

**Short-term rental use and related regulations
REVISED**

Planner: Steven Doss, AICP

Request:

Consideration of amending Chapters 51 and 51A of the Dallas Development Code, with consideration to be given to amending Section 51-4.216.1, "Lodging Uses" and Section 51A-4.205 "Lodging Uses" to define a new use called "Short-term rental lodging" and related regulations.

Content:

- Case report
 - Background
 - Staff Analysis
 - Land Use / Zoning Options
- Proposed Amendments
- Appendices:
 - Use tables
 - Informational excerpts from Chapter 51A
 - Comparison Cities table
- Presentations and memos for City Council briefing sessions
 - June 15, 2022 <http://citysecretary2.dallascityhall.com/pdf/CC2022/061522AG.pdf>
 - June 1, 2022 <http://citysecretary2.dallascityhall.com/pdf/CC2022/060122AG.pdf>
 - May 4, 2022 <http://citysecretary2.dallascityhall.com/pdf/CC2022/050422AG.pdf>

Background:

A code amendment was initiated by City Plan Commission (CPC) at the December 2, 2021 meeting. CPC authorized a hearing to consider specifically define a new use, "Short-term rental lodging" within the Lodging Uses sections of Chapters 51 and 51A, as well as related regulations.

Previous Progress

- Initial staff briefing to City Council Quality of Life, Arts and Culture Committee (QLAC) on Short-term rental regulations on February 18, 2020.
 - Update committee on current STR practices in Dallas.
 - Receive direction from the Committee on STR registration and additional regulations.
- QLAC initiated a Short-Term Rental Task Force with members appointed by City Council to develop recommendations for STR regulations. The STR Task Force began meeting in June 2020 and developed recommendations in December 2020.
- On January 19, 2021 staff briefed the STR Task Force's recommendations to QLAC.

-
- On February 23, 2021 staff briefed QLAC in closed session on legal issues regarding regulation of STRs.
 - On March 23, 2021 staff briefed QLAC on options to regulation STRs.
 - On May 5, 2021 City Council held a public hearing to hear public comment on potential STR regulations.
 - Between November 15, 2021 and January 18, 2022 a restructured QLAC STR Task Force held several meetings to discuss a proposal to require STR registration with the City.
 - On January 31 and February 22, 2022 QLAC held public hearings to receive public and stakeholder input.
 - On May 4, 2022 staff briefed City Council on the current state of progress, including recommendations from the STR Task Force. City leadership asked staff to return to a briefing session with general recommendations for further discussion intended to refine a clear direction from City Council on STR regulations in Dallas.
 - On June 1, 2022 staff briefed City Council on potential options for zoning and registration requirements for short-term rentals. City leadership asked staff to return with a hybrid zoning option and further details about the registration process.
 - On June 7, 2022 five members of City Council submitted a memo to the City Manager reflecting support of an option that would define short-term rental as a lodging use and would include zoning regulations that would be identical with the ones for lodging uses currently, with the understanding that additional standards would potentially develop through the typical code amendment process.

Staff Analysis:

Short-term rentals (STRs) are typically residential properties that are rented for overnight accommodation for a period of fewer than 30 consecutive days. Currently, the city has no standards in the development code on whether the use of a residential property for short-term rental lodging is appropriate. However, the city does consider a short-term rental to be analogous to a hotel for purposes of collecting the city's Hotel Occupancy Tax (HOT). Providing standards within the zoning code would clarify what uses are considered lodging.

*CHAPTER 44 TAXATION
ARTICLE V HOTEL OCCUPANCY TAX
SECTION 44-34 DEFINITIONS*

In this article,

...
(4) HOTEL means any building in which members of the public obtain sleeping accommodations for consideration. The term includes a hotel, motel, tourist home, tourist house, tourist court, lodging house, inn, rooming house, or bed and breakfast....

This Article requires that an STR must comply with city code and remit the tax to the city, as well as follow any relevant rules crafted to enable that remittance. Currently, this includes registering with the City Controller's Office as a hotel and paying the HOT. Both requirements may be met by registering with the city's vendor for hotel registration and HOT collection or directly with the city. It is important to note that this section of city code only considers STRs to be hotels for the purpose of collecting the HOT.

They city currently requires that all residential properties that are rented for a period of more than 30 consecutive days (whether they are in multifamily or single family structures) register with the Code Compliance Department and be inspected. However, short-term rentals that pay the HOT are exempt from this requirement.

*CHAPTER 27 MINIMUM PROPERTY STANDARDS
ARTICLE VIII REGISTRATION AND INSPECTION OF RENTAL PROPERTIES AND
CONDOMINIUMS
SECTION 27-30 REGISTRATION AND POSTING REQUIREMENTS; DEFENSES*

(g) It is a defense to prosecution under this section that:

...

(5) at the time of the notice of a violation:

(A) the property was a short-term rental; and

(B) applicable hotel occupancy taxes levied on the property under [Article V of Chapter 44](#) of the city code, as amended, had been collected and remitted in full.

The Code Compliance Department is developing proposed standards for an STR registration ordinance. While still in progress, the registration ordinance could include operational recommendations such as, but not limited to, spacing limitations, occupant maximums, emergency contact information, and neighbor notification.

Land Use / Zoning Options

City Council has placed a priority on potential STR regulations, and staff has briefed Council several times with regards to a potential comprehensive package that will regulate STRs.

National best practices to STR regulation include zoning and / or registration. The proposed amendment is only reflective of zoning. Council developed a general consensus that STRs should be defined as a lodging use and requested that staff refer that consensus to ZOAC. ZOAC recommendation of a specific definition, along with any appropriate additional provisions or related regulations, will be forwarded to City Plan Commission before returning to City Council for final approval.

Some cities have determined that STRs should be treated similar to commercial hotels, and only allow them in a similar set of zoning districts as hotels. Other cities have determined that problems arise not necessarily from the short term of rental periods, but from a lack of on-site supervision an accountability for the renters. These cities have drawn a line between owner-occupied STRs, where the rental use is ancillary to the primary residential use, and non-owner occupied STRs, where the rental use is the primary full-time use. Cities with this regime often treat the two types of STRs differently. More detail on comparison cities is in the appendix below. This case report contains the general consensus definition for Short-term rentals as discussed by City Council.. The appendices of this staff report contain zoning definition alternatives discussed at earlier City Council meetings.

Per the City Council direction via the June 15, 2022 briefing, staff drafted a proposal based on the option preferred by City Council.

Proposed Amendment

- Create a new use: Short-term rental lodging in Section 51A-4.205.
- Definition: A full or partial dwelling unit that is rented to occupants for fewer than 30 consecutive days per rental period.
- Zoning Districts where the new use would be permitted: Similar to other lodging uses. See use table below.
- Off-street parking: one space per full or partial dwelling unit that is rented.
- Off-street loading: Dependent on square footage of structure, mimics hotel requirements.
- Additional provisions:
 - Must comply with the registration ordinance.
 - Limitation to only one rental unit per dwelling unit
 - May not use the rental unit as any other use unless there is a valid Certificate of Occupancy for that use and it is allowed in the zoning district.
 - Prohibit an STR from being used as an event venue, any commercial amusement, restaurant, or any other use unless the location possesses a Certificate of Occupancy for that use

It is important to note that as a lodging use, short-term rental lodging would require a Certificate of Occupancy issued by Development Services to operate legally. This would require building inspections and compliance with all relevant building codes.

Registration Ordinance (Code Compliance):

This section is for informational purposes only, as it refers to a different chapter of the Dallas Code of Ordinances that is not under the purview of Chapter 51A. This portion will be developed by the Code Compliance Department as part of the packet of ordinances to regulate short-term rentals and will be subject to City Council approval.

This proposed ordinance will require that all short-term rental owners/hosts register annually, pay a registration fee that covers program costs, notify neighbors of short-term rentals, and have an emergency contact on file to respond to any issues that may arise. The ordinance will provide for inspections upon registration and for complaints received and will allow for registration revocation. The drafted ordinance will require 1,500 feet distance between STRs and establish a minimum distance between STRs and schools and will provide noise level regulations.

Additionally, the proposed registration ordinance seeks to promote responsible STR management and ownership. Staff is considering enforcement measures such as requesting platforms to post STR registration numbers and prohibiting listings of unregistered properties.

Recommendations:

Staff recommends that the Committee determine the appropriate zoning code amendments and forward a recommendation to City Plan Commission.

Proposed Amendments

SEC 51A-4.205. LODGING USES

(3) Short-term rental lodging. [~~Reserved~~]

(A) Definition: A full or partial dwelling unit that is rented to occupants for fewer than 30 consecutive days per rental period.

(B) Districts permitted: [TBD – similar to other lodging uses. See use table below]

(C) Required off-street parking: One space per full or partial dwelling unit rented to occupants.

(D) Required off-street loading: none

(E) Additional provisions:

(i) This use must comply with Chapter ##, “Short-term rentals” of the Dallas City Code.

(ii) The number of short-term rentals in a single dwelling unit may not exceed one.

(iii) A short-term rental must not be used as a commercial amusement (inside), commercial amusement (outside), event venue [not a current use, but upcoming code amendment may create], restaurant, or any other use unless located in a zoning district in which the use is permitted and a Certificate of Occupancy is issued for the use.

Appendix – Use Tables

The intent of this table is for informational purposes and comparison on districts where the uses are allowable.

P: Use permitted by right

S: Use permitted by Specific Use Permit

**: Consult the use regulations in Division 51A-4.200*

DIR: Development Impact Review

RAR: Residential Adjacency Review

For information purposes only

	4.205 Lodging Uses	Hotel or motel	Extended stay hotel or motel	Lodging or boarding house	Overnight general purpose shelter	Short-term rental lodging [proposed new use]
Residential	A(A)					
	R					
	D(A)					
	TH-1-3(A)					
	CH					
	MF-1(A)					
	MF-1(SAH)					
	MF-2(A)				P	P
	MF-2(SAH)				P	P
	MF-3(A)				P	P
	MF-4(A)				P	P
	MH(A)					
Nonresidential	NO(A)					
	LO(A)					
	MO(A)	*	*	S		P
	GO(A)	*	*	S		P
	NS(A)					
	CR	S	S		S	
	RR	*	*	S	P	P
	CS	*	*	S	P	P
	LI	*	*	S	P	P
IR	*	*	S	P	P	

		Hotel or motel	Extended stay hotel or motel	Lodging or boarding house	Overnight general purpose shelter	Short-term rental lodging [proposed new use]
	IM	*	*	S	S	S
	CA-1(A)	*	*	S	P	P
	CA-2(A)	*	*	S	P	P
	MU-1	*	*	S		P
	MU-1(SAH)	*	*	S		P
	MU-2	*	*	S		P
	MU-2(SAH)	*	*	S		P
	MU-3	*	*	S		P
	MC-1	*	*	S		P
	MC-2	*	*	S		P
	MC-3	*	*	S		P
	MC-4	*	*	S		P
	UC-1-UC-3					P
	P(A)					

Appendix – Excerpts from Chapter 51A for informational purposes

(1) Hotel or motel.

(A) Definition: A facility containing six or more guest rooms that are rented to occupants on a daily basis.

(B) Districts permitted:

(i) Except as otherwise provided in Subparagraphs (B)(iii) or (B)(iv), by right in MO(A), GO(A), RR, CS, LI, IR, IM, central area, MU-1, MU-1(SAH), MU-2, MU-2(SAH), MU-3, MU-3(SAH) and multiple commercial districts.

(ii) By SUP only in the CR district.

(iii) By SUP only for a hotel or motel use that has 60 or fewer guest rooms.

