

## **MEMORANDUM**

**TO:** Claire Powell, City Manager

**FROM:** Richard E. Luedke, AICP, Planning Director

**DATE:** October 6, 2025

**SUBJECT:** **Public Hearing:** Consideration of an Ordinance of the Lewisville City Council Amending Volume 2 of the Lewisville City Code, Known as the Unified Development Code (UDC), by Amending Section II.2.1., “Definitions” to add a Definition of “Short-Term Rental Unit”; Amending Article VII, “Uses, Parking Requirements, Supplemental Use Regulations and Certain Distance Regulations”, to Amend the Heading of Article VII to “Uses, Parking Requirements, Supplemental Use Regulations and Certain Distance and Density Regulations” and the Heading of Chapter VII.4. to “Certain Distance and Density Regulations”, to add a new Section VII.4.3. Establishing Distance and Density Location Regulations for Short Term Rental Units, and to Repeal and Delete Section VII.2.1.5., “Interim Prohibition on Short-Term Rental of Dwelling Units”; and Providing for a Savings Clause, Repealer, Severability, a Penalty, and an Effective Date.

### **BACKGROUND**

On January 8, 2024, the City Council adopted a permitting program for short term rental units (STRs) that took effect on July 8, 2024. On February 19, 2024, a temporary prohibition on STRs was adopted and placed in the Unified Development Code (UDC) while the permitting program was developed and more research could be conducted. During 2024, staff received 103 concerns from the community about 41 different STRs related to property maintenance, neighborhood disturbances, and other violations of ordinances, 26% of which resulted in either arrests, warnings, citations, offense reports, or towed vehicles by the Lewisville Police Department or a notice of violation or citation issued by Code Enforcement staff.

A survey conducted in February and March of 2025 showed 64% of the 602 respondents to a City STR survey supported a minimum distance between STR unit permits citywide, 71% agreed that there should be a limit on the number of STRs in an apartment complex, and 79% agreed that there should be a limit of the percent or number of STRs per block face. On March 3, 2025, the City of Lewisville set a maximum number of active STRs permits to 130 units and staff continued outreach regarding density of STRs in Lewisville. Staff conducted an open house and second follow-up survey and found that 32% of 29 participants indicated that a distance between 820 and 1,000 feet between STRs was appropriate in single family neighborhoods. The Planning and Zoning Commission recommended approval (6-1) on July 15, 2025.

## **ANALYSIS**

Staff proposes new standards in the UDC that require separation between STRs in single-family homes and duplexes and a limitation of the density in multifamily developments. This requires:

1. Adding a definition of Short Term Rental Units to the UDC as follows: “**Short-Term Rental Unit** - Any dwelling unit or portion thereof offered to the transient public for compensation for a period of less than 30 consecutive days. The term shall not include a hotel, motel, or inn or bed and breakfast”. This definition aligns with the existing definition of STRs in Chapter 4 of the Code of Ordinances.
2. Re-titling Article VII, “Uses, Parking Requirements, Supplemental Use Regulations and Certain Distance Regulations” to “Uses, Parking Requirements, Supplemental Use Regulations, and Certain Distance and Density Regulations”.
3. Re-titling Chapter VII.4. from “Certain Distance Regulations” to “Certain Distance and Density Regulations”.
4. Adding Section VII.4.3 “Short Term Rental Units” which
  - a. Requires STRs in single-family or duplexes to be separated by 1,000 feet from other STRs in single-family or duplex settings.
  - b. Limit the number of STRs in a multifamily dwelling to no more than 3% of the units or 2 units, whichever is greater.

There are currently no permitted STRs in multifamily buildings or complexes. While some have been identified through Host Compliance, the system the City is using to track STRs, the owners of those properties have stated that STRs are not allowed and are working to identify and discontinue the STRs at their property when they arise.

All existing STRs with permits or permits in progress that are within 1,000 feet of other STRs would be considered legal non-conforming per Article V “Nonconformities” of the UDC. They would be allowed to maintain and renew their permits. New buyers would be allowed to use those properties as STRs as well; however, if the use of the property for an STR is discontinued for six months or switched to long-term or owner occupancy again, then they may not be able to obtain an STR permit if there is another STR within 1,000 feet. Item 9 on this agenda addresses the limit on active STR permits and provides additional permitting requirements.

## **CITY STAFF’S RECOMMENDATION:**

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