

**CITY OF COPPELL
PLANNING DEPARTMENT**

STAFF REPORT

**Text Amendments to the Code of Ordinances
Chapter 12, “Zoning”, Article 12-30
“S or SUP, Special Use Permits”**

P&Z HEARING DATE: March 16, 2023
C.C. PUBLIC HEARING DATE April 11, 2023

STAFF REP.: Mary Paron-Boswell, AICP, Sr. Planner

PURPOSE: To consider text change and definition amendments to the Code of Ordinances, Chapter 12, Article 30 (S or SUP, Special Use Permits) defining and establishing Special Use Permit requirements for lodging houses (short term rentals (STRs), bed and breakfasts, boarding homes, hostels, vacation homes, and corporate housing) within the SF-7, SF-9, SF-12, SF-18, SF-ED and H Districts.

HISTORY: The Special Use Permit section of the ordinance addresses uses that are in general conformance with the master plan of the city and containing such requirements and safeguards as are necessary to protect adjoining property. A special use permit is an additional use that may be allowed on a case-by case basis and is in addition to the basic zoning classification of the property. These requests require an affirmative vote by City Council after a public hearing and proper notice, and after recommendations from the Planning and Zoning Commission. The proposed amendment is to establish Special Use Permit requirements for lodging houses (short term rentals (STRs), bed and breakfasts, boarding homes, hostels, vacation homes, and corporate housing) within the SF-7, SF-9, SF-12, SF-18, SF-ED and H Districts. Lodging Houses (STR’s) are a new addition to the SUP section of the *Zoning Ordinance*, currently it exists as its own ordinance outside of the *Zoning Ordinance*.

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.

On December 13, 2022, City Council approved an ordinance that provides 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.
- 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 changes also included a new definition for short-term rental that includes pools, garages, and outdoor accessory structures.

DISCUSSION:

As mentioned in the History section of this report, STR's are a new addition to the SUP section of the *Zoning Ordinance*, currently it exists as its own ordinance outside of the *Zoning Ordinance*. Staff is proposing to add STR's to the *Zoning Ordinance* and in the process update and amend the Special Use Permits (SUP's) list. The proposed amendments to the Special Use Permits (SUP's) involve updating the uses allowed in certain residential districts, in particular by adding the use of a Lodging House. A Lodging House is defined as "the rental of any single-family residence or its residential structure, or a portion of a single-family residence or residential structure including but not limited to pools, garages, and outdoor accessory structures for a period of less than 30 days". This term includes but is not limited to:

1. A bed and breakfast;
2. A boarding home or hostel;
3. A vacation home;
4. A short-term rental (STR); or
5. Corporate housing.

The term does not include:

1. A unit that is used for a non-residential purpose, including an educational, retail, restaurant, banquet space, or event center purpose or other commercial purposes and other similar use;
2. A hotel/residence hotel;
3. A place for residence or use as a licensed health care or assisted living facility licensed by the State;
4. A parsonage on the premise of a church, mosque or synagogue; or
5. A commercial storage facility.

The uses are limited to the following zoning districts with an SUP:

- Single-Family Estate District (SF-ED);
- Single-Family-18 Residential (SF-18);
- Single-Family-12 Residential (SF-12);
- Single-Family-9 Residential (SF-9); and
- Single-Family-7 Residential (SF-7).
- Historic (H) – when part of a PD for single-family residential development or mixed-use development and shall not include live/work units.

These residential districts were chosen because they are single-family detached units and not attached. This provides the neighbors some separation from the proposed uses and transient nature of the lodging house uses. The mixed-use developments provide a separation of uses from the ground floor to the upper floor(s).

STR's and regulations surrounding STR's have evolved and adding them to the SUP process allows is one more step in that evolution. 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. The SUP process allows for more public involvement, it requires notification of property owners within 200-ft of the property in question, a courtesy notice for property owners within 800-ft of the property in question and a public hearing at the Planning and Zoning Commission Meeting and at the City Council Meeting.

The redlined ordinance changes are attached for your review.

RECOMMENDATION TO THE PLANNING AND ZONING COMMISSION:

Staff is recommending approval of the Special Use Permit ordinance text amendments.

ALTERNATIVES:

1. Recommend approval of the request
2. Recommend disapproval of the request
3. Recommend modification of the request
4. Take under advisement for reconsideration at a later date

ATTACHMENTS:

1. Ordinance Changes (redlined)