(iv) If an SUP is not required, RAR required in MO(A), GO(A), RR, CS, LI, IR, IM, MU-1, MU-1(SAH), MU-2, MU-2(SAH), MU-3, MU-3(SAH), and multiple commercial districts.

(C) Required off-street parking: One space for each unit for units 1 to 250; 3/4 space for each unit for units 251 to 500; 1/2 space for all units over 500; plus one space per 200 square feet of meeting room.

(D) Required off-street loading:

SQUARE FEET OF FLOOR AREA IN STRUCTURE	TOTAL REQUIRED SPACES OR BERTHS
0 to 10,000	NONE
10,000 to 50,000	1
50,000 to 100,000	2
Each additional 100,000 or fraction thereof	1 additional

(E) Additional provisions:

(i) Suite hotels may have kitchens in the guest rooms.

(2) Lodging or boarding house.

(A) Definition: A facility containing at least one but fewer than six guest rooms that are separately rented to occupants.

(B) Districts permitted: By right in MF-2(A), MF-2(SAH), MF-3(A), MF-4(A), RR, CS, LI, IR, and central area districts. By SUP only in CR and IM districts.

(C) Required off-street parking: One space for each guest room.

(D) Required off-street loading:

SQUARE FEET OF FLOOR AREA IN STRUCTURE	TOTAL REQUIRED SPACES OR BERTHS
0 to 10,000	NONE
10,000 to 50,000	1
50,000 to 100,000	2
Each additional 100,000 or fraction thereof	1 additional

(E) Additional provisions:

- (i) The operator of this use may serve meals to the occupants.
- (ii) This use may not have kitchens in the guest rooms.

Appendix – Comparison Cities

- All cities listed apply their short-term rental regulations to stays of fewer than 30 days.
- All cities listed require registration with the city.
- All cities listed require payment of a Hotel Occupancy Tax (or that state’s equivalent tax).

[ZON] indicates that this standard is located in the city’s zoning code.

[REG] indicates that this standard is located in the city’s registration section.

City	Use Type	Allowed in SF	Owner Occupancy	Spacing / concentration	Parking	Other
Arlington	Specifically defined as a “residential premise, or portion thereof...” [ZON]	Yes, in RM-12 (medium density); RMF-22 (multifamily); all districts within the STR zone, centered on ATT Stadium; all non-res and mixed use dist. [ZON]	Not required / no standard	No standard	Limited to number of off-street spaces [REG]	Link
Atlanta	Not specified.	Allowed in all zoning districts. [ZON]	Required. May operate one additional STR. [REG]	No standard	No standard	Link
San Antonio	Residential. specifically not a hotel or motel [ZON]	Yes, except smallest three districts (1,250 sf lots, 2,000 sf lots, 3,000 sf lots) [ZON]	Not required. [ZON]	No restriction for owner-occupied; Maximum of 12.5% of the blockface (for single family) or 12.5% of the units in one building (for multifamily) for non-owner occupied [ZON]	One space per ‘unit’ [ZON]	Link

City	Use Type	Allowed in SF	Owner Occupancy	Spacing / concentration	Parking	Other
Austin	Residential [ZON]	Yes, owner-occupied and non-owner occupied [ZON]	Not required	No standard for owner-occupied; Maximum of 3% of the census tract for non-owner occupied; maximum of 3% of the property and building in a multifamily development; maximum of 25% of the property and building in commercial districts [ZON]	No standard	Link
Denver	Accessory to a residential use [ZON]	Yes – is an accessory to residential use [ZON]	Primary residential use required. [ZON]	No standard	No standard	Link
Los Angeles	"Home-Sharing" Accessory use to a residential use [ZON]	Yes - is an accessory use to residential. Maximum 120 nights / year unless approved for "extended" every night. [ZON]	Resident occupancy required; stays not required to be 'hosted' [ZON]	No standard	No standard	Link Los Angeles considers rentals for fewer than 30 days that are not associated with a permanent resident to be hotels

City	Use Type	Allowed in SF	Owner Occupancy	Spacing / concentration	Parking	Other
Santa Monica	<p>“home-sharing” accessory use to residential</p> <p>[REG]</p>	<p>Yes, accessory use to residential</p> <p>[REG]</p>	<p>Resident occupancy required</p> <p>[REG]</p>	<p>No standard</p>	<p>No standard</p>	<p>Link</p> <p>Santa Monica considers rentals of dwelling units for fewer 30 days that are not associated with a permanent resident to be “vacation rentals” and completely prohibits them</p>

Short-Term Rental Regulations



City of Dallas

Dallas City Council
May 4, 2022

Andres Espinoza, Interim Director
Code Compliance Services

Julia Ryan AICP, Director
Planning and Urban Design



Presentation Overview

- What is a Short-Term Rental
- History and Prior Action
- Where We Are Today
- 2021-22 Short-Term Rental Task Force
- STR Task Force Recommendations and Options
- Staff Proposed Supplemental Recommendations (3 Choices)
- Next Steps





Presentation Purpose

- Provide a briefing on the Short-Term Rental Task Force Recommendations
- Summarize the process for a Zoning Code Amendment





What is a Short-Term Rental?

Include rooms or whole houses, condominiums and apartments that rent daily or weekly and are a growing alternative to hotels (less than 30 days).





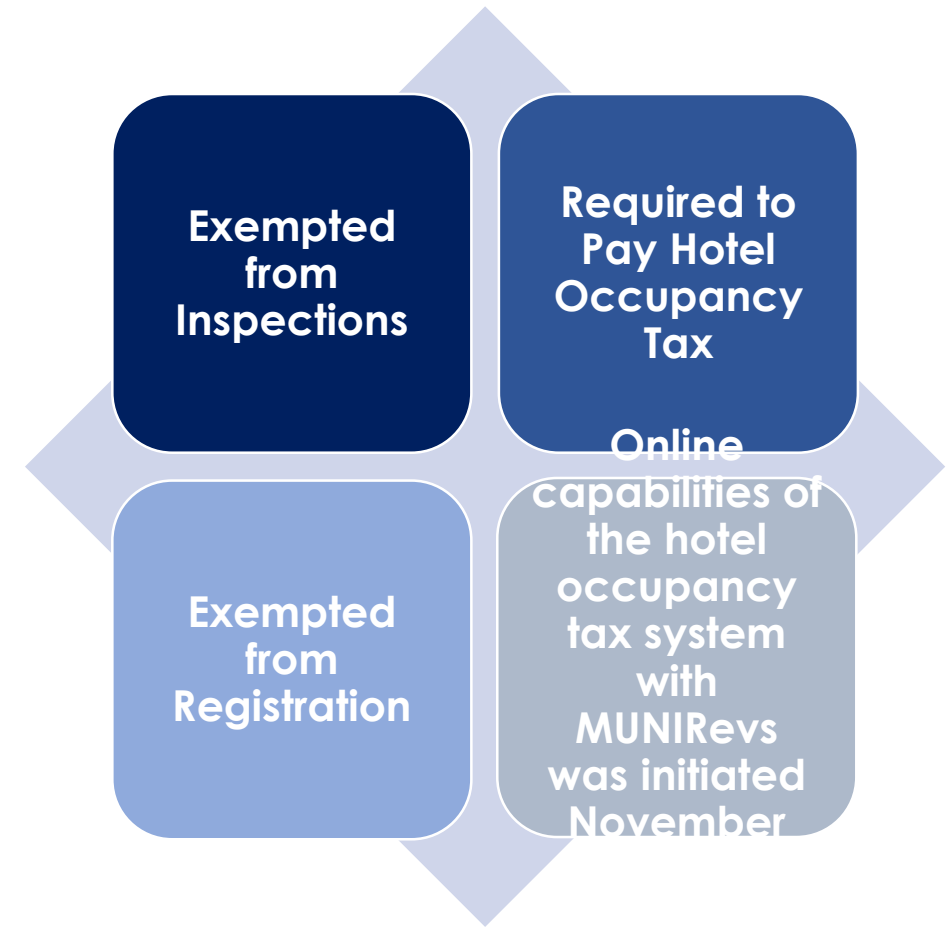
What is a Short-Term Rental – in Dallas?

Per Dallas City Code, short-term rental has the definition given that term in Section 156.001 (b) of the Texas Tax Code, as amended.

Chapter 156 Hotel Occupancy Tax

156.001(b) For purposes of the imposition of a hotel occupancy tax under this chapter, Chapter 351 or 352, or other law, “hotel” includes a short-term rental. In this subsection, “*short-term rental*” means the rental of all or part of a residential property to a person who is not a permanent resident under Section 156.101.

Exempted from the current Single Family Rental Registration Program





History and Prior Action

- City staff briefed Quality of Life, Arts & Culture committee on Short Term Rental Regulations on February 18, 2020 to:
 - ❑ Update the committee on current practices relating to STRs in Dallas
 - ❑ Receive direction from Committee on:
 - The need for additional enforcement of current STR registration and other city-wide requirements and
 - The need for additional regulations





History and Prior Action

- Committee chaired by Councilmember Arnold requested a STR Task Force make initial recommendations on the regulation of STR properties
- Councilmembers with the most STRs were asked to appoint 2-3 people each with Chair appointed by Councilmember Arnold (**not staff lead**)
 - ❑ Task Force members included representatives from Council Districts 1, 2, 10, 13, and 14; Councilmembers Blackmon and Blewett attended Task Force meetings
- STR Task Force began meeting monthly in June 2020
 - ❑ Developed recommendations December 2020





History and Prior Action

- Staff briefed STR Task Force's recommendations to Committee on January 19, 2021
- Briefed committee in closed executive session on legal issues regarding regulation of STRs on February 23, 2021
- Briefed committee on options to regulate STRs on March 23, 2021
- Received 534 responses to online web survey initiated April 16 – May 5, 2021





History and Prior Action

- Provided white paper analysis of the impact of STRs on surrounding neighborhoods by memorandum on May 3, 2021
- Held public hearing at City Council meeting on May 5, 2021





Prior Action

- On December 2, 2021, City Plan Commission voted to authorize public hearing to consider amending Chapters 51 and 51A of the Dallas Development Code, with consideration to be given to amending Section 51-4.216.1, "Lodging Uses," and Section 51A-4.205, "Lodging Uses," to **define a new use called "Short Term Rental Lodging," and related regulations.**
 - CPC process pending Council Directions-
Department of Planning & Urban Design





Where We Are Today

Purpose is to seek direction on the following:

- Task Force recommendations
- Strategically solve nuisance related issues associated with STRs (noise, parking, litter, crime, etc.)
- Policy guidelines related Zoning
- Approved Zoning locations for STRs
- 3 Council considerations





Where We Are Today

- Short-Term Rentals have grown in popularity, leading to:
 - Additional “potential” city revenue
 - Reinforcement as a place to visit
 - Nuisance, enforcement and city resource challenges
- Dallas does not have a Short-Term Rental Ordinance
- There are 1,174 active STRs currently paying HOT with Controller’s Office as of April 14, 2022



Where We Are Today



- Challenge to identify STRs
- Process to fairly monitor responsible operators/owners while holding accountable all STR operators/owners.
- Define where they will be allowed and how to operate



