Memorandum



DATE July 7, 2023

TO Honorable Mayor and Members of the City Council

SUBJECT Short-Term Rental Resource Page and FAQ

On June 14, 2023, City Council defined short-term rentals as land use and voted to restrict short-term rentals (STRs) to a list of allowable zoning districts, with enforcement commencing December 2023.

To best serve Dallas residents and provide clarity around the new Council policy, Code Compliance Services (CCS) created a <u>short-term rental resource page</u> within the Code Compliance Services section of Dallas.gov. It includes an overview of new regulations, links to new zoning and regulations ordinances, and the City Attorney's Office-approved Frequently Asked Questions (FAQ) to answer anticipated questions around short-term rentals (STR) zoning and enforcement. All property owners eligible to pay Hotel Occupancy Tax (HOT) will receive information via USPS to their business address on file with the state of Texas. Operators of STR platforms may also share this information to clients listing properties within the City of Dallas on their sites.

For answers to questions regarding property uses, zoning interpretations & regulations, development regulations, build sites, permit processes or inspections, STR property owners may contact Development Services' Zoning Consultation Team within Plan Review & Field Service Inspections by phone at (214) 948-4480 or in-person at the Oak Cliff Municipal Center, 320 E Jefferson Blvd. Room 118.

Code Compliance is currently developing a process for registering STRs and will conduct outreach and education to bring properties into compliance with the new ordinance. If other code violations are observed, residents should contact 311 by phone or using the OurDallas app. If any criminal activities are observed, residents should call 911.

If you have any questions, please contact me at carl.simpson@dallas.gov or (214) 670-1204.

Carl Simpson

Assistant City Manager

[Attachment]

c: T.C. Broadnax, City Manager
Tammy Palomino, Interim City Attorney
Mark Swann, City Auditor
Bilierae Johnson, City Secretary
Preston Robinson, Administrative Judge
Kimberly Bizor Tolbert, Deputy City Manager
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Majed A. Al-Ghafry, Assistant City Manager
M. Elizabeth (Liz) Cedillo-Pereira, Assistant City Manager
Dr. Robert Perez, Assistant City Manager
Jack Ireland, Chief Financial Officer
Genesis D. Gavino, Chief of Staff to the City Manager
Directors and Assistant Directors

1. What is a Short-Term Rental (STR)?

Short-term rental (STR) is defined as a full or partial rentable unit containing one or more kitchens, one or more bathrooms, and/or one or more bedrooms that is rented to occupants for fewer than 30 consecutive days or one month, whichever is less, per rental period.

2. What are the new regulations?

Generally, the City of Dallas regulations include a definition of short-term rental (STR) as a land use and a list of allowable zoning districts that STRs can be located in. These include Mid-range Office MO(A), General Office GO(A), multifamily, central area, mixed use, multiple commercial, and urban corridor districts.

Other regulations include, but are not limited to, the following:

- Registration through Code Compliance, including payment of fees
- Property inspection
- Obtaining a Certificate of Occupancy
- Maintaining a local responsible party
- Limit of three persons per bedroom with a maximum of 12 guests
- Percentage caps on multi-tenant STR registrations
- Use of amplified sound limitations between 10 p.m. and 7 a.m.
- Minimum night stay of two (2) nights

3. When were these regulations developed?

The City of Dallas conducted several public hearings, City Council briefings, and task force meetings, as well as formal review by the Zoning Ordinance Advisory Committee (ZOAC) and City Plan Commission (CPC). This process culminated in two City Council briefings and a City Council vote.

For more information, please visit the following links to view meeting agendas and videos:

- City Council Briefing, April 4, 2023
- City Council Briefing, June 7, 2023
- City Council Agenda Meeting, June 14, 2023

4. How will they affect short-term rentals?

Short-term rentals operating in the City of Dallas are restricted to those zoning districts allowed by the <u>updated zoning code</u> effective June 17, 2023, regardless of whether operating before that date. All short-term rentals must register and follow the regulations found in <u>Chapter 42B</u>.

5. How will they be enforced?

Short-term rentals found operating outside compliance of the development code and regulations code will be subject to enforcement. Code Compliance Services will conduct education and enforcement as necessary to bring properties into compliance, including but not limited to, notices of violation, citation(s), and referral to Dallas City Attorney's Office.

6. What's the timeline for registration and enforcement?

The short-term rental regulations are effective as of June 17, 2023. Code Compliance is currently seeking the implementation of registration software before beginning registration and has a goal of December 2023 to begin enforcement.

7. If I own a rental property on the same street as a huge apartment complex, does that mean it is in a multifamily zone?

The zoning regulations are based on the zoning district a property is located in, not the type of structure. Each property's eligibility will be determined based on the specific zoning district the property is located in, not what types of properties are on the same street. For information on what zone a property is located in, please see question 10.

8. For true multifamily and condo buildings, is there a threshold of number of units to be big enough to allow STR's?

<u>Chapter 42B</u> allows STR registration in a multitenant building with more than 20 units.

Multitenant structures with more than 20 units may have up to 3% of the units registered as STRs if the property is located in a multifamily or multiple-family zoning district or a planned development district or conservation district whose base zoning is multifamily or multiple-family.

Properties with more than 20 units may have up to 20% of the units registered as STRs if the property is located in a nonresidential zoning district.

No STR units may be allowed in a multitenant structure that has 20 units or fewer.

9. Would 4-plex townhomes or similar structures qualify for STR use?Chapter 42B prohibits short-term rentals in multitenant structures with fewer than 20 units.

10. Can I have an STR at my address?

Short-term rentals are allowed by right in the following zoning districts, provided that all listed zoning requirements and registration requirements are met: MO(A), GO(A), multifamily, central area, mixed use, multiple commercial, and urban corridor districts.

To find out what zone your property lies within: visit the zoning map, turn on base zoning layers, and type in your property address.

If your property lies within a PD (Planned Development district), <u>click on this link</u> to find the details of the PD your property is in. If your property has an underlying zone of MO(A), GO(A), multifamily, central area, mixed use, multiple commercial, and urban corridor districts within the PD, short-term rental use is allowed by zoning.

Click here for a zoning map tutorial

For answers to questions regarding property uses, zoning interpretations & regulations, development regulations, build sites, permit processes or inspections, contact the **Zoning Consultation Team** within **Building Inspection** (Development Services Department) at 214-948-4480.

You can also visit their office at 320 E Jefferson Blvd, Room 118.

11. How should I report a possible short-term rental violation?

Code Compliance is currently developing a complaint intake process for receiving possible STR violations. We anticipate full implementation by December 2023. If any other code violations are observed, call 311. If any criminal activities are observed, notify 911.