

#### **MEMORANDUM**

**To:** Mayor and City Council

From: Mindi Hurley, Director of Community Development

**Date:** January 12, 2021

Reference: Discussion on Short-Term Rentals (STRs) - Home Share Regulations

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

#### **Introduction:**

The purpose of this work session item is to update the Council on the status of The City of Coppell Short-Term Rental Program and to add new provisions to the ordinance.

#### **Background:**

On April 10, 2018, staff briefed City Council on national, state, and local trends in regulations on short-term rentals and summarized the various options, ranging from complete prohibition of short-term rentals to no regulations on them at all. Knowing that City Council wanted to implement some regulations, staff discussed that regulations for short-term rentals needed to be enforceable and provide clarity in the rules and regulations for both the property owner and the enforcement personnel.

On June 12, 2018, The City of Coppell passed a Short-Term Rental Ordinance that provided a balance between the desires of owner-occupants to share their home, on an intermittent basis, and the protection for the neighboring properties. This ordinance provided for a sunset review that expired on December 31, 2019.

On December 10, 2019, City Council approved extending Chapter 9 of the Code of Ordinances, Article 9-29, "Short Term Rentals," providing for the sunset review to be extended for a period from December 31, 2019 to January 31, 2021. With the expiration of the current sunset review approaching, staff is bringing a revised ordinance to City Council for review. If City Council agrees with the proposed changes, the Ordinance will be brought back to City Council for adoption on January 26, 2021, and the new ordinance will expire on January 31, 2022.

#### **Analysis:**

At City Council's direction, short-term rental enforcement has been a priority for staff. The City has had a contract in place with a 3rd party vendor to help staff identify short-term rental properties since January 2019. Staff can contact owners to have their properties registered as a short-term rental once an unregistered property is identified. That property must meet the current requirements outlined in the ordinance to receive a permit. Currently, the City of Coppell has 11 registered STRs within the city limits of Coppell. The proposed changes to the ordinance will not have an immediate impact on

registered STRs, but the changes will provide staff with the ability to revoke existing permits as outlined below.

The existing ordinance requires the STR to be the primary residence of the owner, limits the number of guests on each property, ensures no negative impact on abutting properties, and provides a tool for enforcement and tax collection. Those requirements remain unchanged. However, staff did work closely with Robert Hager to discuss potential changes to improve the current ordinance and make it more enforceable for staff. A summary of those recommended changes are as follows:

## **STR Proposed changes**

- 1. Registration process-Property owner must provide:
  - A complete list of all rentals advertised on all hosting sites.
  - Name, address, e-mail address, and telephone number of the resident owner, nonresident owner, property manager, resident manager, local emergency contact, and mortgagee, if there is a mortgage against property.
  - Names and addresses of all registered agents should the parties named in this subsection be corporations.
  - Zoning classification (s).
  - Acknowledgement of receipt of a copy of this article and agreement to comply with all provisions of this article as a condition to receiving and maintaining a short-term rental license.
- 2. All property owners within 200 feet of the STR will be notified that a new permit has been issued with relevant information on the STR provisions and contact information including 24-hour complaint line.
- 3. A permit may be revoked if there are four or more violations within twelve months or other safety, health, and welfare ordinances of the City.
- 4. All STR violations will be handled per Code Compliance standard care protocols, a code compliance case will be opened, and three notices will be given before citations and or revocation of permits.

A copy of the draft Ordinance is attached to this memorandum for City Council's review. If City Council is in favor of this revised Ordinance, it will be brought forward to City Council for approval on January 26, 2021.

# **Legal Review:**

City Attorney reviewed these proposed regulations.

# **Fiscal Impact:**

None

## **Recommendation:**

None

### **Attachments:**

Draft Short-Term Rental Ordinance