

Staff Analysis

DCA23-0002g/ Short-Term Rental Code Amendments

REQUEST:

This is a city-initiated Code amendment to the Denton Development Code (DDC) related to Short-Term Rental uses, specifically amendments to Table 5.2-A: Table of Allowed Uses, Section 5.3.1 Use-Specific Standards - Generally, Section 5.3.5: Commercial Use-Specific Standards, Table 7.9-I: Minimum Required Off-Street Parking, and Section 9.2: Definitions related to the regulation of Short-Term Rentals.

CONSIDERATIONS:

Section 2.7.4D of the DDC states that an application for a DDC text amendment may be approved upon consideration of the following criteria as to whether and to what extent the proposed amendment:

1. *Is consistent with the Comprehensive Plan, other adopted plans, and other city policies;*

The proposed Code amendments related to Short-Term Rental (STR) uses are consistent with the following Comprehensive Plan policies and actions related to ensuring the continued viability of Denton's established neighborhoods:

- **Action Item 7.8.2** Prevent impacts and encroachments of incompatible uses, development scales, and intensities through adherence to the established land use standards and urban design principles.
- **Action Item 7.7:** Establish tools and strategies to enhance the quality and character of housing and neighborhoods.
- **GOAL HN-2:** Ensure the continued viability of Denton's established neighborhoods through thoughtful conservation.

The proposed Code amendments are consistent with the Denton Development Code's purpose statements that promote the health, safety, and general welfare of its inhabitants and implementing the City's Comprehensive Plan:

- **Subsection 1.2.1.** Promote the health, safety, and general welfare of the City's inhabitants.
- **Subsection 1.2.2** Implement the City's comprehensive plan - the City's guide in managing growth, promoting reinvestment, and improving the quality of life of the citizens of Denton.
- **Subsection 1.2.7** Encourage the appropriate use of land, buildings, and structures.

As shown in Exhibit 4, the results of the public engagement survey showed that there are concerns related to the impacts of STRs on established residential neighborhoods. These amendments are intended to limit those impacts and strengthen the City's ability to enforce STR regulations as nuisance issues arise.

2. *Does not conflict with other provisions of this DDC or other provisions in the Municipal Code of Ordinances;*

The proposed Code amendments do not conflict with any provisions of the DDC or Municipal Code of Ordinances. The proposed Code amendments introduce new permitting regulations (i.e. 1,000-registration certificate limitation in residential zoning

districts) for Short-Term Rentals to the DDC, as well as provide clarification, reduce duplication, and remove potential conflicts with other provisions of the DDC relating to the regulation of Short-Term Rentals.

3. *Is necessary to address a demonstrated community need;*

This proposed city-initiated Code amendment to the Denton Development Code is needed for the following reasons:

- Ensure compliance with recently established legal precedent related to municipal regulation of Short-Term Rentals, including cases from New Orleans, Louisiana and Arlington, Texas.
- Address resident concerns surrounding Short-Term Rental uses and protect the character of established residential neighborhoods.
- Strengthen enforcement of the Short-term Rental regulations to ensure compliance with the DDC and assist with the collection of Hotel Occupancy Taxes for all operating properties.
- Provide additional language within the Short-Term Rental regulations to address notification and Local Emergency Contact requirements of Short-Term Rental operators.
- Strengthen enforcement regulations regarding when the Director may revoke a Short-Term Rental permit and establish procedures to appeal the determination.

4. *Is necessary to respond to a substantial change in conditions and/or policy; and*

- The City desires to amend the DDC to ensure consistency with existing city policies and recent court rulings regarding this land use. In addition, the City desires to amend the DDC to address resident concerns surrounding Short-Term Rental uses and protect the character of established residential neighborhoods.

5. *Is consistent with the general purpose and intent of this DDC.*

The proposed Code amendments are consistent with the general purpose and intent of the DDC as described above with Consideration 1.