



City of Denton

City Hall
215 E. McKinney Street
Denton, Texas
www.cityofdenton.com

AGENDA INFORMATION SHEET

DEPARTMENT: Department of Development Services

ACM: Cassey Ogden

DATE: March 27, 2023

SUBJECT

Receive a report, hold a discussion, and give staff direction regarding proposed Denton Development Code amendments related to Short-Term Rental.

BACKGROUND

On February 13, 2023, the Development Code Review Committee (DCRC) held a discussion regarding proposed Code amendments related to the Short-Term Rental land use. On March 13, 2023 the staff presented an overview of the City's current regulations related to Short-Term Rentals, discussed reasons why the Code amendments are needed, shared how other cities regulate Short-Term Rentals, and presented staff's recommended Code amendments. During the meeting on March 27, 2023 the staff will continue presenting staff's recommended Code amendments.

The purpose of this Code amendment is primarily to respond to a recent 5th Circuit court decision in *Hignell-Stark v. City of New Orleans*. The 5th Circuit recently held that the City of New Orleans' regulation requiring Short-Term Rental applicants to demonstrate the proposed Short-Term Rental dwelling unit was their primary residence was unconstitutional under the dormant Commerce Clause; it was determined to be unconstitutional because it discriminated against out-of-state real estate owners who wanted to operate Short-Term Rentals in New Orleans.

Because of this court decision, staff determined that the City of Denton Development Code (DDC) requirement that a Short-Term Rental be the applicant's primary residence could be legally challenged thereby exposing the City to potential litigation. Therefore, staff is proposing to remove this requirement as part of this proposed Code amendment.

Additionally, staff is proposing Code amendments related to clarifying existing language and proposing additional Use-Specific Standards. The following amendments are generally summarized below and are described more in Exhibit 2 - Draft Short-Term Rental Code Amendments.

- Requiring information pertaining to the management company, if applicable
- Removing the requirement that the Short-Term Rental must be the applicant's primary residence
- Revising how maximum occupancy is determined
- Adding text related to enforcement
- Consolidating and reorganizing standards to be more clear and concise

Lastly, through staff's application of the current Short-Term Rental Use-Specific Standards a few questions have arisen that require further review and discussion. During the meeting, staff will present the following policy questions and request direction from the Development Code Review Committee.

- Should a bedroom be allowed as a Short-Term Rental?
- Should a recreational vehicle (RV) or a travel trailer be allowed as a Short-Term Rental?
- Should adjacent property owners within 100 feet of the subject property be notified that a Short-Term Rental registration has been approved?
- Is the parking minimum requirement for a Short-Term Rental appropriate?
- Should a Multifamily Dwelling unit be allowed as a Short-Term Rental?

EXHIBITS

1. Agenda Information Sheet
2. Short-Term Rental Use-Specific Standards
3. Draft Short-Term Rental Code Amendments
4. Presentation

Respectfully submitted:
Tina Firgens, AICP
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