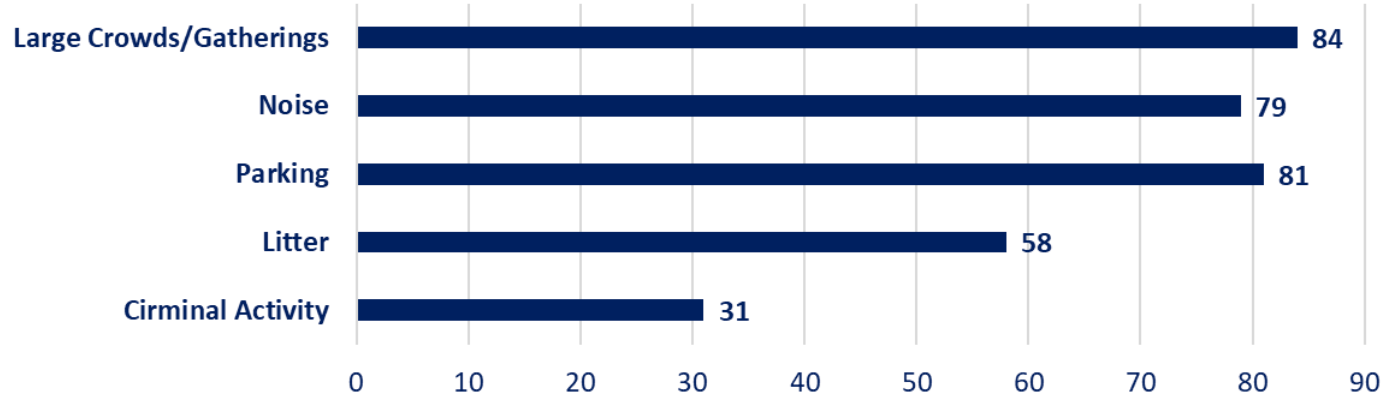
Where We Are Today – 311/911



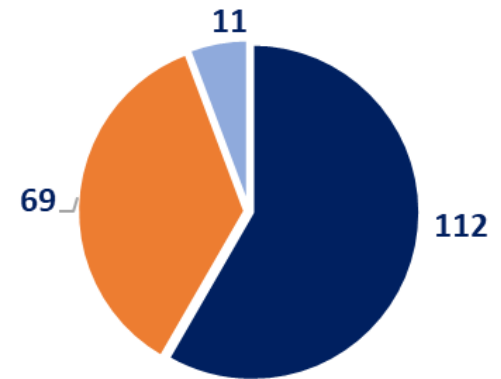
STR Service Request Tracking Tool

- 112 complaints for 69 locations received since October 2020
- Code and DPD respond to concerns

311 STR Concerns by Type



STR Complaints by Address Location



■ Total Complaints
 ■ Total Addresses
 ■ Addresses >1

Note: Complaints are not inclusive of total number of complaints that may have resulted from Short-Term rental disturbances



2021-22 Short-Term Rental Task Force



- New STR Taskforce formed in 2021
 - ❑ MPT West, Chairman Bazaldua Co-Chairs
 - ❑ 1 STR Owner Occupied
 - ❑ 1 STR Commercial Owner
 - ❑ 1 STR Platform
 - ❑ 4 Community Stakeholders (Residents/Business Owners)
- Purpose: Outline registration requirements, condition of the property, protect/health/safety of guests and community and develop enforcement regulations





2021-22 Short-Term Rental Task Force

- Seven (7) meetings Nov. 2021-Feb. 2022, including public discussion and taskforce recommendations [\(add link\)](#)

Responsible owners not the problem
Support Regulations
Supplemental income
Majority do what's right
Guests are vetted and properties (cameras and noise meters) monitored
Fair/balanced regulations

Favor of STR Regulation

Opposed and did not want STR's in Single Family Zones

Noise, parking, trash, parties, crime/safety concerns, absentee owners/platforms, property damage
Desire for zoning solution
Drives up property sales costs
Investor profit at expense of community, enforcement falls on neighbors/City



STR Task Force Recommendations



Task Force Proposed Recommendations

Initial Proposals	Yes/No	Task Force Recommendations
License/Registration – 100% cost recovery. Required for all STRs in order to operate.	✓	Task Force voted unanimously in favor of a licensing and registration program for a fee at 100% cost recovery.
Maximum Occupancy – Propose max 2 adults per bedroom, 10 people per home	✓	Task Force voted in favor of permitting 3 adults per bedroom per State Code 92.010 - 6 members voting in favor and 2 against
Advertising - No outdoor advertising or signage on the property as a short-term rental	✓	Task Force unanimously voted in favor of prohibiting on-premise advertising as a short-term rental. CAO to follow up with additional information regarding off-premise advertising as a short-term rental only



STR Task Force Recommendations – Cont.



Task Force Proposed Recommendations

Initial Proposals	Yes/No	Task Force Recommendations
<p>Noise/Sound Equipment - No amplified sound equipment or noise outside</p>	<p>✓</p>	<p>Addressed through Chapter 30 Noise of the Dallas City Code</p>
<p>Emergency Contact - Must have emergency contact located in the City of Dallas for guests to contact, with contact information displayed in the property and on file with the city</p>	<p>✓</p>	<p>Task Force voted in favor of STR owner posting emergency contact information inside the STR for guests. Neighbors within 100 feet will be provided emergency contact of STR owner and instructed to direct complaints to 311 - passed with 5 members voting in favor and 2 members voting against</p>
<p>Off Street Parking Requirement - One space per two adults</p>	<p>✓</p>	<p>Task Force did not adopt any parking requirements in single family neighborhoods; STRs in <u>non-single-family areas</u> would be subject to established requirements of existing PD passed with 4 members voting in favor and 3 members voting against</p>

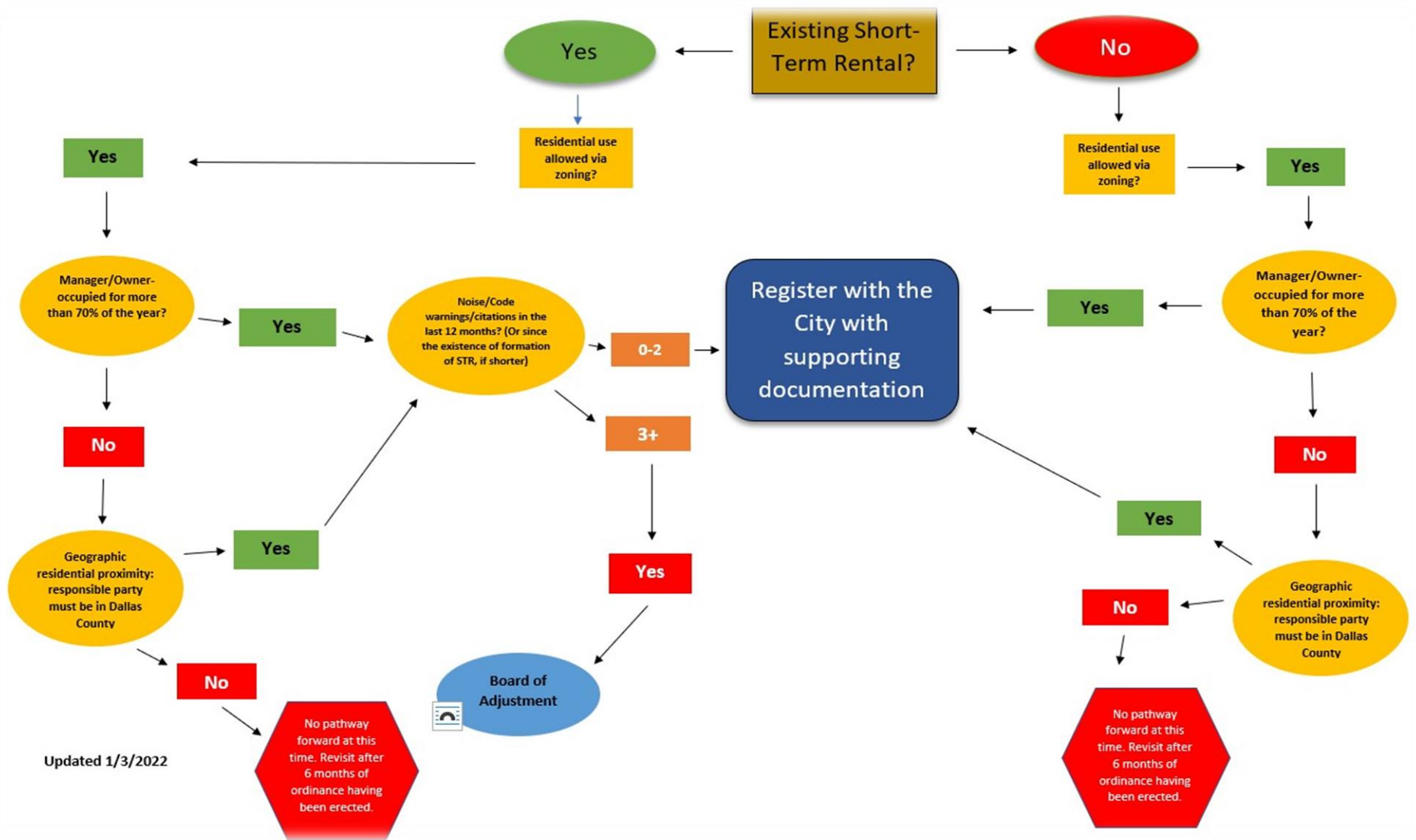
STR Task Force Recommendations – Cont.



- Task Force Recommendations were advanced to the Quality of Life, Arts and Culture Committee January 2022.



Short-Term Rental Flow Chart



Proposed Ordinance Amendments in Response to STR Task Force Recommendations



Amend Article VII, Chapter 27 “Registration and Inspection of Rental Properties and Condominiums”

Identify a contact person that can respond to location within one hour to contact occupants about the complaints

Provide guests with local contact person; safety plan and good neighbor requirements; life safety measures and insurance

Require annual notification to property owners within 100 feet of STR property with 24/7 contact information of STR property or host

Establish online annual permit fee and require registration prior to advertisement on STR platform.

Require permit number in all ads and posted publicly in the rental unit and occupancy limits enforced according to advertised limits

Set occupancy limits to no more than 3 people per bedroom



Proposed Ordinance Amendments in Response to STR Task Force Recommendations



Amend Article VII, Chapter 27 “Registration and Inspection of Rental Properties and Condominiums”

Distinguish between owner or non-owner occupied including Accessory Dwelling Units (ADU) – occupied for 70% of the year

Responsible party/owner must reside in Dallas County

Set strict noise limits after 10 pm and prohibit amplified sound at any hour

Prohibit events, e.g., parties, weddings, catered events, etc.

