MEMORANDUM

TO: Planning & Zoning Commission

FROM: Richard E. Luedke, AICP, Planning Director

DATE: June 17, 2025

SUBJECT: **Public Hearing: Consider 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".**

BACKGROUND

On January 8, 2024 the City Council adopted a permitting program for short term rentals (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 104 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 the Code Enforcement Department. A survey conducted in February and March, 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 of active STRs permits to 130 units and staff continued outreach about density of STRs in Lewisville. Staff conducted an open house and second follow-up survey and found in a follow-up to this survey, 32% of 29 participants of an open house and secondary survey indicated that a distance between 820 and 1,000 feet between STR was appropriate in single family neighborhoods.

ANALYSIS

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

1. Adding a definition of Short Term Rentals to the UDC which is 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 was taken from the Code of Ordinances where regulations currently exist on STRs.

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 stop the STRs at their property.

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 6 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.

CITY STAFF’S RECOMMENDATION

That the Planning and Zoning Commission hold the public hearing, provide feedback on the direction and then continue the public hearing to July 1, 2025 to ensure final language before making a recommendation.