begin work on Land Use Code revisions and move through possible next steps. Below are several possible next steps, attempting to clarify different work streams related to the Land Use Code:

Work Stream #1: Complete Foundational Land Use Code Changes (Immediate Next Steps):

- Direct staff to bring forward a draft Land Use Code that removes controversial items
- Achieves foundational Code changes for reorganization, clarification and deed restricted affordable housing improvements

- Will require direction from Council on items to remove or revise
- Anticipated timeline:
 - Feb/March: Planning and Zoning Commission Hearing and Recommendation
 - March/April: City Council First Reading
 - April/May: City Council Second Reading

Work Stream #2 Council Direction on Potential Revisions (For Council Consideration):

Further consideration of items removed from draft Land Use Code (e.g., revision, referral to ballot, or other)

Work Stream #3 (For Council Consideration):

- **Phase II:** Consider **ALL** remaining priorities for Land Use Code update (e.g., commercial zoning and TOD, remaining housing related changes, xeric-landscaping, tree standards)
- Direct staff to develop a proposed scope, engagement strategy and timeline

Work Stream #1: Complete Foundational Land Use Code Changes

As mentioned above, some aspects of the existing 1997 Land Use Code make it difficult to use and understand, especially without graphic representations of form-based requirements and illogical organization of the Code sections. The changes outlined below attempt to correct some of the deficiencies in the existing Land Use Code, especially those related to organization, ease of use, clarification of terms and requirements, and expanded incentives for affordable housing. Changes staff recommends including within a new draft of the LUC include:

- Reorganize content so the most used information is first in the Code
- Reformat zone districts with consistent graphics, tables, and illustrations
- Consolidate form standards in new *Article 3 – Building Types*
- Consolidate use standards into table in new *Article 4 – Use Standards*
- Update definitions and rules of measurement for consistency
- Rename some zones and create subdistricts to consolidate standards
- Create a menu of building types and form standards to guide compatibility
- Update use standards, rules of measurement, and definitions to align with new building types and standards
- Regulate building size through maximum floor area and form standards instead of units per building
- Regulate density through form standards and building types instead of dwelling units per acre
- Expand and re-calibrate incentives for affordable housing
- Any revisions from Work Stream #2 that Council would like to include in Foundational Code Changes

Additional Context for Affordable Housing Incentives: Throughout the engagement process on housing-related Code changes, community members have highlighted affordable housing as an important priority for updates to the Land Use Code. Accordingly, foundational Land Use Code changes would seek to expand and re-calibrate incentives for affordable housing. In addition, allowing an Administrative Review type for projects with at least 10% deed-restricted affordable housing will likely be necessary to maintain the City’s eligibility for funding through Proposition 123. This change to review types for affordable housing

developments is also recommended for inclusion in foundational Land Use Code changes. The approach to foundational changes for affordable housing incentives would emphasize:

- Removing Code barriers to building deed-restricted affordable housing
- Providing market feasible incentives to encourage development of more deed-restricted units in a wider range of zone districts
- Utilizing best practices to incentivize affordable housing development through land use regulation, including incentives for increased height, increased density, and reduced parking requirements

Suggestions to require affordable housing in future developments have been heard through community engagement and discussed by Council. Such requirements may be contemplated in the future; however, the foundational Land Use Code changes outlined above must be in place to begin to build a system whereby policies requiring affordable housing can be contemplated and effectively designed.

Staff anticipates that foundational Land Use Code changes could be completed in approximately 4-5 months.

Work Stream #2: Council Direction on Potential Revisions

This Agenda Item Summary is intended to support Council dialogue by providing a summary of potential revisions. These potential revisions seek to respond to the feedback received from community members at the public forums and public comments received throughout the project. For each potential revision, information has been included about what is currently permitted under the existing Land Use Code and what was changed in the LUC as adopted October 2023. Council may also choose to make revisions that have not been outlined here.

Items for Council Discussion
<p>Potential revisions for RL:</p> <p>1 Remove Accessory Dwelling Unit (ADU) as a permitted housing type</p>
<p>Potential revisions for NCL/OT-A:</p> <p>2 Remove duplex as a permitted housing type 3 Maintain current lot size for residential units 4 Remove affordable housing incentive of additional housing types (apartment, rowhouse, cottage court)</p>
<p>Potential revisions for NCM/OT-B:</p> <p>5 Maintain current 4 unit maximum for multi-unit building 6 Maintain current lot size for residential units 7 Remove affordable housing incentive of additional density (+1 unit)</p>
<p>Potential revisions for HOAs:</p> <p>8 Remove language prohibiting HOAs from regulating the number and/or type of dwelling units permitted on a lot 9 Remove language prohibiting HOAs from regulating the ability to subdivide property</p>

Residential, Low-Density (RL): 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
- *Max Density:* 1 dwelling unit per lot

- *Lot Size:* 6,000 sq feet minimum *AND* 3 times the total floor area, whichever is greater
- *Maximum Height:* 28 feet for residential buildings

Changes adopted in October 2023:

- *Housing Types:* Add Accessory Dwelling Unit (ADU)
- *Max Density:* Increase to 2 dwelling units per lot (detached house + ADU only)
- *Other:*
 - ADU height limited to 15 feet where there is no alley
 - Allow an ADU with single-unit dwelling only
 - Require ADU properties to have a resident manager
 - Prohibit Short-Term Rentals (STR) in ADUs

Potential revisions for RL:

1. Remove Accessory Dwelling Unit (ADU) as a permitted housing type (this revision would also decrease maximum density permitted on a lot)

