

DCA23-0002 Short-Term Rental

Ron Menguita
Principal Planner
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Agenda

1. Overview of the City's current regulations
2. Why Code amendments are needed
3. How other cities regulate Short-Term Rental
4. Present recommended amendments

Current Regulations

Table 5.2-A: Table of Allowed Uses

| | RR | R1 | R2 | R3 | R4 | R6 | R7 | MN | MD | MR | SC | HC | GO | LI | HI | PF | Use-Specific Standard |
|--------------------------|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|-----------------------|
| Short-Term Rental | P+ | P+ | P+ | P+ | P+ | P+ | P+ | P+ | | | | | | | | | 5.3.5T |



Current Regulations - continued

1. Registration Requirements

- a. Name, address, phone number and e-mail address of the **property owner**
- b. The short-term rental property is the **applicant's primary residence**
- c. Name, address, phone number and e-mail address of the **Local Emergency Contact**
- d. The **maximum number of occupants** is in accordance with Subsection 5.3.1D: Maximum Persons Occupying a Dwelling
- e. **Floor plan** of the dwelling with dimensional room layout
- f. **Site plan/survey** of the property indicating maximum number of vehicles

2. Operation

- a. External Signage
- b. Limit on Occupants Allowed
- c. Limits on Number of Vehicles
- d. Advertisements and Contracts
- e. Other Restrictions



Current Regulations - continued

Other Restrictions

It is unlawful:

- i. To operated a short-term rental without first **registering**
- ii. To advertise or offer a short-term rental without first **registering**
- iii. To operate a short-term rental in any location that is not the **registrant's primary residence**
- iv. To operate a short-term rental that does not comply with all applicable city and state **laws and codes**
- v. To operate a short-term rental without paying the required **hotel occupancy taxes**
- vi. To offer or allow the use of a short-term rental for the sole or primary purpose of having a **party venue**
- vii. To **fail to include a written prohibition against the use of a short-term rental for having a party** in every advertisement, listing, or other publication offering the premises for rent
- viii. Permit the use of short-term rental for the **purpose** of: housing sex offenders; operating a structured sober, recovery or other purpose living home or similar enterprise; selling illegal drugs; selling alcohol or another activity that requires a permit or license under the Alcoholic Beverage Code; or operating as a sexually oriented business.

Current Regulations - continued

3. Brochure and Safety Features

- a. Informational Brochure
- b. Safety Features

4. Notification of Approval of Short-Term Rental

Within 10 days of the approval of a short-term rental, the city shall send **notice to all property owners within 100 feet** of the subject property

5. Registration Term, Fees, and Renewal

- a. Registrations shall be **valid for a period of one year** from the date of its issuance
- b. The **fee for registration** is identified in the Administrative Criteria Manual
- c. The Director may **deny the renewal** if there is reasonable cause

6. Right to Inspect Premises

- a. **Portion of the premises** is offered for rent, plus shared amenities and points of access
- b. The city shall provide written notice of such violation and shall set a **re-inspection** date for a violation to be corrected prior to its occupancy

Why amend the Code?

✓ To respond to a recent Court Decision

- 5th Circuit court decision in *Hignell-Stark v. City of New Orleans*
- Requiring proposed Short-Term Rentals as the primary residence for registrants was unconstitutional
- Discriminates against out-of-state real estate owners who wanted to operate Short-Term Rentals
- City of Denton's current regulations require Short-Term Rentals to be the applicant's primary residence – this exposes the City to potential litigation.

Why amend the Code? - continued

✓ Clarify existing language

- What is allowed as Short-Term Rental - dwelling unit or bedroom (application, enforcement and tax collection)
- Contact information
- Maximum Occupancy
- Maximum and Minimum Parking Requirements
- Not used as a Party Venue
- Consolidate and Reorganize standards

✓ Propose additional Use-Specific Standards

- Not allow a RV or a travel trailer as a Short-Term Rental
- Registration requirements
- Enforcement and Inspection requirements
- Should a Multifamily Dwelling unit or bedroom be allowed as a Short-Term Rental?

Other Cities

City of Fort Worth

- February 14, 2023 the City Council approved a registration ordinance for legal Short-Term Rental
- Deadline for registration is June 1, 2023
- Short-Term Rental period ranges from one to 29 days
- Registration applies only to properties properly zoned to operate a legal Short-Term Rental
- Requirements:
 - Short-term rentals where allowed by zoning to register
 - An annual registration and fee: \$150 for the initial year and \$100 per year for renewals
 - Registrations would be nontransferable
 - Collection of hotel occupancy tax for the property
 - Minimum stay is one night
 - A local responsible party must be available 24/7 to respond to concerns at the property.
 - No more than one group would be allowed to inhabit the property at a time
 - Rentals would be limited to two persons per bedroom, plus two additional persons, with a maximum of 12 people staying in the property at one time
 - Only on-premise parking would be allowed
 - No events or parties would be allowed
 - The host would be required to provide instructions to comply with noise, trash, parking and curfew ordinances.
 - Advertising and operation of short-term rentals without registration would be prohibited.
 - Registration may be revoked based on violations.



