

ORDINANCE NO. _____

AN ORDINANCE OF THE LEWISVILLE CITY COUNCIL AMENDING THE LEWISVILLE CITY CODE BY AMENDING DIVISION 4, SHORT-TERM RENTAL (“STR”) UNITS, OF ARTICLE VI, CHAPTER 4 TO INCREASE THE MAXIMUM NUMBER OF STR UNIT PERMITS THAT MAY BE ACTIVE AT ANY GIVEN TIME, REQUIRE COMPLIANCE WITH THE DISTANCE AND DENSITY REGULATIONS SET FORTH IN THE UNIFIED DEVELOPMENT CODE FOR THE ISSUANCE OF AN STR UNIT PERMIT, CORRECT AN INTERNAL REFERENCE, AND CLARIFY DEFINITIONS AND INSPECTION AND OCCUPANCY STANDARDS; AND PROVIDING FOR A SAVINGS CLAUSE, REPEALER, SEVERABILITY, A PENALTY, AND AN EFFECTIVE DATE.

WHEREAS, on January 8, 2024, the City Council adopted a permitting program for short-term rental (STR) units within the City which took effect on July 8, 2024; and

WHEREAS, a correction to an internal reference and clarifications to a definition and the inspection process and occupancy standards applicable to the STR unit permitting program are necessary; and

WHEREAS, on March 3, 2025, the City Council set a maximum number of active STR unit permits to 130 which was based on a calculation of approximately 0.5 percent (0.5%) of all single-family dwelling units in the City, and that calculation did not include multi-family dwelling units; and

WHEREAS, City staff was directed to continue to research the appropriateness of a change to the maximum number of STR unit permits that may be active at any given time; and

WHEREAS, City residents have continued to voice concerns about STRs through the City’s resident engagement app, a resident survey that was available February through March 2025, an open house in March 2025, and an additional survey that was available in April 2025,

such concerns including an increase in housing prices, decreased availability of affordable housing for residents, and adverse impacts on residential areas, including a lack of street parking, noise disturbances and other criminal complaints, increased traffic, and a diminished sense of community; and

WHEREAS, the regulation of the total number and operation of STR units is consistent with the City of Lewisville’s 2025 Vision Plan Update (2025 Vision Plan) which provides for diverse and thriving neighborhoods as one of its “Big Moves,” focusing on the continued reinvestment in existing residential areas to retain lifelong residents while attracting new families and residents; and

WHEREAS, currently no permitted STR unit operates in a multi-family dwelling unit in Lewisville but the operation of STR units in multi-family dwellings is common in other cities and thus it can be expected that permits for STRs in multi-family dwelling units might be requested in the future; and

WHEREAS, the City Council recognizes the importance of balancing the needs of residents and STR unit owners while preserving the character and integrity of its residential areas, which include multi-family dwellings and developments; and

WHEREAS, the City Council recognizes the need to increase the maximum number of active STR unit permits, as multi-family dwellings were not included in the original calculation of the permit maximum; and

WHEREAS, if the City applies the same 0.5 percent (0.5%) calculation used to establish the current maximum number of active STR unit permits and includes all multi-family dwelling units, the maximum number of active STR unit permits would effectively double; and

WHEREAS, due to the ongoing concerns expressed by Lewisville residents regarding STRs, a lower maximum number of active STR unit permits across all dwelling units, including single-family and multi-family, is warranted; and

WHEREAS, the City Council therefore wishes to increase, but not double, the maximum number of active STR unit permits across all dwelling units; and

WHEREAS, overcrowding in STR units can exacerbate safety and public health concerns as short-term guests are not as likely to be aware of all emergency egress points from a dwelling unit; and

WHEREAS, high occupancy in STR units can exacerbate impacts on the neighborhood, such as trash, noise, illegal parking and other code issues, and the Lewisville Police Department responded to one hundred nine (109) calls for service and Code Enforcement Division investigated one hundred twenty-nine (129) code cases at STR units from July 2024 to June 2025; and

WHEREAS, STR unit guests are often on vacation, which can also result in more frequent parties, loud gatherings, and late-night disturbances, all of which can be exacerbated by overcrowding of STR units, and unlike owner-occupied homes or long-term rental properties, STR unit guests have little long-term accountability to neighbors or the community; and

WHEREAS, STR units operate similarly to hotels by offering temporary housing to guests for short periods of time, but differ significantly from traditional hotels in that they are less likely

to have on-site staff, fire suppression systems, or adequate monitoring of occupancy to mitigate risk to guests or impact to surrounding areas, therefore implementing occupancy limits on STR units would help mitigate risks to both guests and the surrounding residential areas; and

WHEREAS, the City Council finds it is in the best interest of the residents of Lewisville and will protect the public health, safety, and welfare to make the following amendments to Division 4, Short-Term Rental Units, of Article VI, Chapter 4 of the Lewisville City Code.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF LEWISVILLE, TEXAS:

SECTION 1. FINDINGS. The findings contained in the recitals to this ordinance are determined to be true and correct and are adopted as part of this ordinance.

SECTION 2. AMENDMENT OF SECTION 4-151, DEFINITIONS. Lewisville City Code Chapter 4, Article VI, Housing Standards, Division 1, Generally, Section 4-151, Definitions is hereby amended by deleting the current definition of “short-term rental unit” and replacing it with the following new language:

“Short-term rental unit shall have the meaning set forth in Section II.2.1, Definitions, of the Unified Development Code.”