Neighborhood Conservation, Low Density (NCL) / Old Town-A (OT-A): The Neighborhood Conservation, Low Density Zone District is similar to 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
- *Max Density:* 1 unit or 2 units for lots >12,000 sf
- *Lot Size:* 6,000 sf minimum; 12,000 sf minimum for carriage house (10% of NCL lots)
- *Maximum Height:* 2 stories; 24 feet for carriage house or building at the rear of the lot

Changes adopted in October 2023:

- *Housing Types:* Add duplex; expand where ADUs are permitted; permit 3-unit apartment, rowhouse, and cottage court for affordable housing only
- *Max Density:* 3 units per lot
- *Lot Size:* 4,500 sf; 6,000 sf for 3-unit apartment/rowhouse, 9,000 sf for 3-unit cottage court
- *Maximum Height:* 28 ft; 24 feet for ADU; 15 ft for detached ADU with no alley
- *Other:*
 - Affordable housing allows 3-unit apartment, rowhouse, and cottage court

- Requirements to integrate existing structure
- HOA may limit to internal ADU only
- ADU height limited to 15 feet where there is no alley
- Require ADU properties to have a resident manager
- Prohibit Short-Term Rentals (STR) in ADUs

Potential revisions for NCL/OT-A:

2. Remove duplex as a permitted housing type
3. Maintain current lot size for residential units
4. Remove affordable housing incentive of additional housing types (apartment, rowhouse, cottage court)

NCM (OT-B) – 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 sf for single-unit detached house; 6,000 sf for multi-unit buildings up to 4 units; 10,000 sf for carriage house
- *Maximum Height:* 2 stories, 24 ft for carriage house or building at the rear of the lot

Changes adopted in October 2023:

- *Housing Types:* Allow up to 5 units in multi-unit buildings
- *Max Density:* 6 units per lot
- *Lot Size:* 4,500 sf; 6,000 sf for 4-unit apartment/rowhouse, 9,000 sf for 3-6 unit cottage court
- *Maximum Height:* 28 ft; 24 feet for ADU; 15 ft for detached ADU with no alley
- *Other:*
 - Affordable housing allows 6-unit apartment, 5-unit rowhouse, and 3-6 unit cottage court
 - Requirements to integrate existing structure
 - HOA may limit to internal ADU only
 - ADU height limited to 15 feet where there is no alley
 - Require ADU properties to have a resident manager
 - Prohibit Short-Term Rentals (STR) in ADUs

Potential revisions for NCM/OT-B:

5. Maintain current 4 unit maximum for multi-unit building
6. Maintain current lot size for residential units
7. Remove affordable housing incentive of additional density (+1 unit)

Private Covenants/Homeowners Associations (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.

Current Land Use Code regulations for HOAs:

- *Can not prohibit or limit*: xeric landscaping, solar/photovoltaic collectors on roofs, clothes lines in back yards, odor controlled compost bins
- *Can not require*: turf grass yards/lots

Changes adopted in October 2023:

- *Can not prohibit or limit*: the number and/or type of dwelling units permitted on a lot when that number and/or type of dwelling unit(s) would otherwise be permitted; the ability to subdivide property when that subdivision would otherwise be permitted
- *Can regulate*: external aesthetics including (but not limited to) site placement/ setbacks, color, window placement, height, and materials; if ADU is internal or detached

Potential revisions for HOAs:

8. Remove language prohibiting HOAs from regulating the number and/or type of dwelling units permitted on a lot
9. Remove language prohibiting HOAs from regulating the ability to subdivide property

Staff anticipates that this work stream would require additional Council direction on which revisions to pursue, and that the timeline would be determined by Council.

Land Use Code Project Expenditures

The following tables show spending on the Land Use Code. The first table is spending for 2021-2023. The second table isolates spending for 2023 only. These tables do not include staff hours for community engagement in 2023, estimated to be around 550-600 hours.

Land Use Code Update Budget Spending 2021-2023	
Consulting Services	349,209.92 <i>(Planning & engagement \$308,786.92)</i> <i>(Legal Services \$40,423.00)</i>
Marketing Services	1,237.65
Language Access Services	3,908.56
Copy & Reproduction Services	4,448.80
Post Card	20,907.14
Office Supplies	2,400.00
Food for Public Meetings	5,907.53
TOTAL	388,019.60

Land Use Code Update Budget Spending for 2023	
Consulting Services	62,403.01 <i>(Planning & engagement \$53,979.01)</i> <i>(Legal Services \$8,424.00)</i>
Marketing Services	1,237.65
Language Access Services	3,908.56
Copy & Reproduction Services	4,448.80
Post Card	20,907.14
Office Supplies	2,400.00
Food for Public Meetings	5,907.53
TOTAL	101,212.69

NEXT STEPS

Depending on feedback received at the work session, staff can begin work on Land Use Code revisions and move through possible next steps. Below are several possible next steps, attempting to clarify different work streams related to the Land Use Code:

Work Stream #1 (Immediate Next Steps):

- Direct staff to bring forward a draft Land Use Code that removes controversial items
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Work Stream #2 (For Council Consideration):

Further consideration of items removed from draft Land Use Code (e.g., revision, referral to ballot, or other)

Work Stream #3 (For Council Consideration):

- **Phase II:** Consider **ALL** remaining priorities for Land Use Code update (e.g., commercial zoning and TOD, remaining housing related changes, xeric-landscaping, tree standards)
- Direct staff to develop a proposed scope, engagement strategy and timeline

ATTACHMENTS

1. Zoning Maps by Council District
2. Presentation