



Legislation Text

File #: 23-1728, Version: 1

STRATEGIC PRIORITY: Quality of Life, Arts & Culture
AGENDA DATE: June 14, 2023
COUNCIL DISTRICT(S): All
DEPARTMENT: Department of Code Compliance
EXECUTIVE: Carl Simpson

SUBJECT

Authorize a resolution that the City Council will select one of the two options to **(1)** accept CPC recommendation in an amount not to exceed \$991,095.00, authorize an increase in appropriations in an amount not to exceed \$991,095.00 in the General Fund and a transfer in an amount not to exceed \$991,095.00 from General Fund Contingency Reserve to the General Fund; or **(2)** reject CPC recommendation in an amount not to exceed \$1,652,712.00, authorize an increase in appropriations in an amount not to exceed \$1,652,712.00 in the General Fund and a transfer in an amount not to exceed \$1,652,712.00 from General Fund Contingency Reserve to the General Fund approved as to form by the City Attorney - Financing: General Fund and General Fund Contingency Reserve \$991,095.00 or \$1,652,712.00 (see Fiscal Information)

BACKGROUND

Short Term Rental (STR) properties are typically defined as rental properties leased for less than thirty days. Due to their potential for generating income, STR's have become more prevalent within the city of Dallas. Prior to any considerations of this item, the Dallas City Code and State of Texas Tax Code defined a short-term rental as a rental of all or part of a residential property to a person who is not a permanent resident and were considered to be a "hotel" for the purposes of Hotel Occupancy Tax collection.

To ensure the health and safety of Dallas residents and visitors, this item amends Chapter 27 of the Dallas City Code, "Minimum Property Standards" to add STR properties to the City's rental registration and inspection program. Additionally, a new Chapter 42B will be created to regulate STR and will include:

- Definitions
- Establishment of Rules and Regulations
- Registration and Posting requirements
- Fees and renewal guidelines
- Application process

- Property inspections
- Denial and Revocation process
- Short Term Rental Operations
- Require emergency response contact
- Hosting Platform registration and operations

Primary components of the ordinance will be identifying a local responsible person to respond to nuisance behavior twenty-four hours and seven days a week in the event of an emergency. The requirements will include the short-term rental property owner to provide a local responsible party who must respond onsite within one hour to address emergency concerns. The Short-term Rental Registration Program will enable Code Enforcement to regulate, monitor, track, and enforce city ordinance towards any STR within the City of Dallas.

PRIOR ACTION/REVIEW (COUNCIL, BOARDS, COMMISSIONS)

The Quality of Life, Arts & Culture Committee was briefed on “Short-term Rental Regulations” on February 18, 2020.

The Quality of Life, Arts & Culture Committee was provided an update on the “Short-term Rentals Task Force” on June 15, 2020.

[The Quality of Life, Arts & Culture Committee was briefed by memorandum on “Short-term Rental Task Force on September 21, 2020.” <](#)

<https://cityofdallas.legistar.com/View.ashx?M=F&ID=8798264&GUID=DEB57C2A-71E0-4D37-ADAB-8C2ACFC706E2>>

The Quality of Life, Arts & Culture Committee was provided an update on the “Short-term Rentals (STR) Task Force” on October 19, 2020.

The Quality of Life, Arts & Culture Committee was provided an update on the “Short-term Rentals (STR) Task Force” on November 16, 2020.

The Quality of Life, Arts & Culture Committee was briefed on “Short-term Rentals STR Task Force Recommendations” on January 19, 2021.

The Quality of Life, Arts & Culture Committee was briefed on “Legal issues regarding regulation of Short-term Rentals (STRs) in Executive/Closed Session on February 23, 2021.

The Quality of Life, Arts & Culture Committee was briefed on “Options to regulate Short-term Rentals” on March 23, 2021.

On May 5, 2021, City Council held a “Public Hearing to receive comments on proposed options for regulating short-term rentals”.

The Quality of Life, Arts & Culture Committee was provided an update on “Short-term Rental Property (STRs) Regulations” on May 17, 2021.

The Quality of Life, Arts & Culture Committee had a “Committee Discussion of the Short-term Rental Task Force established by Chairman’s memorandum dated November 4, 2021” on January 18, 2022.

The Quality of Life, Arts & Culture Committee was provided an update on “Short-term Rental Property Regulations” and hosted a Public Hearing at a Special Called Meeting on January 31, 2022.

The Quality of Life, Arts and Culture Committee was provided an update on “Short-term Rental Task Force Recommendations” on February 22, 2022.

The City Council was briefed on “Short-term Rental Regulations” on May 4, 2022.

The City Council was briefed on “Proposed Short-term Rental Registration and Zoning Ordinances” on June 1, 2022.

The City Council held a “Short-term Rental Discussion” and referred to the City Plan Commission for review on June 15, 2022.

The City Plan Commission was briefed regarding the new use called “Short-term rental lodging” and related regulations on November 17, 2022.

The City Plan Commission approved to amend Chapters 51 and 51A of the Dallas Development Code, 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 with a revision to use a term “building” in lieu of “unit” on December 8, 2022.

The City Plan Commission failed to approve an amendment to the motion to allow Short-term rental uses in all multifamily districts by specific use permit on December 8, 2022.

The Quality of Life, Arts & Culture Committee was provided an update on staff progress towards completing draft Short-term Rental regulations and timeline by briefing memorandum on February 21, 2023.

The Quality of Life, Arts & Culture Committee was briefed regarding this matter on March 20, 2023.

The City Council was briefed on “Short-term Rental Registration and Zoning Ordinance” on April 4, 2023.

The City Council was briefed on “Short-term Rental Registration and Zoning Ordinance” on June 7, 2023.

FISCAL INFORMATION

Fund	FY 2023	FY 2024	Future Years
General Fund Contingency Reserve (Accept CPC Recommendation)	\$ 991,095.00	\$0.00	\$0.00
General Fund Contingency Reserve (Reject CPC Recommendation)	\$1,652,712.00	\$0.00	\$0.00
Total	\$2,643,807.00	\$0.00	\$0.00

*FY 2022-23 includes one-time costs for equipment and reflects partial year funding of associated positions. Future year funding will be added in the City Manager's Recommended Budget for FY 2023-24.

Estimated Revenue: General Fund \$48,001.00 annually (\$12,000.00 for FY 2022-23; Accept CPC Recommendation)

Estimated Revenue: General Fund \$1,562,631.00 annually (\$390,657.00 for FY 2022-23; Reject CPC Recommendation)