SECTION 3. AMENDMENT OF SECTION 4-201, SHORT-TERM RENTAL UNIT PERMIT. Lewisville City Code Chapter 4, Article VI, Housing Standards, Division 4, Short-Term Rental Units, Section 4-201, Short-Term Rental Unit Permit, subsection (a)(2)a. is hereby amended by deleting the current language and replacing it with the following new language:

- a. The owner advertises or allows to be advertised such short-term rental unit,
or

SECTION 4. AMENDMENT OF SECTION 4-201, SHORT-TERM RENTAL UNIT

PERMIT. Lewisville City Code Chapter 4, Article VI, Housing Standards, Division 4, Short-Term Rental Units, Section 4-201, Short-Term Rental Unit Permit, subsection (a-1) is hereby amended by deleting the current language and replacing it with the following new language:

- (a-1) *Maximum number of active short-term rental unit permits.* No more than one hundred fifty (150) short-term rental unit permits shall be active at any given time. In this section, “active” describes a short-term rental unit permit which has been issued and has not expired or been revoked or otherwise rendered void.

SECTION 5. AMENDMENT OF SECTION 4-201, SHORT-TERM RENTAL UNIT

PERMIT. Lewisville City Code Chapter 4, Article VI, Housing Standards, Division 4, Short-Term Rental Units, Section 4-201, Short-Term Rental Unit Permit, subsection (b-1)(2) is hereby amended by deleting the current language and replacing it with the following new language:

- (2) When the combined number of active short-term rental unit permits and short-term rental unit permit applications reaches one hundred fifty (150), the director of neighborhood and inspection services shall stop accepting applications.

SECTION 6. AMENDMENT OF SECTION 4-201, SHORT-TERM RENTAL UNIT

PERMIT. Lewisville City Code Chapter 4, Article VI, Housing Standards, Division 4, Short-Term Rental Units, Section 4-201, Short-Term Rental Unit Permit, subsection (c) is hereby amended by deleting the current language in subsections (c)(5) and (c)(6) and replacing it with the following new language and adding the following new subsection (c)(7):

- (5) The short-term rental unit has passed the inspection required by section 4-202, below;
- (6) The maximum number of short-term rental unit permits as set forth in subsection (a1) has not been reached; and

- (7) The short-term rental unit complies with the distance and density regulations set forth in section VII.4.3., Short-Term Rental Units, of the Unified Development Code. Compliance with distance and density regulations shall be determined at the time the application is filed and shall consider existing active permits and active permit applications received prior to the application at issue.

SECTION 7. AMENDMENT OF SECTION 4-202, INSPECTION. Lewisville City Code Chapter 4, Article VI, Housing Standards, Division 4, Short-Term Rental Units, Section 4-202, Inspection, is hereby amended by deleting the current language in subsection (4) and replacing it with the following new language and adding the following new subsection (5):

- (4) An owner of a short-term rental unit may request a re-inspection following notification of deficiencies during an inspection. Such request for re-inspection shall be made no later than ten (10) working days after the date on the notification of deficiencies, and shall include payment of the re-inspection fee set forth in section 2-201 of the city code. The director of neighborhood and inspection services may extend, in writing, the deadline to request re-inspection for a period not to exceed 10 days.
- (5) If the owner of a short-term rental unit fails to request a re-inspection within the time period provided, the director of neighborhood and inspection services shall deny the permit application.

SECTION 8. AMENDMENT OF SECTION 4-205, OCCUPANCY. Lewisville City Code Chapter 4, Article VI, Housing Standards, Division 4, Short-Term Rental Units, Section 4-205, Occupancy, is hereby amended by deleting the current language and replacing it with the following new language:

Sec. 4-205. - Occupancy. Every bedroom shall contain not less than 70 square feet, and every bedroom occupied by more than one person shall contain not less than 50 square feet of floor area for each occupant thereof. The owner of a short-term rental unit shall neither advertise nor allow a maximum number of overnight guests in excess of that determined by the square footage of each bedroom. Kitchens, dining rooms, living rooms, and other non-bedroom spaces shall not be used when determining the maximum number of overnight guests. The occupancy

of efficiency living units shall be as set forth in the property maintenance code in Article IV, Chapter 9, of this code.

SECTION 9. SAVINGS CLAUSE. Nothing in this ordinance shall be constructed to affect any suit or proceeding pending in any court, or any rights acquired, or liability incurred, or any cause or causes of action acquired or existing, under any act or prior ordinance; nor shall any legal right or remedy of any character be lost, impaired, or affected by this ordinance.

SECTION 10. REPEALER. Every ordinance or parts of ordinances found to be in conflict herewith are here by repealed.

SECTION 11. SEVERABILITY. If any section, sentence, clause, or phrase of this ordinance shall for any reason be held to be invalid, such decision shall not affect the validity of the remaining sections, sentences, clauses, or phrases of this ordinance, but they shall remain in effect.

SECTION 12. PENALTY. Any person, firm or corporation who violates any provisions of this ordinance shall be deemed guilty of a misdemeanor and, upon conviction thereof in the municipal court, shall be subject to a fine of not more than \$2,000.00 for each offense, and every day such offense is continued shall constitute a separate offense.

SECTION 13. EFFECTIVE DATE. This ordinance shall take effect and be in full force and effect from and after the date of its passage and publication as required by law.

DULY PASSED AND APPROVED BY THE CITY COUNCIL OF THE CITY OF LEWISVILLE, TEXAS, BY A VOTE OF ____ TO ____, ON THIS THE 6TH DAY OF OCTOBER, 2025.

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APPROVED:

TJ Gilmore, MAYOR

ATTEST:

Jennifer Malone-Ippolito, CITY SECRETARY

APPROVED AS TO FORM:

Lizbeth Plaster, CITY ATTORNEY