

Memorandum



CITY OF DALLAS

DATE February 21, 2023

TO Honorable Members of Quality of Life, Arts and Culture Committee:

SUBJECT **Short-Term Rental Update**

Background

The purpose of this memorandum is to inform and update the Members of the Quality of Life, Arts, and Culture Committee on the ongoing interdepartmental effort to register and regulate Short-Term Rental (STR) properties in the City of Dallas. The sections below outline the elements still under consideration by Code Compliance Services, the City Attorney's Office, the City Controller's Office, and Planning and Urban Design. City staff have been working through details to determine the best approach should the City Council choose to either accept or reject the City Plan Commission's recommendation.

Code Compliance Services

The Code Compliance Services (CCS) team is preparing to implement a registration and inspection program for STRs in approved zones, per the City Council's direction.

CCS staff continues to review best practices of Texas cities who have recently passed STR regulations, as well as other U.S. cities that have included components suitable for Dallas. More time is needed to address specific questions and concerns related to enforceability, hosting platform accountability and other cities' experience with compliance and enforcement.

CCS is currently working with the City Attorney's Office (CAO) to finalize a draft registration and inspection ordinance. CCS has asked CAO to review several additions to the ordinance based on lessons learned in peer cities. This review is necessary to provide the Council with a thorough and vetted ordinance and regulation program. CCS aims to accomplish the following objectives:

- Explore enforcement software options that will enable Code Officers to enforce approved ordinance;
- Meet with major hosting platforms (Airbnb, VRBO, etc.) to discuss platform accountability; hosting platforms' compliance with the ordinance, including but not limited to removing listings of unregistered properties;
- Confer with Municipal Court to determine burden of proof threshold for City staff; acceptable evidence or documentation that will withstand legal challenges;
- Explore the best method to enforce 1,500 ft. distance requirements recommended in current draft regulations;
- Continue discussion with other cities on best practices;
- Continue to partner with ITS to finalize registration and case management software;

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- Establish Memorandum of Understanding with Parking Enforcement and Dallas Police Department/Dallas Marshal regarding the off-street parking enforcement and after-hours complaints;
- Finalizing staffing and resource needs based on the various options that will be proposed to City Council.

City Attorney's Office

The City Attorney's Office continues to provide legal advice on short-term rental regulations and is participating in the ongoing evaluation of Code Compliance Services' ability to enforce an occupancy limit, other nuisance-related activities, as well as the City's ability to regulate online hosting platforms.

City Controller's Office

The City Controller's Office (CCO) continues to identify, register, and collect hotel occupancy taxes for short-term rentals. Effective January 1, 2023, the CCO began billing the additional 2% hotel occupancy taxes authorized by the Brimer Bill. Hotel occupancy taxes for January 2023 are due and payable by February 25, 2023.

Planning & Urban Design

In December 2021, City Plan Commission authorized code amendment to define a new lodging use for short-term rentals. The Zoning Ordinance Advisory Committee moved a recommendation forward on October 4, 2022, and on December 8, 2022, City Plan Commission voted (9-4) to recommend 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".

CPC Recommended Zoning Ordinance:
Short-term rental lodging.

- Definition: A full or partial building containing one or more kitchens, one or more bathrooms, and one or more bedrooms that is rented to occupants for fewer than 30 consecutive days per rental period.
- Districts permitted: By right in MO(A), GO(A), central area, mixed use, multiple commercial, and urban corridor districts.
- Required off-street parking: One space per full or partial unit rented to occupants.
- Required off-street loading: none

Additional provisions:

- This use must comply with Chapter 42B, "Short-Term Rentals" of the Dallas City Code.
- The number of short-term rentals in a single unit may not exceed one.
- A short-term rental must not be used as a commercial amusement (inside), commercial amusement (outside), restaurant with drive-in or drive-through service, restaurant without drive-in or drive-through service, 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.

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- Short-term rental lodging is prohibited in a multifamily structure or development that has received and utilized a development bonus under Division 51A-4.1100 “Mixed Income Housing.”

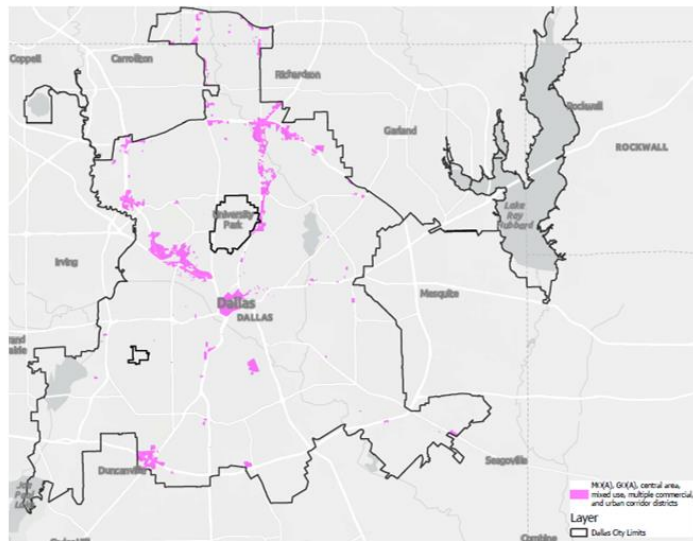
The map below, in pink, shows the areas where short-term rentals would be allowed based on the City Plan Commission’s recommended zoning ordinance.

CPC Recommended Zoning Districts

Districts permitted: By right in MO(A), GO(A), central area, mixed use, multiple commercial, and urban corridor districts.

Single family use allowed only in central area, MU-1, MU-1(SAH), and as a Restricted Component in GO(A)

Multifamily use allowed in central area, mixed use, and as a Restricted Component in GO(A)



If you have questions or need additional information, please contact me at carl.simpson@dallas.gov or 214-671-9735

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