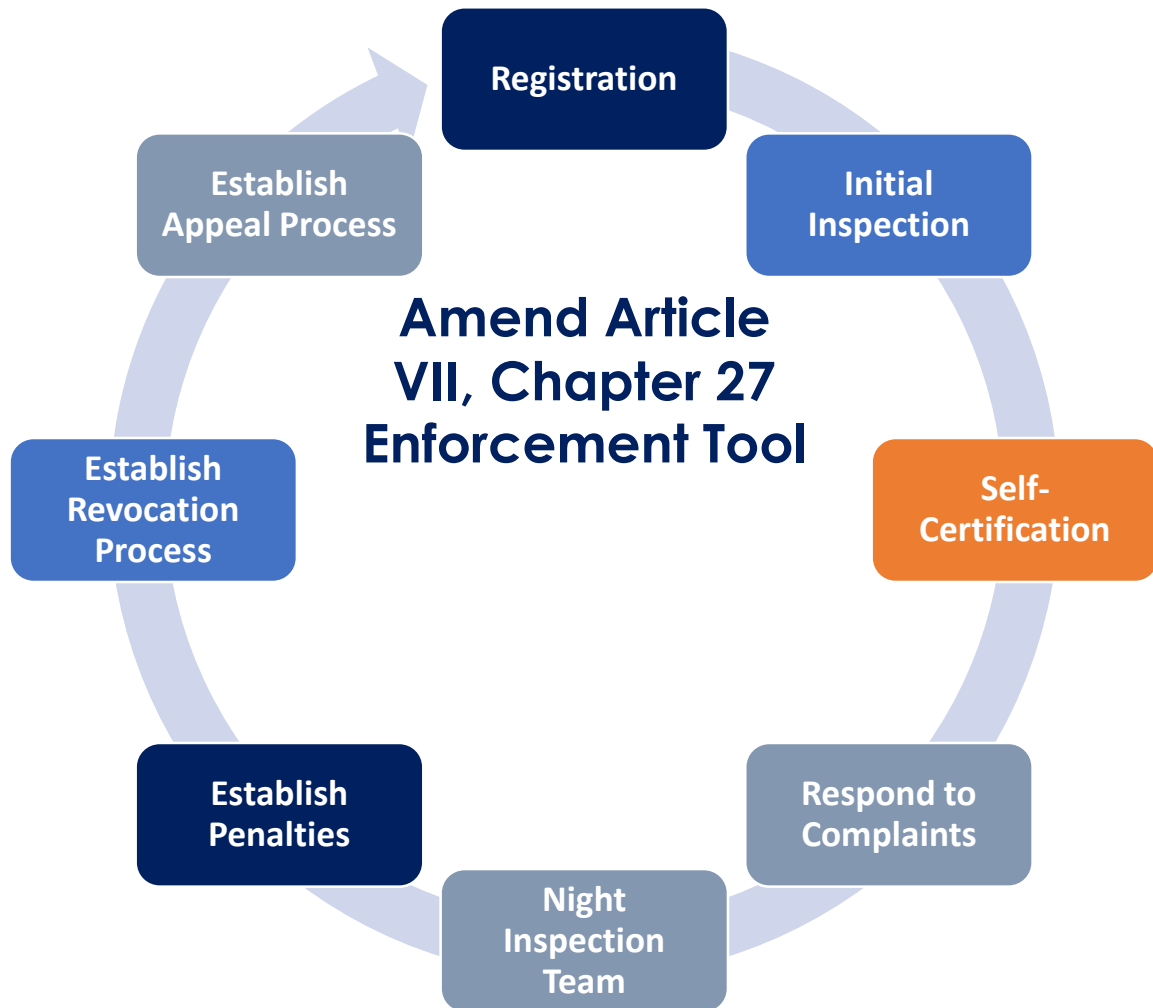
Apply the “habitual” nuisance Ordinance standards(occupancy, noise and other code violations)for problem property's

Seek agreements with major STR listing platforms, must comply with HOT requirements, streamline collection of HOT payments and require valid City permit number prior to listing

Prohibit on premise advertising as a STR



Proposed Enforcement



“Revocation” Enforcement Tool
 May occur after three substantiated disturbances within one year; STR permit will be revoked, and the address barred from applying for new permit for one year

- ❑ Includes but is not limited to parking, noise, litter, destruction of property, disorderly conduct or failure to pay hotel occupancy taxes
- ❑ Locations with three or more substantiated complaints prior to establishment of regulations are referred to Board of Adjustment for review



Options for Council Consideration



No Change

- Collect HOT from registered STRs
- Continued nuisance issues in established neighborhoods – noise, litter, parking, crime
- Limited ability for City to intervene
- Continued City resources utilized in response to complaints
- Difficult to enforce
- Difficulty collection of HOT payments
- Unfair competitive advantage to those who do not pay HOT
- Potential loss of long-term affordable housing inventory



Options for Council Consideration



Create Short-Term Rental Ordinance and Registration Program

- Ability to notify owner/operator property conditions when needed to get a faster response
- Partner with major STR platforms to prevent unregistered STRs from advertising
- Collect additional HOT
- Initial inspection will ensure minimum requirements
- City can require owner/operator notify guests of local codes
- Registration fee to cover cost of program
- Owner, neighborhood, City partnerships
- Overnight response/monitoring required
- Additional resources will be needed to respond overnight
- Ordinance amendment required – can take up to 6 months





Zoning Code Amendments

Processes and Procedure

Julia Ryan, AICP, Director
Planning and Urban Design
City of Dallas



What Would a Zoning Option Look Like?



- Consider City Council policy objectives
- Several roles involved – from City Council to CPC
- Minimum 4 months to 2 years for a single amendment (ZOAC-City Council)
- Timeline is dependent on scope, complexity, public interest, and legal considerations
- Engagement may include public and neighborhood meetings, industry coordination, and public hearings



Texas Zoning Ordinance Summary



Houston: Nothing

San Antonio: Permit

Austin: Varies, tiers based on owner occupancy and zoning; permit

Arlington: Defined as temporary use; allowed in all districts with supplementary standards; permit

Waco: Permit

Fort Worth: Not allowed in residential; no permit

Corpus Christi: Permit

El Paso: Nothing



Considerations



- Considerations policy guideline for the zoning code amendment:
 - Definition of an STR
 - Housing (housing supply for a certain category of housing; or a tool to stabilize neighborhood)
 - Tourism (type of tourism that are affected – weekend, long-term, support areas or activities in the city, for residents, for visitors)
 - Economic development tool (effect on local-based initiatives, support business, shared economy)
 - Location (cluster or dispersion)
 - Types of STR (by room, by entire house, by multifamily unit;)



What Are Your Policy Objectives?



- Managing an authorized hearing without clear direction can delay the process.
- When undertaking a zoning amendment, **consider**:
 - Where should STRs be allowed or disallowed?
 - How will enforcement be addressed?
 - Will this be in tandem with a complimentary registration ordinance?



Zoning Options for Council Consideration



“Zoning Amendment Option” – Ordinance/Registration with Zoning

- Prescribe where a use is allowed/not allowed
- Any change in zoning is a public process
- Works in tandem with associated registration ordinance in other cities
- Possible length of time to establish a zoning ordinance
- Land use category can regulate land use, not operational regulations
- Zoning runs with the land
 - Potential inconsistent outcome of areas already zoned PD
 - Opens the door for PD rezonings





Next Steps

- Receive direction from City Council on regulatory program for owners of residential properties used as Short-Term Rentals
- Begin drafting appropriate ordinance amendments based on feedback
- Seek Council approval for proposed ordinance amendments



Short-Term Rental Regulations



City of Dallas

Dallas City Council
May 4, 2022

Andres Espinoza, Interim Director
Code Compliance Services

Julia Ryan, Director
Planning and Urban Development

Appendix: STR Task Force Meetings 2021 - 2022



Meeting Date	Summary of Discussion
November 15, 2021	Introduced Task Force members, discussed meeting schedule, City Attorney's provided law update on regulation, began discussion of flow chart on proposal to register short term rentals with the City.
November 29, 2021	Further review and modification to the flow chart; CAO to evaluate proposal for legal challenges.
December 17, 2021	Finalized Process Flow Chart, began discussion of proposed recommendations, STR violations and enforcement.
January 3, 2022	Continued discussion on proposed recommendations and enforcement.
January 18, 2022	Completed discussion of proposed recommendations, enforcement strategy, department resource needs and estimated fees.
January 31, 2022	Public hearing at Special Called Quality of Life, Arts and Culture Committee meeting to receive stakeholder input.
February 22, 2022	Presented stakeholder input to Quality of Life, Arts and Culture Committee.



Appendix: Why Change the Zoning Code?



- Outdated Zoning Code: Last comprehensive update March 1, 1987
- Process improvements: to keep up to date with changing processes, technologies, and building standards
- Updated City priorities: to implement adopted city plans, policies, and procedures such as CECAP, ForwardDallas, Housing Policy, etc.



Mayor and City Council Role



Authority:

- Sets policy
- Establish the vision for Dallas' future development through comprehensive planning/zoning implementation
- Authorize a review of a zoning code amendment

Role:

- Hold a public hearing and hear/consider public feedback.
- Vote to establish policy



City Staff Role



Authority:

- Initiate an amendment for a code correction or adopted City policy implementation measure

Role:

- Use adopted policy as a guide to develop, research, write, and shepherd code amendments through the adoption process
- Manage code amendments in coordination with adopted plans/policies and affected departments





Authority:

- Reviewing potential amendments to the City's Development Code with direction from adopted policy and City staff

Role:

- Review staff reports and make recommendations to the City Plan Commission





Authority:

- Act as an advisory body to the city council in relation to any changes...in the zoning ordinances and regulations to be enforced therein.
- Authorize a review of a zoning code amendment for City Council adoption

Role:

- Hold a public hearing and hear/consider public feedback.
- Vote to make a recommendation to the City Council



Proposed Short-Term Rental Registration and Zoning Ordinances

Dallas City Council
June 1, 2022

Julia Ryan AICP, Director
Planning and Urban Design

Lynetta Kidd, Interim Director
Code Compliance Services





Presentation Overview

- Presentation Purpose
- Key Themes from May 4 Briefing
- Proposed Chapter 51A Amendments
- Permitting Options, Recommendations, and Challenges
- Registration Process and Licensing Requirements
- Proposed Schedule





Presentation Purpose

- Present Short-Term Rental Regulation proposals to develop a STR registration and zoning ordinance based on:
 - STR Task Forces
 - Stakeholder and community feedback
 - City Council
- Receive feedback and direction from City Council on zoning & registration options



Key Themes of May 4 Briefing



- Accountability of platforms and STR operators
- Emphasis on enforcement and full cost recovery
- Differentiation of owner occupied vs. non-owner occupied





Proposed 51A Zoning Code Amendments

Julia Ryan, AICP, Director
Planning and Urban Design
City of Dallas



Summary of 51A Amendments



- New Short-term rental definition, options for discussion*:
 - Option A: Definition and **additional** land use regulations in 51A and regulations in Chapter 27
 - Option B: Definition and **minimal** regulations in 51A with **all regulations in Chapter 27**
- Creation of a new use: Event Venue

**Numbering of options does not reflect a preference or hierarchy; it is a random assignment*



Draft Zoning Ordinance Amendment



Option A: Definition and additional regulations in Zoning

SEC. 51A-4.205. LODGING USES

(x) Short-Term Rental.

(A) Definition: A full or partial dwelling unit that is rented to occupants for fewer than 30 consecutive days per rental period.

(i) **Type 1 short-term rental:** A short-term rental as defined above that is occupied by the owner of the property. Occupied status is determined by property tax homestead exemption status as recorded by the Central Appraisal District for the county in which the property is located.

(ii) **Type 2 short-term rental:** A short-term rental as defined above that is not occupied by the owner of the property and is intended for full-time use as a short-term rental.



Draft Zoning Ordinance Amendment



Option A: Definition and additional regulations in Zoning

SEC. 51A-4.205. LODGING USES

(x) Short-Term Rental. (cont'd)

(B) Districts permitted:

(i) For a Type 1 short-term rental, by right in all districts. {*Owner Occupied*}

(ii) For a Type 2 short-term rental: {*Non-Owner Occupied*}

(a) by right in the following districts: A(A) - Agricultural, MF-1(A) - Multifamily, mixed use, CR - Community Retail, RR - Regional Retail, CS - Commercial Service, LI - Light Industrial, IM - Industrial Manufacturing, IR - Industrial Research, and central area.



Draft Zoning Ordinance Amendment



Option A: Definition and additional regulations in Zoning

SEC. 51A-4.205. LODGING USES

(x) Short-Term Rental. (cont'd)

(C) Required off-street parking: One space per full or partial dwelling unit leased to occupants.

(D) Required off-street loading:

SQUARE FEET OF FLOOR AREA IN STRUCTURE	TOTAL REQUIRED SPACES OR BERTHS
0 to 10,000	NONE
10,000 to 50,000	1
50,000 to 100,000	2
Each additional 100,000 or fraction thereof	1 additional



Draft Zoning Ordinance Amendment



Option A: Definition and additional regulations in Zoning

SEC. 51A-4.205. LODGING USES (cont.)

