

MEMORANDUM

TO: Claire Powell, City Manager

FROM: Richard E. Luedke, AICP, Planning Director

DATE: February 19, 2024

SUBJECT: Public Hearing: Consideration of an Ordinance Amending Chapter VII.2, Allowed Uses by District, of Volume 2 of the Lewisville City Code, Known as the Unified Development Code, by Adding Section VII.2.1.5, Interim Prohibition on Short-Term Rental of Dwelling Units.

BACKGROUND

After extensive public input and research on issues related to short-term rentals (STRs), on January 8, 2024, the City Council adopted regulations into Volume 1 of the Lewisville City Code, known as the Code of Ordinances, that will go into effect on July 8, 2024. These regulations include a permitting process and fee, inspections, operational requirements, and a process for revoking permits. The regulations also created a limited parking zone which can be utilized citywide regardless of the presence of a STR and clarifies the remittance and audit of hotel occupancy taxes for STRs.

As part of that process, the City Council directed staff to implement an interim prohibition on short term rentals until the permitting process can be established and the impact of STRs and the permitting process is better understood. This ordinance implements the temporary prohibition on STRs for one year. Additional notifications were sent to the identified owners of STRs as they are treated as legal nonconforming by this ordinance. The Planning and Zoning Commission recommended unanimous approval (5-0) on February 6, 2024.

ANALYSIS

The proposed amendments add a section to the Unified Development Code (UDC) that will need to be removed once the permitting process is set up and the Council is comfortable with the regulations and enforcement. This section prohibits the establishment of new STRs as a zoning violation. Existing SRTs may continue as legal non-conforming uses, subject to all the requirements of non-conforming uses in the UDC.

In compliance with the Texas Local Government Code, letters were sent to all known owners of STRs with the legally required language, stating “**THE CITY OF LEWISVILLE IS HOLDING A HEARING THAT WILL DETERMINE WHETHER YOU MAY LOSE THE RIGHT TO CONTINUE USING YOUR PROPERTY FOR ITS CURRENT USE. PLEASE READ THIS NOTICE CAREFULLY.**”, in bold size 14 font.

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It should be noted that the intent is to allow any current STR operator to continue their operations while preventing new STRs until a permitting system is established. Once the permitting process is established owners will be contacted to begin the permitting process.

CITY STAFF'S RECOMMENDATION:

That the City Council approve the ordinance as set forth in the caption above.