Other Cities - continued

City of Fredericksburg

- 2022 Adopted Ordinance for Short-Term Rentals (STR) became effective April 1, 2022
- Types of STRs
 - Accessory – Guest house on homestead property
 - B&B – rooms for rent within property owners homestead property
 - Condominium – located in recorded condo
 - Facility – complex with multiple dwelling rental units (up to 8)
 - Unoccupied – transient lodging not located on property owner’s principal residence
- Permits
 - Required for each STR
 - Application Fee = \$150/unit, plus \$100/bedroom
 - Valid for one year
- Off-Street Parking – different by STR type
- Allowed in certain Zoning Districts by STR type
- Accommodations for a period less than 30 days

Other Cities - continued

City of Dallas

- Dallas is considering amendments to Dallas Development Code Chapter 51A-4.205 "Lodging Uses", to define a new use called "Short-term rental lodging" and related regulations
- STRs are typically residential properties that are rented for overnight accommodation for a period of fewer than 30 consecutive days
- Currently no standards in the Dallas development code related to the use of a residence as a short-term rental. Code Compliance is developing proposed standards for an STR registration and regulation ordinance. City's Tax Code considers STRs to be a lodging use for purposes of collecting the City's Hotel Occupancy Tax (HOT). Chapter 27 exempts STRs that pay the HOT from registration and inspection requirements
- Proposed Amendment:
 - A full or partial unit that is rented to occupants for fewer than 30 consecutive days per rental period
 - Districts permitted: By right in MO(A), GO(A), central area, mixed use, multiple commercial, and urban corridor districts
 - Required off-street parking: One space per full or partial unit rented to occupants
 - The number of short-term rentals in a single dwelling unit may not exceed one
 - Short-term rental lodging is prohibited in a multifamily structure or development that has received and utilized a development bonus under Division 51A-4.1100 "Mixed Income Housing."

Other Cities - continued

City of Galveston

- A short term rental shall include a residential dwelling unit or accessory building used as a short term vacation rental, for any period less than thirty (30) consecutive days
- An owner shall designate the owner, or an agent or a representative to comply with the requirements of this section on behalf of the owner
- No owner may make available for a short term rental any building/property unless that building/property has previously been registered as a short term rental
- Registration Form:
 - The name, address, email and telephone number of the owner/operator of the subject short term rental unit
 - The name, address, email and twenty-four (24) hour telephone number of the local contact person
 - The number of bedrooms and the applicable overnight and daytime occupancy limit of the proposed short term rental unit
 - The short term rental registration fee shall be fifty dollars (\$50.00) (per rental unit)
 - The owner, agent or representative shall provide a brochure or other alternative publication to renters, of short term vacation rentals, with information which shall provide basic, minimum, standards of conduct during their visit to the city

Other Cities - continued

City of San Marcos

- An approved registration is required before operation of short term rental
- An approved short term rental registration shall not be assigned or transferred to any person or entity
- An owner of property may not have more than one short term rental unit in the city that is registered or operated as a short term rental.
- No more than two adult guests per bedroom, plus no more than two additional adults
- Each short term rental registrant shall provide in the premises at least at least one working smoke detector and alarm and one working carbon monoxide detector and alarm per bedroom, and one working fire extinguisher
- Each registrant operating a short term rental shall provide to guests a brochure
- All registrations approved under this division shall be valid for a period of one year from the date of their issuance.
- Violations: very similar to the current Denton Development Code

Other Cities - continued

City of Arlington

- A Short-Term Rental refers to any residential structure, or a portion thereof, used for lodging accommodations to occupants for a period of less than 30 consecutive days
- On April 23, 2019, the Arlington City Council adopted two ordinances that allow short-term rentals
 - Ordinance No. 19-014 designated Eligible locations for STRs within the city
 - Ordinance No. 19-022 created Regulations for conducting STRs and established Permit Application Requirements
- Short-Term Rentals are prohibited in single-family residential neighborhoods
- Short-Term Rentals can exist in designated areas
 - New or existing residential structures in
 - All zoning districts within the established STR Zone, which is anchored by the Entertainment District and extends approximately one mile from its center
 - Residential, Medium Density (RM-12) Zoning District
 - Residential, Multi-family (RMF-22) Zoning District
 - Existing residential structures in:
 - All non-residential zoning districts; and
 - All mixed-use zoning Districts



