



MEMORANDUM

To: Mayor and City Council

From: Mindi Hurley, Director of Community Development

Date: December 13, 2022

Reference: Consider approval of an ordinance of the City of Coppell, Texas, amending Chapter 9 of the Code of Ordinances by amending Article 9-29, "Short-Term Rentals;" and authorizing the Mayor to sign.

2040: **Enhance the Unique 'Community Oasis' Experience**

Introduction:

The purpose of this agenda item is to add new provisions to the existing Short-Term Rental ordinance due to a recent court ruling in another Texas municipality.

Background:

The first Short Term Rental Ordinance was passed by City Council on June 12, 2018. At the time the Ordinance was approved, staff was still learning about short-term rentals and knew that the Ordinance would need to be reviewed at the end of 2019 to see if changes were needed.

On December 20, 2019, the City Council did approve the extension of the Short-Term Rental Ordinance and kept a sunset review for continuous review and improvements to the Ordinance. The sunset review was set for January 31, 2021.

On January 26, 2021, City Council once again approved an extension of the Short-Term Rental Ordinance with minor modifications to the Ordinance and set the sunset review period for January 31, 2022.

On January 11, 2022, City Council extended the expiration date of the Short-Term Rental Ordinance from January 31, 2022, to June 30, 2022. This extension provided staff with the time necessary to review best practices from short-term rental ordinances throughout the state and to prepare a draft ordinance with proposed changes for City Council review.

On April 12, 2022, City Council approved the new ordinance and removed the sunset date. However, since that date, a key piece of the city's existing regulations has been challenged in a

different municipality, making it necessary for the City of Coppell to update our short-term rental ordinance.

Based on the result of that challenge, the City of Coppell will provide our homeowners with two options to use their homes as short-term rental properties:

1. The applicant must provide city staff verification that the Short-Term rental property is their primary residence; or
2. The applicant must hire an on-site property manager who has to be at the property at the time of the rental.

The ordinance change will also include a new definition for short-term rental to include gardens, pools, garages, and outdoor accessory structures.

The Short-Term Rental Ordinance provides the operational regulations for short-term rentals. From the beginning, the ordinance has been designed to provide a balance between meeting the desires of owner occupants to share their homes on an intermittent basis and providing protection for the neighboring properties. The proposed changes are a continuation of that balance. They aim to provide a clear understanding of definitions, processes, and enforcement. Providing this clarity increases the objectivity of all parties involved.

Benefit to the Community:

At City Council's direction, short-term rental enforcement has been a priority for staff. The City has contracted with a 3rd party vendor to help staff identify short-term rental properties since January 2019. Staff is able to contact property owners to have their properties registered as short-term rentals once an unregistered property is identified.

Properties must meet the current requirements outlined in the ordinance to receive a permit. Currently, the City of Coppell has eleven (11) registered Short-term rental properties within the city limits of Coppell. The proposed changes to the ordinance will not have an immediate impact on existing registered short-term rentals; however, the changes will take effect for any existing short-term rentals at the time of their permit renewal. The changes will be effective immediately for any new permit applications.

These changes will help continue to protect the property rights of those residents that want to rent their property on a short-term basis while providing protection for the surrounding neighbors.

Legal Review:

The City Attorney drafted the revised ordinance.

Fiscal Impact:

None.

Recommendation:

Staff recommends approval.