(E) Additional provisions:

- (i) This use must comply with Chapter ##, “Short-term rentals” of the Dallas City Code.
- (ii) The number of short-term rentals in a single dwelling unit may not exceed one.
- (iii) A short-term rental must not be used as a commercial amusement (inside), commercial amusement (outside), event venue, restaurant, or any other use unless located in a zoning district in which the use is permitted and a Certificate of Occupancy is issued for the use.



Draft Zoning Ordinance Amendment



Option B: Definition and minimal regulations in Zoning

SEC. 51A-4.205. LODGING USES

(#) Short-term rental.

(A) Definition: A full or partial dwelling unit that is rented to occupants for fewer than 30 consecutive days per rental period.

(B) Districts permitted: By right in all districts.

(C) Required off-street parking: One space per full or partial dwelling unit leased to occupants.



Draft Zoning Ordinance Amendment



Option B: Definition and minimal regulations in Zoning

SEC. 51A-4.205. LODGING USES (cont.)

(#) Short-term rental.

(D) Required off-street loading:

SQUARE FEET OF FLOOR AREA IN STRUCTURE	TOTAL REQUIRED SPACES OR BERTHS
0 to 10,000	NONE
10,000 to 50,000	1
50,000 to 100,000	2
Each additional 100,000 or fraction thereof	1 additional

(E) Additional provisions:

(i) This use must comply with Chapter ##, "Short-Term Rentals" of the Dallas City Code.

(ii) The number of short-term rentals in a single dwelling unit may not exceed one.

(iii) A short-term rental must not be used as a commercial amusement (inside), commercial amusement (outside), event venue, restaurant, or any other use unless located in a zoning district in which the use is permitted and a Certificate of Occupancy is issued for the use.



Draft Zoning Ordinance Amendment



Event Venue: Proposed new use

SEC. 51A-4.210.

RETAIL AND PERSONAL SERVICE USES.

Event venue.

(A) Definition: An establishment primarily engaged for the purpose of hosting guests at private events such as banquets, receptions, charitable gatherings, ceremonies, or celebrations. This use does not include a residential property when used for events hosted by the occupant of the property.

(B) Districts permitted: By right in the following zoning districts: CR - Community Retail, RR – Regional Retail, CS – Commercial Service, industrial, central area, mixed use, multiple commercial, UC-2 – Urban Corridor, and UC-3 – Urban Corridor districts. Residential Adjacency Review (RAR) is required for any event venue that is located within 300 feet, measured in a direct line between the nearest property line where this use is conducted and the nearest boundary of a residential zoning district.



Draft Zoning Ordinance Amendment



Event Venue: Proposed new use

SEC. 51A-4.210. RETAIL AND PERSONAL SERVICE USES. (cont.)

- (C) Required off-street parking: one space per 200 square feet of floor area.
- (D) Required off-street loading:

SQUARE FEET OF FLOOR AREA IN STRUCTURE	TOTAL REQUIRED SPACES OR BERTHS
0 to 10,000	NONE
10,000 to 60,000	1
Each additional 100,000 or fraction thereof	1 additional



Draft Zoning Ordinance Amendment



Event Venue: Proposed new use

SEC. 51A-4.210. RETAIL AND PERSONAL SERVICE USES. (cont.)

(E) Additional provisions:

(i) If applicable, an event venue must comply with Chapter 42A, “Special Events; Neighborhood Markets; Dallas Farmers Market Farmers Market; Streetlight Pole Banners” of the Dallas City Code.





Proposed Registration Ordinance (Chapter 27)

Lynetta Kidd, Interim Director
Code Compliance Services
City of Dallas



Registration Options & Recommendations



Ordinance Options

Recommendations

Registration - owner/host/agent (ATL/ARL)

Require STRs to obtain a license prior to platform listing within the City of Dallas (ATL/ARL)

Allow for the collection of fees to cover all costs (COD/ATL/ARL)

Require distance between STRs of 1,500 feet for single family and duplex districts; maximum of 10% of the total dwelling units on a property for all other zoning districts

Notification of neighbors within 300 ft by city staff (ATL)

Require owner to have an emergency contact on file to respond onsite to emergency concerns within a one-hour timeframe

Require all listings on platforms to include the license number



Registration Options & Recommendations



Ordinance Options

Recommendations

No exemption from Single Family Registration if owner rents for periods greater than 30 days (ATL/ARL)

Registration to be renewed annually or at the change of ownership (ARL)

Allow for inspections, including night inspections (ARL/ATL)

Self-certification program eligibility for good neighbor properties (COD)

Host/owner/agent liability for failure to allow for inspections of short-term rental properties (ATL/ARL)

Revocation of license (ATL/ARL)



Registration Options & Recommendations



Ordinance Options

Recommendations

Minimum night stay of not less than two (2) days (ARL)

Occupancy limits from TX Property Code (ATL/ARL)

Include available parking and restrictions on platform listing (ARL/ATL)

Encourage the use of a noise monitoring device (ATL)

Prohibit amplified sound that is audible beyond the property line or exceeds decibel levels listed in 51A (ARL)

Violations of the STR ordinance would be eligible violations under the Habitual Nuisance Property designation – 3 citations

Director's Discretion for suspension or revocation of licenses after serious offenses





Options For Legal Review

Hold a platform accountable for failure to comply with provisions of this chapter (ARL)

Require platforms to provide locations being listed within the City of Dallas

Require platforms to remove any listing that is not licensed

Require the collection of HOT and submit remittance

Options Not Recommended

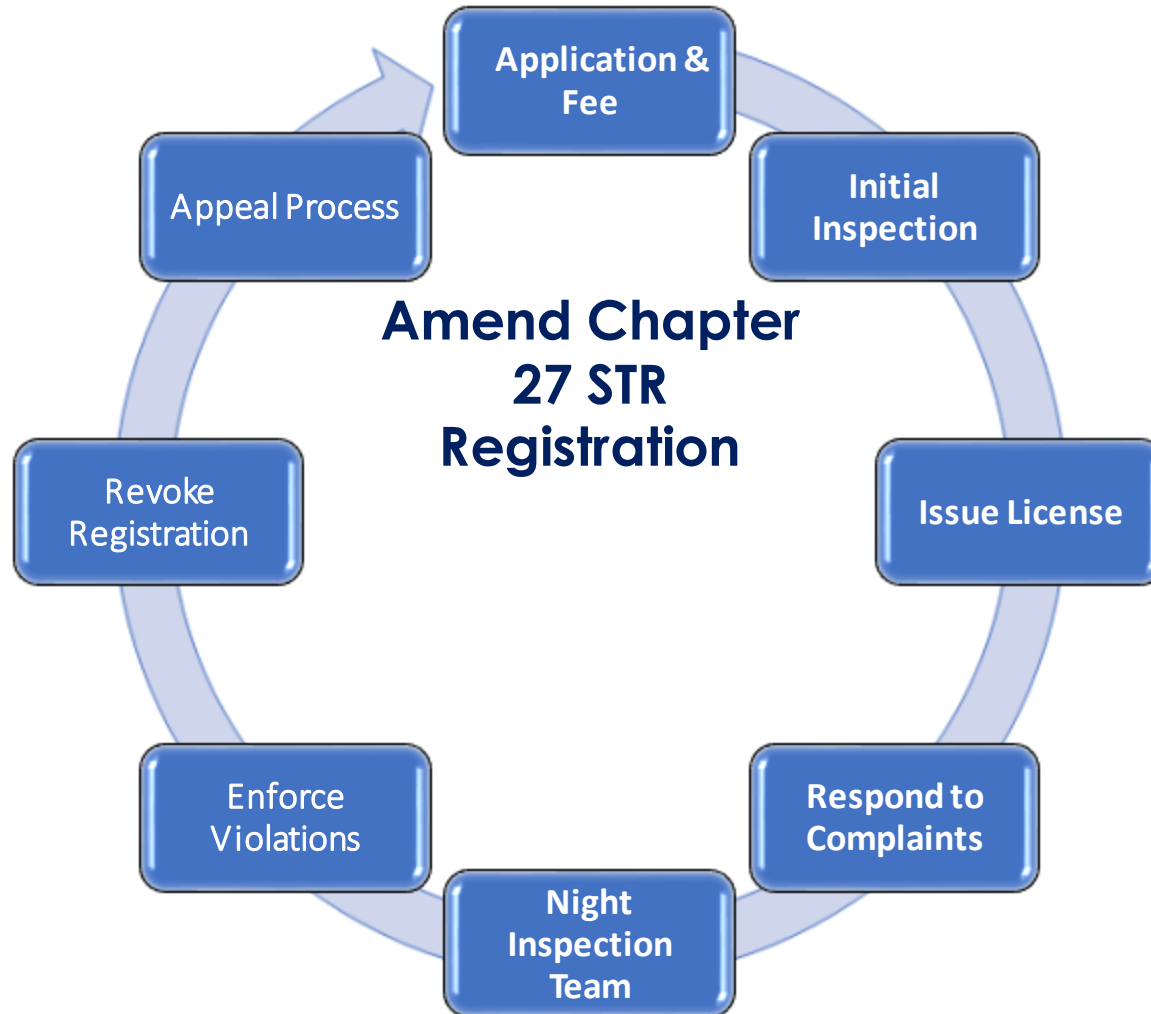
Set limits on total nights per year for non-owner occupied

Provide limits to the number of STR's from a single owner/investor

Prohibit out of town ownership



Registration Process



Revocation Enforcement Tool
May occur after three substantiated disturbances within one year; STR license may be revoked, and the address barred from applying for renewal of license for one year

- ❑ Includes but is not limited to parking, noise, litter, destruction of property, disorderly/criminal conduct or failure to pay hotel occupancy taxes
- ❑ Locations with a revoked registration may appeal to the Permit, License and Appeal Board for review



Registration Licensing Requirements



Application Requirements

1. Submit Application and Fee
2. Provide Owner/Host Contact information
3. Provide emergency contacts that can respond onsite within 1 hour
4. Supply Hotel Occupancy Tax Registration Number and Certificate of Occupancy
5. Acknowledgements:
 - City Ordinance Requirements
 - Occupancy Limits
 - Parking Requirements
 - Understanding of revocation process
 - Advertising and signage limitations
6. Initial inspection – must be completed and in compliance before license is issued
7. Post emergency contact, license number, and Certificate of Occupancy onsite



Schedule/Next Steps



Today	Receive guidance and feedback from City Council on Chapter 51 and 51A and Chapter 27 amendments
June	Chapter 51 and 51A amendments briefed to ZOAC
July	City Plan Commission public hearing for Chapters 51 and 51A amendments for City Council consideration
August	Proposed Amendments to Chapters 51 and 51A + Chapter 27 ordinance briefed to City Council
September	Proposed Amendments to Chapters 51 and 51A + Chapter 27 ordinance and additional regulations on voting agenda



Short-Term Rental Regulations



City of Dallas

Dallas City Council
June 1, 2022

Julia Ryan AICP, Director
Planning and Urban Design

Lynetta Kidd, Interim Director
Code Compliance Services

Appendix: Additional Recommendations



Summary of Recommendations

Changing the maximum occupancy to 12 persons per short-term rental

Increase notification distance to 1,000 feet radius

Increase required number of parking spaces

Change criteria for owner-occupied status

Don't allow STR's in Multi-family properties

Ensure properties are held to the same standards as hotels (e.g., fire codes)



Appendix: STR Task Force Meetings 2021 - 2022



Meeting Date	Summary of Discussion
November 15, 2021	Introduced Task Force members, discussed meeting schedule, City Attorney's provided law update on regulation, began discussion of flow chart on proposal to register short term rentals with the City.
November 29, 2021	Further review and modification to the flow chart; CAO to evaluate proposal for legal challenges.
December 17, 2021	Finalized Process Flow Chart, began discussion of proposed recommendations, STR violations and enforcement.
January 3, 2022	Continued discussion on proposed recommendations and enforcement.
January 18, 2022	Completed discussion of proposed recommendations, enforcement strategy, department resource needs and estimated fees.
January 31, 2022	Public hearing at Special Called Quality of Life, Arts and Culture Committee meeting to receive stakeholder input.
February 22, 2022	Presented stakeholder input to Quality of Life, Arts and Culture Committee.