Other Cities - continued

City of Arlington - continued

- Owners in Arlington must register Short-Term Rental properties and obtain a permit
- Permit Information:
 - Owner and Operator Information
 - \$500 fee per site or address
 - Renewed annually, not transferable
 - House Rules
- Permit Requirements
 - HOT Tax account number
 - Plot Plan
 - Floor Plan
- Regulations
 - Maximum Occupancy: 2 per bedroom plus 2, limited to 12
 - Parking: limited to the number of available off-street spaces
 - Noise restrictions; no amplified sound between 10 pm and 9 am
 - Outside congregation restrictions: between 10 pm and 9 am
 - Trash placement on curb: after 7 pm the evening prior to scheduled pickup
 - Premises not to be used as Banquet Hall

Questions

1. How many STRs are registered with the City?
 - There are seven (7) active registrations
 - Three (3) registrations have expired
 - Approximately twelve (12) denied/canceled
2. How many STRs do we estimate are within the City?
 - Multiple calls every week
 - Estimated number – 200 to 250 (some properties that are not listed are booked, reserved on other platforms that don't show up on searches)
3. Are HOT tax currently being collected?
 - STRs self-report - Eight (8) are paying HOT tax
 - AirBNB – nonresponsive to City requests
 - Third Party Collection – staff discussions
4. Do we know how many complaints related to STRs we have? Difficult to answer - CIS handles property maintenance complaints, PD noise and parking complaints, and Zoning Officers handles use complaints - my neighbor is operating a STR.

Amend Section 5.3.5T as follows:

1. Registration Requirements

No person or entity shall advertise, offer to rent, or rent, lease, sublease, license, or sublicense a residential property dwelling unit or bedroom within the city as a short-term rental for which a registration has not been properly made and filed with the Development Services Department. Registration shall be made upon forms furnished by the city for such purpose and shall specifically require the following minimum information:

- a. Name, address, phone number and e-mail address of the property owner and the management company (if applicable) of the short-term rental property;
- b. Verification that the proposed short-term rental property dwelling unit or bedroom is managed by the property owner or by a management company ~~the applicant's primary residence~~;
- c. Name, address, phone number and e-mail address of the designated Local Emergency Contact local emergency contact;

DCRC Policy Questions:

Should a bedroom be allowed as a Short-Term Rental?

- d. ~~The maximum number of occupants permitted for the dwelling unit or sleeping room in accordance with Subsection 5.3.1D: Maximum Persons Occupying a Dwelling;~~
- e. A submission of a sketch floor plan of the dwelling unit or bedroom with dimensional room layout; and
- f. A site plan/survey of the property indicating maximum number of vehicles that can be legally parked on the property, without encroaching onto streets, sidewalks or alleys, other public rights-of-way or public property. The site plan/survey is required to ensure compliance with Section 5.3.5T.2.c.

2. Operation

a. External Signage

There shall be no external on-site or off-site advertising signs or displays indicating the property is a short-term rental.

b. Limit on Occupants Allowed

No more than one person per 200 square feet. ~~two adult guests per bedroom, plus no more than two additional adults shall be allowed when renting a property as a short-term rental, except that there shall be a maximum occupancy of 10 persons, adults and children.~~

c. Limits on Number of Vehicles

~~There shall be a maximum of~~ Parking shall be limited to one vehicle per bedroom, or the maximum number of vehicles that can be accommodated within the garage and driveway, without extending over the public rights of way (alleys and sidewalks), whichever is less.

d. Advertisements and Contracts

Any advertisement of the property as a short-term rental and all rental contracts must contain language that specifies: the allowed maximum number of occupants; ~~and~~ maximum number of vehicles; and states that the short-term rental may not be used for the sole or primary purpose of having a party venue.

e. **Other Restrictions and Enforcement**

It is unlawful: The following actions are violations of this DDC and are enforceable as established in Section 1.6 Enforcement Actions.

- i. To advertise, offer, operate or allow to be operated as a short-term rental without first registering, in accordance with this DDC, the property in which the rental is to occur;
- ~~ii. To advertise or offer a short-term rental without first registering, in accordance with this DDC, the property in which the rental is to occur; documented advertisement of the subject property as a short-term rental, online or offline, shall be considered evidence of a violation of this DDC;~~
- ~~iii. To operate a short-term rental in any location that is not the registrant's primary residence;~~
- iv. To operate a short-term rental that does not comply with all applicable city and state laws and codes;
- v. To operate a short-term rental without paying the required hotel occupancy taxes;
- vi. To offer or allow the use of a short-term rental for the sole or primary purpose of having a party venue;

e. **Other Restrictions and Enforcement (continued)**

- vii. ~~To fail to include a written prohibition against the use of a short-term rental for having a party in every advertisement, listing, or other publication offering the premises for rent; and~~
- viii. **Permit To permit** the use of short-term rental for the purpose of: housing sex offenders; operating a structured sober, recovery or other purpose living home or similar enterprise; selling illegal drugs; selling alcohol or another activity that requires a permit or license under the Alcoholic Beverage Code; or operating as a sexually oriented business; and-
- ix. To operate a short-term rental in a Recreational Vehicle (RV) or a travel trailer;
- x. Failure to have a Local Emergency Contact available to respond to complaints; and
- xi. Failure to correct any violation(s) found during inspection.

