

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY OF DENTON, TEXAS AMENDING THE DENTON DEVELOPMENT CODE, REGARDING SHORT-TERM RENTAL USE REGULATIONS AND DEFINITIONS, SPECIFICALLY AMENDMENTS TO TABLE 5.2-A- TABLE OF ALLOWED USES, SUBSECTION 5.3.1 USE-SPECIFIC STANDARDS – GENERALLY, SUBSECTION 5.3.5: COMMERCIAL USE-SPECIFIC STANDARDS, TABLE 7.9-I PARKING, AND SECTION 9.2: DEFINITIONS; PROVIDING FOR A PENALTY IN THE MAXIMUM AMOUNT OF \$2,000.00 FOR VIOLATIONS THEREOF; PROVIDING A SEVERABILITY CLAUSE AND AN EFFECTIVE DATE. (DCA23-0002g)

WHEREAS, pursuant to Ordinance No. DCA18-0009q, the City Council of the City of Denton adopted the newly revised 2019 Denton Development Code, (the “DDC”); and

WHEREAS, the Development Code Review Committee (the “DCRC”) met eleven times from March of 2023 to January of 2024 and carefully considered a variety of regulatory concepts; and

WHEREAS, as part of DCRC’s deliberations, City staff was directed to research the nature and extent of short-term rentals in the City of Denton, conduct a public survey, and amend the DDC to provide regulatory options which provide opportunities for conducting short-term rentals while also protecting residential neighborhoods where short-term rentals may be a disruptive land use; and

WHEREAS, City staff have reviewed data and information from other cities’ experiences with short-term rentals and have used this data and information to develop a regulatory structure suitable for and responsive to the needs and interests of the City of Denton; and

WHEREAS, City staff presented the results of the short-term rental preference survey, reflecting a desire in residents to maintain the integrity of single-family areas while allowing higher densities of short-term rentals within certain areas of the city; and

WHEREAS, the regulation of the use and operation of short-term rentals in residential zoning districts is consistent with the 2040 Comprehensive Plan’s goal of ensuring the continued viability of Denton’s established neighborhoods through thoughtful conservation; and

WHEREAS, the City finds that mixed-use and nonresidential zoning districts are more appropriate for short-term rental operation because: medium and higher density residential uses are dispersed throughout these zoning districts; short-term rental operations are less disruptive in these districts due to the density and variety of existing uses; and the locations likely to draw short term rental users – such as universities and downtown Denton - are located in these zoning districts; and

WHEREAS, the City finds that a short-term rental registration cap within residential districts, and no short-term rental registration cap in mixed-use and nonresidential districts would enable the City to both preserve and protect existing neighborhoods and encourage short-term rental operations in appropriate zoning districts; and

WHEREAS, the amendments proposed include the following:

1. Table 5.2-A: Table of Allowed Uses – Update table to show Short-Term Rentals as a permitted use in all zoning districts which allow residential uses.
2. Subsection 5.3.1 Use-Specific Standards – Generally – related to maximum persons occupying a dwelling unit.
3. Subsection 5.3.5: Commercial Use-Specific Standards – related to the regulations and permitting of Short-Term Rental Uses.
4. Table 7.9-I: Parking – related to parking requirements for Short-Term Rental Uses.
5. Section 9.2: Definitions – clarify definitions related to Short-Term Rental Uses.

WHEREAS, on March 20, 2024, the Planning and Zoning Commission, in compliance with the laws of the State of Texas, gave the requisite notices by publication, held due hearings, and recommended Approval [7-0] of the amendment to the Denton Development Code; and

WHEREAS, following the March 20, 2024, Planning and Zoning Commission meeting, and due to continually evolving litigation surrounding short-term rentals, staff determined it necessary to conduct a broader public notification process for the Code amendments by providing a mailed notice to property owners potentially affected by the proposed zoning changes in all zoning districts, except Light Industrial, Heavy Industrial and Public Facilities as well as some older Planned Developments, which do not allow for the use under current or proposed regulations, totaling of 29,371 notices mailed to property; and

WHEREAS, on May 29, 2024, the Planning and Zoning Commission, in compliance with the laws of the State of Texas, gave the requisite notices by publication, held due hearings, and recommended approval [5-0] of the amendment to the Denton Development Code; and

WHEREAS, on June 4, 2024, the City Council likewise conducted a public hearing in accordance with local and state law, and determined it necessary for additional public engagement and continued the public hearing to July 23,2024; and

WHEREAS, City staff completed additional public engagement by meeting with the Texas Realtor Association and interested residents on June 20, 2024; and

WHEREAS, on July 23, 2024, the City Council conducted a public hearing in accordance with local and state law and the City Council hereby finds that the Code amendments are consistent with the City’s comprehensive plan, and federal, state, and local law are in best interests of the City of Denton; NOW, THEREFORE, THE COUNCIL OF THE CITY OF DENTON HEREBY ORDAINS:

SECTION 1. The findings and recitations contained in the preamble of this ordinance are incorporated herein by reference and found to be true.