Memorandum



CITY OF DALLAS

DATE June 10, 2022

TO Honorable Mayor and Members of the City Council

SUBJECT **Short-Term Rentals Recap of June 1 Briefing and Next Steps**

Background

This serves as a follow up of the City Council briefings from May 4, 2022, and June 1, 2022, on the Proposed Short-Term Rental (STR) Registration and Zoning Ordinances. The intent of the memo is to propose an additional option for the zoning portion, in addition to the two options presented at the June 1 City Council briefing, and include clarifications for the registration portion, all based on discussion and input received during the City Council briefings. All proposals included in this memo are general at this time and are intended to provide an overview in lieu of an existing city policy. The scope of the briefings is for City Council to provide general direction to staff about STR.

The Proposed Short-Term Rental (STR) Registration and Zoning Ordinances are an interdepartmental effort that includes Code Compliance Services, the City Attorney's Office, City Controller, and Planning and Urban Design.

Short overview of previous steps

- Initial staff briefing to Quality of Life, Arts and Culture Committee (QLAC) on Short Term Rental regulations on February 18, 2020.
 - Update committee on current STR practices in Dallas.
 - Receive direction from Committee on STR registration and additional regulations.
- QLAC initiated a Short-Term Rental Task Force with City Council appointed members to develop recommendations for STR regulations. The STR Task Force began meeting in June 2020 and developed recommendations in December 2020.
- On January 19, 2021, staff briefed the STR Task Force's recommendations to QLAC Committee.
- On February 23, 2021, staff briefed QLAC Committee in closed session on legal issues regarding regulation of STRs.
- On March 23, 2021, staff briefed QLAC Committee on options to regulate STRs.
- On May 5, 2021, City Council held a public hearing.

DATE June 10, 2022

SUBJECT **Short-Term Rentals Recap of June 1 Briefing and Next Steps**

- Between November 15, 2021, and January 18, 2022, a OLAC Task Force appointed by Chair Bazaldua held meetings to discuss a proposal to register STR with the City.
- On January 31, and February 22, 2022, public hearings Quality of Life, Arts, and Culture Committee meetings were held to receive public and stakeholder input.
- On May 4, 2022, staff briefed City Council on the current state of progress, including recommendations from the STR Task Force. City leadership asked staff to return to a briefing session with general recommendations for further discussion intended to refine a clear direction from City Council on STR regulations in Dallas.
- On June 1, 2022, staff briefed City Council on potential options for zoning and registration requirements for short-term rentals. City leadership asked staff to return with a hybrid zoning option and further details about the registration process.
- On December 2, 2021, City Plan Commission authorized a public hearing to:
 - Define short term rental as a lodging use and create related regulations.
 - The CPC process is pending City Council direction.

Zoning Options (Planning and Urban Design)

Additional Option added to reflect the City Council briefing discussions:

Create a new use that defines Short Term Rental (STR) as a lodging use, with the same definition as the one presented at the June 1, 2022, briefing.

- Include a new use “Short Term Rental” under the Lodging Uses Category, Section 51A-4.205.
- Only allowed in the same zoning districts where the other lodging uses are generally allowable. *[see attached appendix for table where the lodging uses are allowable]*
- The new use may require a Certificate of Occupancy (*details to be finalized*).
- The new use will require registration with the City.

Summary of the other two options presented at the previous City Council briefing meetings:

Common provisions:

- A potential definition for a new land use for Short-Term Rental under the Lodging Use Category, Section 51A-4.205: A full or partial dwelling unit that is rented to occupants for fewer than 30 consecutive days per rental period.
- Additional provisions: to require compliance with the registration chapter; limit the number of STRs in a single unit to one; and prohibit an STR from being used as an event venue, any commercial amusement, restaurant, or any other use unless the location possesses a Certificate of Occupancy for that use.

DATE June 10, 2022

SUBJECT **Short-Term Rentals Recap of June 1 Briefing and Next Steps**

Options presented at the June 1, 2022, City Council briefing:

- Option A: Create two types of STR based on owner-occupied status. The two types would be treated differently by the zoning code, include some additional zoning regulations, and each would be allowable in different zoning districts.
- Option B: No distinction between owner-occupied status. The option includes some additional zoning regulations.

Event Venue:

The same as presented at the previous City Council briefing meeting:

The intent is to propose a new use that would capture a category of events that are currently not included in other use categories in the development code. This new use is a commercial use, would be allowable in certain districts, and would require a Certificate of Occupancy and compliance with respective code chapters that regulate events.

The code amendment would include a proposed definition and associated regulations for the new use under the Retail and Personal Service Use Category, Section 51A-4.210. A potential definition: An establishment primarily engaged for the purpose of hosting guests at private events such as banquets, receptions, charitable gatherings, ceremonies, or celebrations. This use does not include a residential property when used for events hosted by the owner or long-term resident of the property.

Registration Ordinance (Code Compliance)

Staff will proceed with registration ordinance development as directed by City Council. This ordinance will require that all STR owners/hosts register annually, pay a registration fee that covers program costs, notify neighbors of STR, and have an emergency contact on file to respond to issues. The ordinance will provide for inspections upon registration and complaints and will allow for registration revocation. It will also require 1,500 feet distance between STRs.

Additionally, the proposed registration ordinance seeks to promote responsible STR management and ownership. Staff is considering enforcement measures such as requesting platforms to post STR registration numbers and prohibiting listings of unregistered properties.

STR Questions Asked of the City Controller’s Office

- **How long is the contract with MUNIREvs, and when does the contract expire?**
The MUNIREvs contract is for a period of five years. The contract began on April 22, 2019, and it will expire on April 21, 2024.

DATE June 10, 2022
 SUBJECT **Short-Term Rentals Recap of June 1 Briefing and Next Steps**

- **What is the process for identifying STRs in the City of Dallas?**
 The MUNIREvs process for identifying STRs in the City of Dallas is described in the attached document.
- **How much hotel occupancy tax has been collected through April 2022, and how much hotel is projected for fiscal year 2022?**

	STR HOT Revenue	Other Hotel HOT Revenue	Total HOT	TPID
YTD April 2022	\$1,491,264.74	\$37,869,642.42	\$39,360,907.16	\$9,672,089.44
Projected for FY22	\$2,556,453.84	\$64,919,387.01	\$67,475,840.85	\$16,580,724.75

- **How many hotels, registered STRs, and potential STRs are in the City of Dallas as of June 1, 2022?**

As of June 1. 2022	
Number of Active Hotels	270
Number of Active STRs (50.59%)	1,283
Number of Potential/ Unregistered STRs	1,253

Next Steps

- **ZOAC/CPC for 51 & 51A:** Depending on direction from City Council, the Zoning Ordinance Advisory Committee (ZOAC) will meet to discuss the proposed zoning amendment over the month of June. The ZOAC meeting is intended to receive feedback on the proposed options before being heard by City Plan Commission (CPC) in the following months.
- **Registration Ordinance:** The registration ordinance will be drafted to work in conjunction with the zoning ordinance as it develops through the ZOAC and CPC process.
- **City Council Briefing:** After CPC makes a recommendation, a briefing will be scheduled for City Council to bring the final draft recommendations of the registration ordinance and zoning amendments to City Council prior to a public hearing. City Council is the approval body for the Proposed Short-Term Rental (STR) Registration and Zoning Ordinances.

DATE June 10, 2022
SUBJECT **Short-Term Rentals Recap of June 1 Briefing and Next Steps**

Should you have any questions, please contact Julia Ryan, Director of the Department of Planning and Urban Design, at (214) 670-5404 or julia.ryan@dallas.gov; Lynetta Kidd, Interim Director of Code Compliance at (214) 671-9415 or lynetta.kidd@dallas.gov and Sheri Kowalski, City Controller at (214) 670-3856 or sheri.kowalski@dallas.gov. A short presentation matching this memo will be provided.



Carl Simpson
Assistant City Manager

c: T.C. Broadnax, City Manager
Chris Caso, City Attorney
Mark Swann, City Auditor
Billieae Johnson, City Secretary
Preston Robinson, Administrative Judge
Kimberly Bizer Tolbert, Deputy City Manager
Jon Fortune, Deputy City Manager

M. Elizabeth (Liz) Cedillo-Pereira, Assistant City Manager
Robert Perez, Assistant City Manager
Carl Simpson, Assistant City Manager
M. Elizabeth Reich, Chief Financial Officer
Genesis D. Gavino, Chief of Staff to the City Manager
Directors and Assistant Directors

DATE June 10, 2022
 SUBJECT **Short-Term Rentals Recap of June 1 Briefing and Next Steps**

Appendix:

Use Table for uses categories within Chapter 51A, the Dallas Development Code

The table does not include the proposed new uses, but includes the lodging, and retail and personal service uses that are most similar with the proposed uses. The intent of the table is for information purposes and comparison on districts where the uses are allowable.

P: Use permitted by right
S: Use permitted by Specific Use Permit
**: Consult the use regulations in Division 51A-4.200*
DIR: Development Impact Review
RAR: Residential Adjacency Review
For information purposes only

	4.205 Lodging Uses	Hotel or Motel	Extended Stay Hotel or Motel	Lodging or boarding house	Overnight general purpose shelter
Residential	A(A)				
	R				
	D(A)				
	TH-1-3(A)				
	CH				
	MF-1(A)				
	MF-1(SAH)				
	MF-2(A)			P	
	MF-2(SAH)			P	
	MF-3(A)			P	
	MF-4(A)			P	
MH(A)					
Nonresidential	NO(A)				
	LO(A)				
	MO(A)	*	S	S	
	GO(A)	*	S	S	
	NS(A)				
	CR	S			S
	RR	*	S	S	P
	CS	*	S	S	P
	LI	*	S	S	P
	IR	*	S	S	P
	IM	*	S	S	S

DATE June 10, 2022

SUBJECT **Short-Term Rentals Recap of June 1 Briefing and Next Steps**

	CA-1(A)	*	S	S	P
	CA-2(A)	*	S	S	P
	MU-1	*	S	S	
	MU-1(SAH)	*	S	S	
	MU-2	*	S	S	
	MU-2(SAH)	*	S	S	
	MU-3	*	S	S	
	MC-1	*	S	S	
	MC-2	*	S	S	
	MC-3	*	S	S	
	MC-4	*	S	S	
	UC-1-UC-3				
	P(A)				

	4.210 Retail and Personal Service Uses	Commercial amusement (inside)	Commercial amusement (outside)
Residential	A(A)		SUP
	R		
	D(A)		
	TH-1-3(A)		
	CH		
	MF-1(A)		
	MF-1(SAH)		
	MF-2(A)		
	MF-2(SAH)		
	MF-3(A)		
	MF-4(A)		
	MH(A)		
Nonresidential	NO(A)		
	LO(A)		
	MO(A)		
	GO(A)		
	NS(A)		
	CR	*	SUP
	RR	*	SUP
	CS	*	P, DIR

DATE June 10, 2022

SUBJECT **Short-Term Rentals Recap of June 1 Briefing and Next Steps**

	LI	*	
	IR	*	
	IM	*	
	CA-1(A)	*	P
	CA-2(A)	*	P
	MU-1	*	SUP
	MU-1(SAH)	*	SUP
	MU-2	*	SUP
	MU-2(SAH)	*	SUP
	MU-3	*	SUP
	MC-1	*	SUP
	MC-2	*	SUP
	MC-3	*	SUP
	MC-4	*	SUP
	UC-1-UC-3	* 1 and 2 only	
	P(A)		



Dallas Identification Process Overview

Discover

LODGINGRevs searches vacation rental websites for listings located in or around the City of Dallas. The new listings populate in the Dallas LODGINGRevs dashboard in the Uncertain Status. New listings in this status signify to our property review team that there are new ads to review.