DCRC Policy Questions:

Should a recreational vehicle (RV) or a travel trailer be allowed as a Short-Term Rental?

3. Brochure and Safety Features

a. Informational Brochure

Each registrant operating a short-term rental shall provide to guests a brochure that includes:

- i. The ~~registrant's 24-hour~~ contact information of the designated Local Emergency Contact;
- ~~ii. A local responsible party's 24-hour contract information if the owner is not within the city limits when guests are renting the premises;~~
- iii. Pertinent neighborhood information including, but not limited to, parking restrictions, restrictions on noise and amplified sound, and trash collection schedules; and
- iv. Information to assist guests in the case of emergencies posing threats to personal safety or damage to property, including emergency and non-emergency telephone numbers for police, fire, and emergency medical services providers and instructions for obtaining severe weather, natural or manmade disaster alerts and updates.

b. Safety Features

- i. Each short-term rental registrant shall provide, in the premises, working smoke detectors in accordance with adopted codes, at least one working carbon monoxide detector and alarm, and one working fire extinguisher. The premises shall, otherwise comply with all applicable City regulations, including but not limited to Building and Fire Codes.

4. Notification of Approval of Short-Term Rental Registration

Within 10 days of the approval of a short-term rental registration, the city shall send notice to all property owners within 100 feet of the subject property, and shall include the 24-hour complaint line, and pertinent information about standards regulating short-term rentals.

DCRC Policy Questions:

Should adjacent property owners within 100 feet of the subject property be notified that a Short-Term Rental registration has been approved?

5. Registration Term, Fees, and ~~Renewal~~ Revocation

- a. All short-term rental registrations approved under this DDC shall be valid for a period of one year from the date of its issuance.
- b. The fee for registration of a short-term rental is identified in the City's adopted Fee Schedule Administrative Criteria Manual.
- c. The Director may revoke a short-term rental registration ~~Upon receipt of an application for renewal of the registration, the Director may deny the renewal~~ if there is reasonable cause to believe that:
 - i. The registrant has plead no contest to or been convicted of a violation of any ordinance of the city, or any state, or federal law on the premises or has permitted such a violation on the premises by any other person; or
 - ii. There are grounds for suspension, revocation, or other registration sanction as provided in this DDC or other applicable city codes.

6. Right to Inspect Premises

The City of Denton reserves the right, with reasonable notice to the owner, to inspect the residential premises-dwelling unit or bedroom annually to determine compliance with this DDC as well as other applicable city codes.

- a. If only a portion of the premises (bedroom) is offered for rent, then that portion, plus shared amenities and points of access, may be inspected.
- b. If, upon completion of an annual inspection, the premises are found to be in violation of one or more provisions of applicable city codes and ordinances, the city shall provide written notice of such violation and shall set a re-inspection date for a violation to be corrected prior to renewal of registration ~~its occupancy~~.

Amend Table 7.9-I: Minimum Required Off-Street Parking as follows:

Table 7.9-I: Minimum Required Off-Street Parking

Short-Term Rental: 1 space per guestroom

DCRC Policy Questions:

Is the parking minimum requirement for a Short-Term Rental appropriate?

Amend Section 9.2 Definitions as follows:

Short-Term Rental

The rental of an entire dwelling unit or bedroom for monetary consideration for a period of time less than 30 consecutive days, not including a bed and breakfast, boarding or rooming house, hotel, or motel. This definition does not include offering the use of one's property where no fee is charged or collected.

DCRC Policy Questions:

Should a Multifamily Dwelling unit be allowed as a Short-Term Rental?

If allowed, staff recommends that written consent from the apartment management be required.

Definitions

Local Emergency Contact

An individual other than the applicant, who resides within 20 miles of the subject property, and who is designated by the owner/applicant to act as the owner's authorized agent if the owner has traveled outside of the immediate area or is otherwise unavailable. The local emergency contact should be reachable on a 24-hour basis, have access to the Short-Term Rental Property, and be authorized by the owner to act in the owner's absence to address any complaints, disturbances, and emergencies.

Dwelling/Dwelling Unit

A structure or portion thereof that provides living, sleeping, eating, cooking, and sanitation accommodations. This term does not include short-term rental.

Bedroom

Any room other than a living room, family room, dining room, kitchen, bathroom, closets, or utility room, for the purpose of this DDC, shall be considered a bedroom. Dens, studies, etc. with or without closets and similar areas, which may be used as bedrooms shall be counted as bedrooms for the purposes of this DDC.

QUESTIONS?

Ron Menguita
Principal Planner
Development Services