SECTION 2. Table 5.2-A: Table of Allowed Uses, Subsection 5.3.1 Use-Specific Standards, Subsection 5.3.5. Commercial Use-Specific Standards, Table 7.9-i: Parking, and

Section 9.2: Definitions of the DDC are amended as set forth in **“Exhibit A”** which is attached and fully incorporated herein by reference.

SECTION 3. Any person, firm, partnership, or corporation violating any provision of this ordinance shall, upon conviction, be deemed guilty of a misdemeanor and shall be punished by fine in sum not exceeding \$2,000.00 for each offense. Each day that a provision of this ordinance is violated, shall constitute a separate and distinct offense.

SECTION 4. If any provision of this ordinance or the application thereof to any person or circumstance is held invalid by any court, such invalidity shall not affect the validity of the provisions or applications, and to this end the provisions of this ordinance are severable.

SECTION 5. That an offense committed before the effective date of this ordinance is governed by prior law and the provisions of the Denton Development Code, as amended, in effect when the offense was committed, and the former law is continued in effect for this purpose. For the purposes of compliance and in an effort to treat single-room occupancy short-term rentals the same as entire unit short-term rentals, the current provisions of the Denton Development Code shall extend to single-room short-term rentals from the date of passage of this ordinance to the effective date as specified in Section 6.

SECTION 6. In compliance with Section 2.09(c) of the Denton Charter, this ordinance shall become effective August 1, 2024, and the City Secretary is hereby directed to cause the caption of this ordinance to be published twice in the Denton Record Chronicle, a daily newspaper published in the City of Denton, Texas, within ten (10) days of the date of its passage.

The motion to approve this ordinance was made by _____ and seconded by _____, the ordinance was passed and approved by the following vote [___ - ___]:

	Aye	Nay	Abstain	Absent
Mayor Gerard Hudspeth:	_____	_____	_____	_____
Vicki Byrd, District 1:	_____	_____	_____	_____
Brian Beck, District 2:	_____	_____	_____	_____
Paul Meltzer, District 3:	_____	_____	_____	_____
Joe Holland, District 4:	_____	_____	_____	_____
Brandon Chase McGee, At Large Place 5:	_____	_____	_____	_____
Jill Jester, At Large Place 6:	_____	_____	_____	_____

PASSED AND APPROVED this the _____ day of _____, 2024.

GERARD HUDSPETH, MAYOR

ATTEST:
LAUREN THODEN, CITY SECRETARY

BY: _____

APPROVED AS TO LEGAL FORM:
MACK REINWAND, CITY ATTORNEY


BY:  _____

Exhibit A

Amend 5.2.A Table of Allowed Uses as follows:

Table 5.2-A: Table of Allowed Uses																	
P = permitted S = specific use permit required Blank cell = use prohibited + = use-specific standards apply																	
	Residential							Mixed-Use			Corridor		Other Nonresidential				Use-Specific Standards
	RR	R1	R2	R3	R4	R6	R7	MN	MD	MR	SC	HC	GO	LI	HI	PF	
Commercial Uses																	
Lodging Facilities																	
Short-Term Rental	P+	P+	P+	P+	P+	P+	P+	P+	P+	P+	P+	P+	P+				5.3.5T

Amend Subsection 5.3.1 Use-Specific Standards as follows:

D. Maximum Persons Occupying a Dwelling

No single dwelling unit shall have more than four unrelated persons residing therein, nor shall any "family" have, additionally, more than four unrelated persons residing with such family. Hotels, motels, bed and breakfast establishments, boarding houses, chapter house, dormitories, Community Homes, Group Homes, Elderly Housing, and Short-Term Rentals are exempt from this requirement. Additionally, any organization or institutional group that receives federal or state funding for the care of individuals is exempt from this requirement.

Amend Subsection 5.3.5 Commercial Use-Specific Standards as follows:

T. Short-Term Rental

1. Registration Requirements

No person or entity shall advertise, offer to rent, or rent, lease, sublease, license, or sublicense a 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 dwelling unit or bedroom is managed by the property owner or by a management company;
- c. Name, address, phone number and e-mail address of the designated Local Emergency Contact;
- d. If the applicant does not own the property where the short-term rental is located, the registrant must provide written authorization, signed by the property owner before a notary public, authorizing the registrant to operate a short-term rental on the premises.

- 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. Registration Certificates

a. Residential Zoning Districts

- i. One thousand (1,000) Registration Certificate Limit. The Department of Development Services shall issue a maximum of one thousand (1,000) short-term rental registration certificates per calendar year in Residential Zoning Districts (RR-R7). Registration certificates are per short-term rental unit, and the registration certificate cap applies to all residential use types (including multi-family) in residential districts.
- ii. The Department of Development Services shall process applications in the order of receipt and shall issue new registration certificates in the order that complete applications are received.
- iii. If the number of registration certificates reaches the one thousand (1,000) registration certificates, then the Department of Development Services shall stop processing applications and add applicants to a waiting list.
- iv. A maximum of two (2) short-term rental registration certificates may be issued per parcel.
- v. A short-term rental unit cannot be within 100 feet of an existing short-term rental unit, measured at the property boundary. This does not apply to units on the same parcel.
- vi. All short-term rental registration certificates expire on December 31 of each calendar year.
- vii. Renewal season takes place from November 1 through December 31 of each year. Only renewal applications are accepted during this time.

b. Non-residential Zoning Districts

- i. Registered short-term rentals in non-residential zoning districts do not count toward the one thousand (1,000)- registration certificate cap.
- ii. In multifamily developments, no more than 10% of the units within a given development may be registered as a short-term rental.
- iii. At least two (2) short-term rental units shall be allowed per multifamily development.
- iv. Short-term rentals within non-residential zoning districts are not subject to the 100-foot separation rule.

