

ORDINANCE NO. \_\_\_\_\_

**AN ORDINANCE OF THE CITY OF AZLE, TEXAS, AMENDING CHAPTER 4, "BUSINESS REGULATIONS," OF THE CODE OF ORDINANCES, CITY OF AZLE, TEXAS, TO CREATE AN ARTICLE DEFINING AND GOVERNING THE STANDARDS AND REQUIREMENTS FOR SHORT-TERM RENTALS; AMENDING APPENDIX A, "FEE SCHEDULE," TO PROVIDE FOR ADMINISTRATIVE FEES ASSOCIATED WITH THE PERMITTING AND INSPECTION OF SHORT-TERM RENTALS; AMENDING CHAPTER 14A, "ZONING ORDINANCE," TO IDENTIFY SHORT-TERM RENTALS AS A PERMITTED USE IN ZONING DISTRICTS WITH RESIDENTIAL USES, SUBJECT TO CERTAIN CONDITIONS, AND TO AUTHORIZE THE BOARD OF ADJUSTMENT TO HEAR SPECIAL EXCEPTIONS IN CERTAIN CIRCUMSTANCES; PROVIDING THIS ORDINANCE SHALL BE CUMULATIVE; PROVIDING A SEVERABILITY CLAUSE; PROVIDING A PENALTY FOR VIOLATION; PROVIDING A SAVINGS CLAUSE; PROVIDING FOR PUBLICATION IN THE OFFICIAL NEWSPAPER; AND PROVIDING AN EFFECTIVE DATE.**

**WHEREAS**, the City of Azle, Texas (the "City"), is a home rule city acting under its charter adopted by the electorate pursuant to Article XI, Section 5 of the Texas Constitution and Chapter 9 of the Local Government Code; and

**WHEREAS**, the City Council of the City ("City Council"), recognizes the City's proximity to tourist destinations in the Dallas-Fort Worth Metroplex, including nearby Eagle Mountain Lake; and

**WHEREAS**, in the City and elsewhere, the increase in the number of persons or entities desiring to rent their residential properties has led to the proliferation of transient and vacation rental uses within neighborhoods previously planned, approved, and constructed for solely residential use; and

**WHEREAS**, the use of residential properties by individuals for short periods of time may negatively impact the original residential character of neighborhoods that was an inducement for owners to buy their homes in such neighborhoods due, in part, to substituting permanent residents with transient visitors and thereby reducing or eliminating common goals, cohesiveness, communication, and accountability between permanent residents; and

**WHEREAS**, the regulation of the use and operation of such "short-term rental" property is intended to prevent the further erosion of pre-existing and stable neighborhoods, and further advance the City Council's commitment to preserving the residential character of its neighborhoods; and

**WHEREAS**, the rise of substitute land uses for residential property contributes to

the shortage of affordable housing for both homeowners and long-term renters; and

**WHEREAS**, the proliferation of unregulated short-term rentals presents fire and structural safety concerns that are not applicable to structures used for permanent occupancy but are deemed necessary to accommodate guests who, as visitors to the City, will rely on City emergency services in the event of a crisis; and

**WHEREAS**, the City has received numerous complaints from neighbors seeking to resolve issues with parking, noise, and other adverse effects related to the operation of short-term rentals in residential areas; and

**WHEREAS**, the purpose of the regulations set forth herein is to provide a procedure to allow the rental of private residences to visitors on a short term basis, while ensuring that such rental use does not cause adverse impacts to residential neighborhoods due to the intensive nature of the use creating excessive traffic, noise, density, and other adverse effects, and additionally to ensure that the number of occupants within such rental units do not exceed the design capacity of the structure causing health and safety concerns, and that minimum health and safety standards are maintained in such units to protect visitors from unsafe or unsanitary conditions; and

**WHEREAS**, the City Council has reviewed data and information from other cities' experiences with short-term rentals and used this data and information to develop a regulatory structure suitable for the circumstances within the City; and

**WHEREAS**, the City Council finds and determines that regulations related to short-term rental uses should be adopted to define short-term rentals, establish standards for operation and appropriate review processes applicable to short-term rentals, and establish commensurate permitting and inspection fees; and

**WHEREAS**, the Planning and Zoning Commission of the City held a public hearing on [REDACTED], and the City Council held a public hearing on [REDACTED], with respect to the short-term rental regulations described herein; and

Commented [RR1]: Staff to complete

Commented [RR2]: Staff to complete

**WHEREAS**, the City Council finds that regulating the short-term rental of residential property is necessary for promoting the health, safety, and welfare of the general public, ensuring consistency in land uses and development, and protecting the rights of property owners, residents, and visitors in the City.

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

#### **SECTION 1.**

Chapter 4, "Business Regulations," of the Code of Ordinances, City of Azle, Texas, ("the Code") is hereby amended by adding a new Article 4.11 to read as follows:

#### **"ARTICLE 4.11. SHORT-TERM RENTAL**

§ 4.11.001 **Purpose.**

The purpose of the regulations set forth herein is to provide a procedure to allow the rental of private residences to visitors on a short term basis, while ensuring that such rental use does not create adverse impacts to residential neighborhoods due to excessive traffic, noise, density, and other adverse effects, and additionally to ensure that the number of occupants within such rental units do not exceed the design capacity of the structure causing health and safety concerns, and that minimum health and safety standards are maintained in such units to protect visitors from unsafe or unsanitary conditions.