It is important to note the “in and around” Dallas distinction – we are looking at Dallas and the surrounding area to make sure we do not miss any listings that say they are located in Irving but are really within the Dallas city limits.

Identification

LODGINGRevs uses a mix of automated and manual review to match listings to a property record. All listings have human eyes on them at one point to ensure that the listing is matched to the correct property record. This greatly reduces errors in incorrect matches.

The first step in the identification process is the automated review. LODGINGRevs has image recognition technology that matches duplicate advertisements together using the advertisement images. The matched advertisements are presented to our property review team in our Photo Match View so that the team can review and confirm the advertisements are indeed for the same property. The image match recognition technology greatly improves the efficiency of our property review team which also reduces the possibility for error because the team reviews all listings for the property at one time (and therefore we do not have risk of one of the listings erroneously being matched incorrectly to a different property record).

As the next step, our property review team reviews each listing to match it to a property record.

We start with the listings matched by our image matching, and then review the listings that were not matched to a duplicate listing. The property review team uses numerous record sources to validate the property address and assign the listing to the correct parcel.

The property review team frequently leaves a note on the advertisement record in LODGINGRevs with detail on how they located the property (sentence describing process, link to the website address from the list above of the photo matching the ad and name matching the parcel record, etc.).

The reviewer searches for the identified address in MUNIRevs. We then double check to determine if the ownership has changed. If the ownership has changed, the reviewer edits or creates a new account with the updated owner’s information to reflect the current County property record. Next, we take the unique account number for that property record and attach it to the advertisement in MUNIRevs. We have now joined the property/taxpayer account to the advertisement.

The final step in the identification process is to assign a compliance status to the property. Here are a few of the main statuses used in the City of Dallas:

1. Compliant: These taxpayers have logged into MUNIRevs, completed their registration, and are ready to remit Hotel Occupancy Tax.
2. Registration Required aka "HOT Only Taxpayer": These are newly identified properties that need to be notified to login to MUNIRevs.
3. Send multiple letters: These properties have yet to register and pay taxes. They need to be addressed by City of Dallas management.
4. Send to Complex Master: In the CAD, some apartment and condo complexes do not have a property record for each unit. They only have one record that represents all the units in the complex. So, the LODGINGRevs property review team cannot match a listing to the exact unit because it does not exist in the CAD data. We match the listing to the "master" parcel available and move the advertisement to this compliance status.
5. Needs More Research: These are the super tricky advertisements. We need more information or photos posted on the advertisement in order to match the listing to a property record. Our team goes back through these listings periodically to check if more information has been added.

Notification

The final step in the process is to notify the taxpayers in the HOT Only Taxpayer compliance status that they need to login to MUNIRevs, complete their registration, and remit hotel occupancy tax. The City of Dallas has an ongoing notification process. The notification template sent to the taxpayer depends on how many notifications they have received previously.

Finally, the Dallas Account Manager moves the listings registered and remitting HOT in MUNIRevs to a Compliant status in LODGINGRevs.

Proposed Short-Term Rental Registration and Zoning Ordinances Update

Dallas City Council
June 15, 2022

Julia Ryan AICP, Director
Planning and Urban Design

Lynetta Kidd, Interim Director
Code Compliance Services





Presentation Overview

- Presentation Purpose
- Potential Zoning Code Amendments and Recap from June 1, 2022
- Summary of Registration Ordinance Amendments
- Proposed next steps





Presentation Purpose

- Provide Council an update of Short-Term Rental zoning and registration options as a follow up from June 1, 2022





Potential 51A Zoning Code Amendments Additional option

Julia Ryan, AICP, Director
Planning and Urban Design
City of Dallas



Additional Option for Chapter 51A



Added to reflect the City Council briefing discussions and 5-signature memo:

- Create a new use that defines Short Term Rental (STR) as a lodging use, with the same definition as the one presented at the June 1, 2022, briefing.

- Include a new use “Short Term Rental” under the Lodging Uses Category, Section 51A-4.205.
- Only allowed in the same zoning districts where the other lodging uses are generally allowable.
- The new use may require a Certificate of Occupancy (*details to be finalized*).
- The new use will require registration with the City.





Potential 51A Zoning Code Amendments as presented on June 1, 2022

Julia Ryan, AICP, Director
Planning and Urban Design
City of Dallas



Summary of 51A Potential Amendments



- A potential definition for a new land use for Short-Term Rental under the Lodging Use Category, Section 51A-4.205: **A full or partial dwelling unit that is rented to occupants for fewer than 30 consecutive days per rental period.**
- Additional provisions:
 - to require compliance with the registration chapter;
 - limit the number of STRs in a single unit to one;
 - prohibit an STR from being used as an event venue, any commercial amusement, restaurant, or any other use unless the location possesses a Certificate of Occupancy for that use.



Summary of 51A Potential Amendments



- New Short-term rental definition, options for discussion*:
 - Option A: Create two types of STR based on owner-occupied status. The two types would be treated differently by the zoning code, include some additional zoning regulations, and each would be allowable in different zoning districts.
 - Option B: No distinction between owner-occupied status. The option includes some additional zoning regulations.
- Creation of a new use and its regulations: Event Venue

**Numbering of options does not reflect a preference or hierarchy; it is a random assignment*





Proposed Registration Ordinance (Chapter 27)

Lynetta Kidd, Interim Director
Code Compliance Services
City of Dallas



Summary of Registration Ordinance Amendments



Proposed new section of Chapter 27 – Short- Term Rentals

- Amendments to be drafted in conjunction with the zoning ordinance
- Require all STR owners/hosts to:
 - Register annually through application
 - Pay registration fee to cover costs of the program
 - Provide emergency contact to respond to issues



Summary of Registration Ordinance Amendments



Proposed new section of Chapter 27 – Short-Term Rentals

- City staff to:
 - Inspect upon initial registration/complaints
 - Notify neighbors of STRs
 - Require 1,500-foot distance
 - Provide a registration revocation and appeal process



Summary of Registration Ordinance Amendments



- Proposed new section of Chapter 27 – Short-Term Rentals
 - City staff to:
 - Promote responsible STR management and ownership by:
 - Posting STR registration number on listing
 - Prohibiting listings of unregistered properties



Proposed Schedule/Next Steps



June	Chapter 51 and 51A amendments briefed to ZOAC
July	City Plan Commission public hearing for Chapters 51 and 51A amendments for City Council consideration
August	Proposed Amendments to Chapters 51 and 51A + Chapter 27 ordinance briefed to City Council
September	Proposed Amendments to Chapters 51 and 51A + Chapter 27 ordinance and additional regulations on voting agenda



Proposed Short-Term Rental Registration and Zoning Ordinances

Dallas City Council
June 1, 2022

Julia Ryan AICP, Director
Planning and Urban Design

Lynetta Kidd, Interim Director
Code Compliance Services





Presentation Overview

- Presentation Purpose
- Key Themes from May 4 Briefing
- Proposed Chapter 51A Amendments
- Permitting Options, Recommendations, and Challenges
- Registration Process and Licensing Requirements
- Proposed Schedule





Presentation Purpose

- Present Short-Term Rental Regulation proposals to develop a STR registration and zoning ordinance based on:
 - STR Task Forces
 - Stakeholder and community feedback
 - City Council
- Receive feedback and direction from City Council on zoning & registration options



Key Themes of May 4 Briefing



- Accountability of platforms and STR operators
- Emphasis on enforcement and full cost recovery
- Differentiation of owner occupied vs. non-owner occupied





Proposed 51A Zoning Code Amendments

Julia Ryan, AICP, Director
Planning and Urban Design
City of Dallas



Summary of 51A Amendments



- New Short-term rental definition, options for discussion*:
 - Option A: Definition and **additional** land use regulations in 51A and regulations in Chapter 27
 - Option B: Definition and **minimal** regulations in 51A with **all regulations in Chapter 27**
- Creation of a new use: Event Venue

**Numbering of options does not reflect a preference or hierarchy; it is a random assignment*



Draft Zoning Ordinance Amendment



Option A: Definition and additional regulations in Zoning

SEC. 51A-4.205. LODGING USES

(x) Short-Term Rental.

(A) Definition: A full or partial dwelling unit that is rented to occupants for fewer than 30 consecutive days per rental period.

(i) **Type 1 short-term rental:** A short-term rental as defined above that is occupied by the owner of the property. Occupied status is determined by property tax homestead exemption status as recorded by the Central Appraisal District for the county in which the property is located.

(ii) **Type 2 short-term rental:** A short-term rental as defined above that is not occupied by the owner of the property and is intended for full-time use as a short-term rental.



Draft Zoning Ordinance Amendment



Option A: Definition and additional regulations in Zoning

SEC. 51A-4.205. LODGING USES

(x) Short-Term Rental. (cont'd)

(B) Districts permitted:

(i) For a Type 1 short-term rental, by right in all districts. *{Owner Occupied}*

(ii) For a Type 2 short-term rental: *{Non-Owner Occupied}*

(a) by right in the following districts: A(A) - Agricultural, MF-1(A) - Multifamily, mixed use, CR – Community Retail, RR – Regional Retail, CS – Commercial Service, LI – Light Industrial, IM – Industrial Manufacturing, IR – Industrial Research, and central area.



Draft Zoning Ordinance Amendment



Option A: Definition and additional regulations in Zoning

SEC. 51A-4.205. LODGING USES

(x) Short-Term Rental. (cont'd)

(C) Required off-street parking: One space per full or partial dwelling unit leased to occupants.

(D) Required off-street loading:

SQUARE FEET OF FLOOR AREA IN STRUCTURE	TOTAL REQUIRED SPACES OR BERTHS
0 to 10,000	NONE
10,000 to 50,000	1
50,000 to 100,000	2
Each additional 100,000 or fraction thereof	1 additional



Draft Zoning Ordinance Amendment



Option A: Definition and additional regulations in Zoning

SEC. 51A-4.205. LODGING USES (cont.)

(E) Additional provisions:

- (i) This use must comply with Chapter ##, “Short-term rentals” of the Dallas City Code.
- (ii) The number of short-term rentals in a single dwelling unit may not exceed one.
- (iii) A short-term rental must not be used as a commercial amusement (inside), commercial amusement (outside), event venue, restaurant, or any other use unless located in a zoning district in which the use is permitted and a Certificate of Occupancy is issued for the use.



Draft Zoning Ordinance Amendment



Option B: Definition and minimal regulations in Zoning

SEC. 51A-4.205. LODGING USES

(#) Short-term rental.

(A) Definition: A full or partial dwelling unit that is rented to occupants for fewer than 30 consecutive days per rental period.

(B) Districts permitted: By right in all districts.

(C) Required off-street parking: One space per full or partial dwelling unit leased to occupants.



Draft Zoning Ordinance Amendment



Option B: Definition and minimal regulations in Zoning

SEC. 51A-4.205. LODGING USES (cont.)

(#) Short-term rental.

