ORDINANCE NO. 0742-25-ORD

AN ORDINANCE OF THE LEWISVILLE CITY COUNCIL, AMENDING THE LEWISVILLE CITY CODE BY AMENDING DIVISION 4, SHORT-TERM RENTAL UNITS, OF ARTICLE VI, CHAPTER 4 TO ADD SUBSECTION 4-201(a-1) PROVIDING A MAXIMUM NUMBER OF SHORT-TERM RENTAL ("STR") UNIT PERMITS THAT MAY BE ACTIVE AT ANY GIVEN TIME, ADD SUBSECTION 4-201(b-1) PROVIDING CLOSURE OF THE STR UNIT PERMIT APPLICATION PROCESS AND PRIORITY OF APPLICATIONS, AND AMEND SUBSECTION 4-201(c) PROVIDING FOR THE IMPLEMENTATION OF SAID MAXIMUM NUMBER OF STR UNIT PERMITS; PROVIDING A REPEALER, SEVERABILITY, AND AN EFFECTIVE DATE; AND DECLARING AN EMERGENCY.

WHEREAS, after receiving public input over the course of the previous year, the City Council, among other things, approved a one-year interim prohibition on new STRs which took effect on March 4, 2024, and adopted a permitting program for STRs within the City which took effect on July 8, 2024; and

WHEREAS, City staff was directed to research the nature and extent of STRs in the City and provide recommendations, based on that research, which will protect residential areas where STRs may disrupt the residential character of the area; and

WHEREAS, City residents have voiced concerns about an increase in STRs 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 use and operation of STRs 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 neighborhoods to retain lifelong residents while attracting new families and residents; and

WHEREAS, the City Council recognizes the importance of balancing the needs of homeowners and STR owners while preserving the character and integrity of its residential areas; and

WHEREAS, the City Council finds it appropriate to implement a maximum limit on the number of STR unit permits which are active at any given time in order to balance the growth of STRs with the preservation of the City's quality of life, preservation of residential character and protection of residential integrity of residential areas, and long-term sustainability; and

WHEREAS, other cities have successfully implemented limits to the number of STR unit permits issued, leading to more stable and livable communities, with improved neighborhood cohesion; and

WHEREAS, in 2024, City staff received 103 concerns from the community about 41 different STR locations related to property maintenance, neighborhood disturbances, and other violations of ordinances; and

WHEREAS, of those 103 STR concerns, 26% 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; and

WHEREAS, as of February 25, 2025, 71% of the 743 respondents to a City STR survey, which began on February 14, 2025, and closes on February 28, 2025, supported a limitation on the number of STR unit permits citywide; and

WHEREAS, based on the STR data and public input received, a limit on the number of STR unit permits is proposed to align with the 2025 Vision Plan, which aims to protect the character of established residential neighborhoods while ensuring health and safety; and

WHEREAS, the proposed limit on STR unit permits would also maintain a balanced growth rate of STRs and prevent an oversaturation that could alter neighborhood identity; and

WHEREAS, the City Council finds it is in the best interest of the citizens of Lewisville and will protect the public health, safety, and welfare to establish a maximum number of active STR unit permits active at any given time in Lewisville; and

WHEREAS, allowing staff to temporarily close STR unit permit applications upon reaching a certain number of a combination of STR unit permit applications and active STR unit permits is necessary to ensure an orderly and thorough review of STR unit permit applications; and

WHEREAS, the Lewisville City Council has determined that for the health, welfare, and safety of its citizens, certain amendments to the Lewisville City Code are necessary.

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

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 4-201, SHORT-TERM RENTAL UNIT PERMIT, OF CHAPTER 4. Lewisville City Code Chapter 4, Article VI, Housing Standards,

Division 4, Short-Term Rental Units, Section 4-201, Short-Term Rental Unit Permit, is hereby amended by adding the following new subsection:

(a-1) *Maximum number of active short-term rental unit permits.* No more than one hundred thirty (130) 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 3. AMENDMENT OF SECTION 4-201, SHORT-TERM RENTAL UNIT PERMIT, OF CHAPTER 4. Lewisville City Code Chapter 4, Article VI, Housing Standards, Division 4, Short-Term Rental Units, Section 4-201, Short-Term Rental Unit Permit, is hereby amended by adding the following new subsection:

(b-1) *Priority of Applications*; *Closure of Application Process.*

(1) The director of neighborhood and inspection services shall process short-term rental unit permit applications in the order of receipt; except that, applications by owners with a then-active short-term rental unit permit at the same location submitted in accordance with subsection (b-1)(4) below shall be processed first.

(2) When the combined number of active short-term rental unit permits and short-term rental unit permit applications reaches one hundred thirty (130), the director of neighborhood and inspection services shall stop accepting applications.

(3) As short-term rental unit permit applications are rejected and short-term rental unit permits expire, are revoked or are otherwise rendered void, the application process may reopen at the discretion of the director of neighborhood and inspection services.

(4) An application for a new short-term rental unit permit, as required by subsection (f), below, by an owner with a then-active short-term rental unit permit at the same

location may be filed with the city regardless of whether the application process has been closed if:

a. The application is submitted at least thirty (30) days before the expiration date of their active permit. Otherwise, the current short-term rental unit permit holder may only apply for a new short-term rental unit permit when the permit application process is reopened; and

b. The director of neighborhood and inspection services has determined that the owner has met all requirements for issuance of a short-term rental unit permit under subsection (c), below, on or before the expiration date of the then-active short-term rental unit permit.

SECTION 4. AMENDMENT OF SUBSECTION (c) of SECTION 4-201, SHORT-TERM RENTAL UNIT PERMIT, OF CHAPTER 4. 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 replacing subsections (c)(4) and (5) as follows and adding the following new subsection (c)(6):

(4) The short-term rental unit permit application is complete and complies with all requirements outlined herein for the issuance of a short-term rental unit permit, and no information therein is false or misleading;

(5) The short-term rental unit has passed the inspection required by section 4-202, below; and

(6) The maximum number of short-term rental unit permits as set forth in subsection (a-1) has not been reached.

SECTION 5. REPEALER. Every ordinance or parts of ordinances found to be in conflict herewith are hereby repealed.

SECTION 6. 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 7. 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.

SECTION 8. EMERGENCY. It being for the public welfare that this ordinance be passed creates an emergency and public necessity, and the rule requiring this ordinance be read on three separate occasions be, and the same is hereby waived, and this ordinance shall be in full force and effect from and after its passage and approval and publication, as the law in such cases provides.

DULY PASSED AND APPROVED BY THE CITY COUNCIL OF THE CITY OF LEWISVILLE, TEXAS, BY A VOTE OF 6 TO 0, ON THIS THE 3rd DAY OF MARCH, 2025.

APPROVED:

TJ Gilmore, MAYOR

ATTEST:

Jennifer Malone, ACTING CITY SECRETARY

APPROVED AS TO FORM:

Lizbeth Plaster, CITY ATTORNEY