3. 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 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

The maximum number of vehicles allowed at a short-term rental shall be limited to the number of available off-street parking spaces.

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; 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.g. wedding reception, concert, bachelor or bachelorette party, or any similar activity that would assemble large numbers of attendees).

e. Restrictions and Enforcement

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 operate a short-term rental that does not comply with all applicable city and state laws and codes;
- iii. To operate a short-term rental without paying the required hotel occupancy taxes;
- iv. To offer or allow the use of a short-term rental for the sole or primary purpose of having a party venue (e.g., wedding reception, concert, bachelor or bachelorette party, or any similar activity that would assemble large numbers of attendees);
- v. 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;
- vi. To fail to update all required registration materials within 30 days if there is a change in Local Emergency Contact, property ownership, or property management company for a registered short-term rental.
- vii. To operate a short-term rental in a vehicle. Refer to Chapter 17, Section 17-2 of the City's Municipal Code of Ordinances for the definition of vehicle and

Section 17-101.A (12) prohibiting the use a vehicle for living or sleeping quarters;

- viii. To operate a short-term rental within a non-permanent structure;
- ix. To not have a Local Emergency Contact available to respond to complaints; and
- x. To not correct any violation(s) found during inspection.

4. Written Briefing and Safety Features

a. Informational Written Briefing

Each registrant operating a short-term rental shall provide to guests, in writing, a brochure or e-brochure that includes:

- i. The contact information of the designated Local Emergency Contact;
- ii. Pertinent neighborhood information including, but not limited to, parking restrictions, restrictions on noise and amplified sound, and trash collection schedules; and
- iii. 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

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.

5. 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 contact information of the designated Local Emergency Contact, and pertinent information about standards regulating short-term rentals.

6. Registration Term, Fees, and Revocation

- a. All short-term rental registrations approved under this DDC shall expire on December 31 of each calendar year.
- b. The fee for registration of a short-term rental is identified in the City's adopted fee Schedule.
- c. In lieu of the revocation standards in Subsection 1.6.5B.4, the Director may revoke a short-term rental registration if the registrant has:

- i. Received three notices for violations of the Property Maintenance Code or citations for violations of the Denton Development Code, any other ordinance of the city, or any state or federal law on the premises within the preceding 12-month time period. Examples of such violations include, but are not limited to, noise violations, trash and debris violations, violations for parking vehicles in a manner that impedes the sidewalk or is on an unimproved surface; or
 - ii. Knowingly permitted three notices for violations of the Property Maintenance Code or citations for violations of the Denton Development Code, any other ordinance of the city, or any state or federal law on the premises by any other person within the preceding 12-month time period; or
 - iii. Knowingly made a false statement on the registration application.
- d. Notice of the revocation shall be given to the registrant in writing, served by certified United States mail to the registrant's mailing address on record. The revocation shall become effective fourteen (14) days from the date of mailing.
 - e. The Director's decision is final unless the owner files a written appeal pursuant to the procedures established in Subsection 2.8.3: *Appeal of Administrative Decision*.
 - f. In the event registrant's short-term rental registration is revoked by the Director and the registrant fails to successfully appeal the Director's decision, no second or additional registration shall be issued for a short-term rental on the premises for 12 months of the date such registration was revoked.

7. Right to Inspect Premises

The City of Denton reserves the right, with reasonable notice to the owner or property management company (as applicable), to inspect the dwelling unit or bedroom 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 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.
- c. Inspections shall be required within six (6) months for all new registrations, when a registration is transferred to another owner, or when additions or modifications are performed to the property which requires a City building permit. Inspections may be required for renewals or upon a violation of any ordinance of the city, state, or federal law.
- d. Inspections shall occur between the hours of 8:00 a.m. and 5:00 p.m.; provided, however, that in cases of emergency where extreme hazards are known to exist which may involve imminent injury to persons, loss of life, or severe property damage, the building official or designee may enter the short-term rental at any time and upon presentation of identification without the owner's permission.

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

Short-Term Rental: The maximum number of vehicles allowed at a short-term rental shall be limited to the number of available off-street parking spaces.

Amend Section 9.2: Definitions as follows:

Modify the following terms and definitions:

Short-Term Rental: The rental of an entire dwelling unit or bedroom for monetary consideration for a period of time not less than 24 hours and not more than 29 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.

Local Emergency Contact: The property owner, registrant, or individual designated by the property owner who is available on a 24-hour basis, have access to the Short-Term Rental Property, and be authorized to address any complaints, disturbances, and emergencies.