(D) Required off-street loading:

SQUARE FEET OF FLOOR AREA IN STRUCTURE	TOTAL REQUIRED SPACES OR BERTHS
0 to 10,000	NONE
10,000 to 50,000	1
50,000 to 100,000	2
Each additional 100,000 or fraction thereof	1 additional

(E) Additional provisions:

(i) This use must comply with Chapter ##, "Short-Term Rentals" of the Dallas City Code.

(ii) The number of short-term rentals in a single dwelling unit may not exceed one.

(iii) A short-term rental must not be used as a commercial amusement (inside), commercial amusement (outside), event venue, restaurant, or any other use unless located in a zoning district in which the use is permitted and a Certificate of Occupancy is issued for the use.



Draft Zoning Ordinance Amendment



Event Venue: Proposed new use

SEC. 51A-4.210.

RETAIL AND PERSONAL SERVICE USES.

Event venue.

(A) Definition: An establishment primarily engaged for the purpose of hosting guests at private events such as banquets, receptions, charitable gatherings, ceremonies, or celebrations. This use does not include a residential property when used for events hosted by the occupant of the property.

(B) Districts permitted: By right in the following zoning districts: CR - Community Retail, RR – Regional Retail, CS – Commercial Service, industrial, central area, mixed use, multiple commercial, UC-2 – Urban Corridor, and UC-3 – Urban Corridor districts. Residential Adjacency Review (RAR) is required for any event venue that is located within 300 feet, measured in a direct line between the nearest property line where this use is conducted and the nearest boundary of a residential zoning district.



Draft Zoning Ordinance Amendment



Event Venue: Proposed new use

SEC. 51A-4.210. RETAIL AND PERSONAL SERVICE USES. (cont.)

- (C) Required off-street parking: one space per 200 square feet of floor area.
- (D) Required off-street loading:

SQUARE FEET OF FLOOR AREA IN STRUCTURE	TOTAL REQUIRED SPACES OR BERTHS
0 to 10,000	NONE
10,000 to 60,000	1
Each additional 100,000 or fraction thereof	1 additional



Draft Zoning Ordinance Amendment



Event Venue: Proposed new use

SEC. 51A-4.210. RETAIL AND PERSONAL SERVICE USES. (cont.)

(E) Additional provisions:

(i) If applicable, an event venue must comply with Chapter 42A, “Special Events; Neighborhood Markets; Dallas Farmers Market Farmers Market; Streetlight Pole Banners” of the Dallas City Code.



Schedule/Next Steps



Today	Receive guidance and feedback from City Council on Chapter 51 and 51A and Chapter 27 amendments
June	Chapter 51 and 51A amendments briefed to ZOAC
July	City Plan Commission public hearing for Chapters 51 and 51A amendments for City Council consideration
August	Proposed Amendments to Chapters 51 and 51A + Chapter 27 ordinance briefed to City Council
September	Proposed Amendments to Chapters 51 and 51A + Chapter 27 ordinance and additional regulations on voting agenda





Proposed Registration Ordinance (Chapter 27)

Lynetta Kidd, Interim Director
Code Compliance Services
City of Dallas



Registration Options & Recommendations



Ordinance Options

Recommendations

Registration - owner/host/agent (ATL/ARL)

Require STRs to obtain a license prior to platform listing within the City of Dallas (ATL/ARL)

Allow for the collection of fees to cover all costs (COD/ATL/ARL)

Require distance between STRs of 1,500 feet for single family and duplex districts; maximum of 10% of the total dwelling units on a property for all other zoning districts

Notification of neighbors within 300 ft by city staff (ATL)

Require owner to have an emergency contact on file to respond onsite to emergency concerns within a one-hour timeframe

Require all listings on platforms to include the license number



Registration Options & Recommendations



Ordinance Options

Recommendations

No exemption from Single Family Registration if owner rents for periods greater than 30 days (ATL/ARL)

Registration to be renewed annually or at the change of ownership (ARL)

Allow for inspections, including night inspections (ARL/ATL)

Self-certification program eligibility for good neighbor properties (COD)

Host/owner/agent liability for failure to allow for inspections of short-term rental properties (ATL/ARL)

Revocation of license (ATL/ARL)



Registration Options & Recommendations



Ordinance Options

Recommendations

Minimum night stay of not less than two (2) days (ARL)

Occupancy limits from TX Property Code (ATL/ARL)

Include available parking and restrictions on platform listing (ARL/ATL)

Encourage the use of a noise monitoring device (ATL)

Prohibit amplified sound that is audible beyond the property line or exceeds decibel levels listed in 51A (ARL)

Violations of the STR ordinance would be eligible violations under the Habitual Nuisance Property designation – 3 citations

Director's Discretion for suspension or revocation of licenses after serious offenses





Options For Legal Review

Hold a platform accountable for failure to comply with provisions of this chapter (ARL)

Require platforms to provide locations being listed within the City of Dallas

Require platforms to remove any listing that is not licensed

Require the collection of HOT and submit remittance

Options Not Recommended

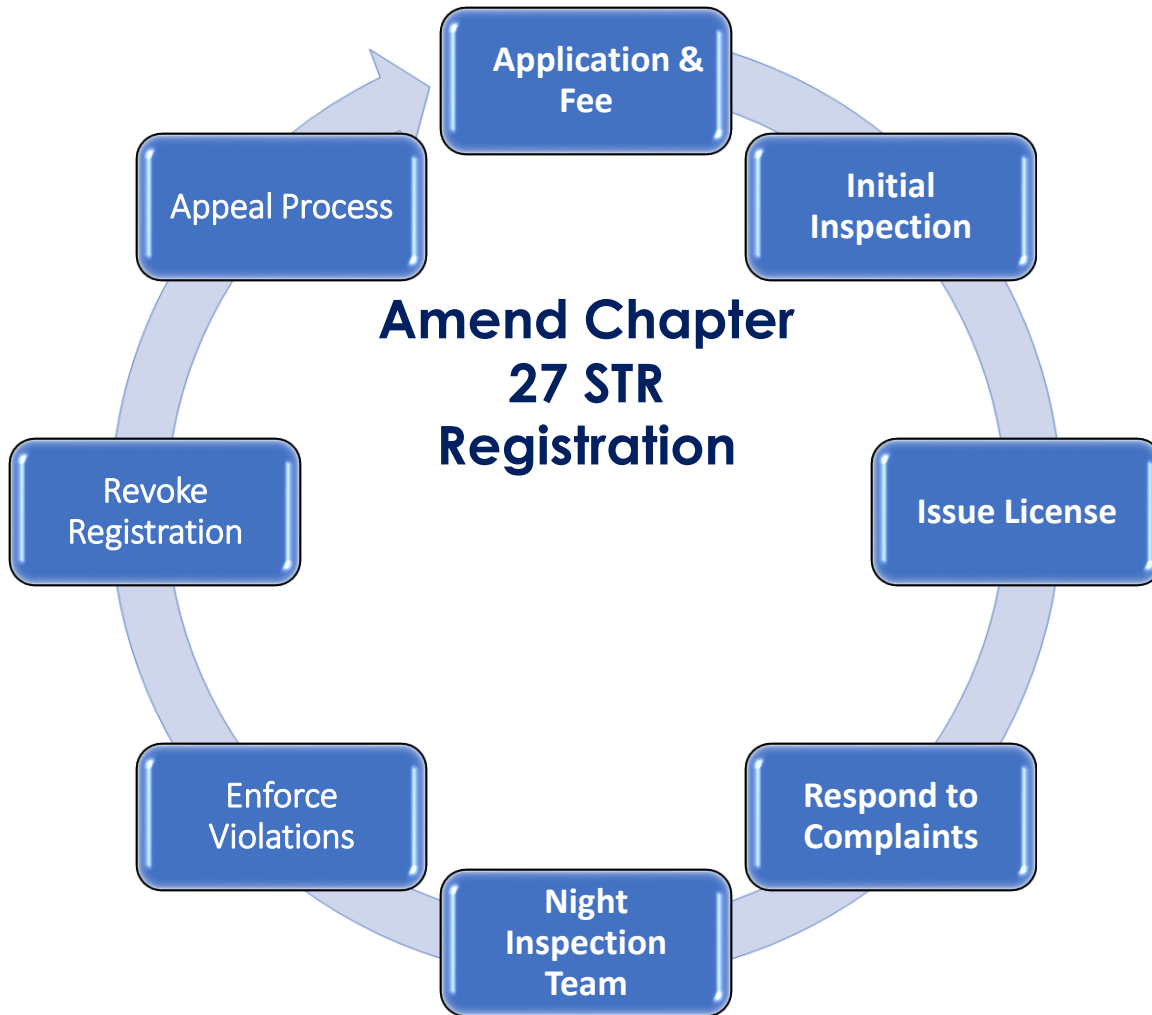
Set limits on total nights per year for non-owner occupied

Provide limits to the number of STR's from a single owner/investor

Prohibit out of town ownership



Registration Process



Revocation Enforcement Tool
 May occur after three substantiated disturbances within one year; STR license may be revoked, and the address barred from applying for renewal of license for one year

- ❑ Includes but is not limited to parking, noise, litter, destruction of property, disorderly/criminal conduct or failure to pay hotel occupancy taxes
- ❑ Locations with a revoked registration may appeal to the Permit, License and Appeal Board for review



Registration Licensing Requirements



Application Requirements

1. Submit Application and Fee
2. Provide Owner/Host Contact information
3. Provide emergency contacts that can respond onsite within 1 hour
4. Supply Hotel Occupancy Tax Registration Number and Certificate of Occupancy
5. Acknowledgements:
 - City Ordinance Requirements
 - Occupancy Limits
 - Parking Requirements
 - Understanding of revocation process
 - Advertising and signage limitations
6. Initial inspection – must be completed and in compliance before license is issued
7. Post emergency contact, license number, and Certificate of Occupancy onsite



Schedule/Next Steps



Today	Receive guidance and feedback from City Council on Chapter 51 and 51A and Chapter 27 amendments
June	Chapter 51 and 51A amendments briefed to ZOAC
July	City Plan Commission public hearing for Chapters 51 and 51A amendments for City Council consideration
August	Proposed Amendments to Chapters 51 and 51A + Chapter 27 ordinance briefed to City Council
September	Proposed Amendments to Chapters 51 and 51A + Chapter 27 ordinance and additional regulations on voting agenda



Short-Term Rental Regulations



City of Dallas

Dallas City Council
June 1, 2022

Julia Ryan AICP, Director
Planning and Urban Design

Lynetta Kidd, Interim Director
Code Compliance Services

Appendix: Additional Recommendations



Summary of Recommendations

Changing the maximum occupancy to 12 persons per short-term rental

Increase notification distance to 1,000 feet radius

Increase required number of parking spaces

Change criteria for owner-occupied status

Don't allow STR's in Multi-family properties

Ensure properties are held to the same standards as hotels (e.g., fire codes)



Appendix: STR Task Force Meetings 2021 - 2022



Meeting Date	Summary of Discussion
November 15, 2021	Introduced Task Force members, discussed meeting schedule, City Attorney's provided law update on regulation, began discussion of flow chart on proposal to register short term rentals with the City.
November 29, 2021	Further review and modification to the flow chart; CAO to evaluate proposal for legal challenges.
December 17, 2021	Finalized Process Flow Chart, began discussion of proposed recommendations, STR violations and enforcement.
January 3, 2022	Continued discussion on proposed recommendations and enforcement.
January 18, 2022	Completed discussion of proposed recommendations, enforcement strategy, department resource needs and estimated fees.
January 31, 2022	Public hearing at Special Called Quality of Life, Arts and Culture Committee meeting to receive stakeholder input.
February 22, 2022	Presented stakeholder input to Quality of Life, Arts and Culture Committee.