§ 4.11.002 **Definitions.**

The following words, terms, and phrases, when used in this article, shall have the meanings ascribed to them in this section, except where the context clearly indicates a different meaning:

*Bathroom.* Enclosed space containing one or more bathtubs, showers, or both, as well as one or more toilets, lavatories or fixtures serving similar purposes.

*Bedroom.* A room used or intended to be used for sleeping purposes and not as a kitchen, bathroom, living room, closet, hallway, utility space, entry way, garage, patio, breezeway, or other purpose.

*Block.* A tract of land bounded by streets, or a combination of streets, public parks, railroad rights-of-way, shorelines of waterways, or corporate limits.

*Block face.* The portion of a block abutting one side of a street and lying between the two nearest intersecting or intercepting streets, or between the nearest intersecting or intercepting street and another boundary such as a railroad right-of-way, unsubdivided land, watercourse, or municipal boundary. A corner lot shall be part of the block face parallel to the lot's front lot line.

*Code or city code.* The Code of Ordinances, City of Azle, Texas.

*Department.* The planning and development department of the city.

*Director.* The director of planning and development of the city or their designated representative.

*Fire marshal.* The fire marshal of the city or their designated representative.

*Occupant.* The person(s) who have lawfully obtained the exclusive use and possession of the short-term rental premises from the owner and/or operator, and the guest(s) of such person(s).

*Operator.* The owner or local responsible party tasked with managing a property operating

as a short-term rental on behalf of the owner.

Owner. The individual or entity that owns a property operating as a short-term rental.

Permit. The permit issued pursuant to the terms of this article authorizing the operation of a short-term rental.

Short-term rental. The rental for compensation, of any residence or residential structure, or a portion of a residence or residential structure, located within a zoning district where the residential use is lawful, for the purpose of overnight lodging for a period of less than thirty (30) days. A short-term rental shall not include a hotel or motel.

§ 4.11.003 **Short-term rental permit application.**

It shall be unlawful for any owner, operator, or other person to advertise, offer to rent or rent, lease, sublease, license or sublicense a residential property within the city as a short-term rental for which a permit application has not been properly made and filed with the department, and a permit issued. A permit application shall be made upon forms furnished by the city for such purpose, shall be accompanied by the application fee identified in appendix A of the code, and shall specifically require the following minimum information:

- (1) The name, address, contact information, and signature of the owner of the premises (or signed owner authorization, on a form provided by the city);
- (2) The name, address, and phone number of a twenty-four (24)-hour contact;
- (3) The registration number for the city hotel occupancy tax as required by section 4.11.004 (m), below;
- (4) A parking plan of the premises identifying the location and quantity of parking spaces to be used in conjunction with the short-term rental, in relation to the residence;
- (5) A dimensioned floor plan of the proposed short-term rental identifying the proposed maximum number of occupants, bedrooms, other living spaces, location of safety features, and emergency evacuation routes;
- (6) The name, contact information, and rules for the applicable homeowners' association (HOA), if any;
- (7) Proof of liability insurance, which shall meet the following minimum requirements:
  - (A) The city, its officials, employees, agents and officers shall be named as an "additional insured" on all policies;
  - (B) The policy should provide a minimum liability coverage of \$1,000,000 (one million dollars); and

**Commented [RR3]:** This ordinance is structured to create a permit structure for STRs without needing to go through the SUP process. As discussed previously, there are other options; for example, SUP only, or one-time SUP + annual permit.

**Commented [RR4]:** We can reduce or expand this list according to specific needs or concerns.

- (C) Each policy shall be endorsed to provide the city with a minimum of a thirty (30)-day notice of cancellation, non-renewal, and/or material change in policy terms or coverage; provided, however, a minimum ten (10) days' notice shall be required in the event of non-payment of premium;
- (8) A current tax certificate(s) indicating all taxes for the subject property have been paid to the current year (available from Tarrant Appraisal District). Tax statements printed from the Tarrant County website (pdf) are acceptable in lieu of the original certificate(s);
- (9) A copy of the proposed host rules for the short-term rental, including a statement identifying the description and location of safety features described in section 4.11.004(e); and
- (10) A statement that the owner of the short-term rental complies with and will continue to comply with the standards and other requirements of this article, as well as all applicable standards and other requirements of the code.

§ 4.11.004 **Regulations.**

- (a) Maximum stay; minimum stay. It shall be unlawful for an owner to rent or lease a short-term rental for a period of more than twenty-nine (29) days or less than twenty-four (24) hours.
- (b) Occupancy. The maximum number of persons permitted to stay in a short-term rental is limited to two (2) persons per bedroom, plus two (2) additional persons; however, no short-term rental shall permit the cumulative total number of occupants to exceed twelve (12) persons.
- (c) Parking restrictions. Parking is restricted to the number of off-street parking spaces associated with the residential structure, either in the driveway and garage or by location or number assigned to a specific unit. It shall be unlawful for an occupant or invitee of an occupant to park a motor vehicle on a residential street adjacent to or near a short-term rental. All motor vehicles are further subject to the parking requirements of chapter 12, article 5 of the code.
- (d) Access to basic sanitation. Each bedroom of a residence or portion of a residence used as a short-term rental must provide interior access to a bathroom, such that an occupant shall have access to a bathroom without exiting the residence, regardless of whether such bathroom is private or shared.
- (e) Life safety.
  - (1) The short-term rental must be equipped with:

**Commented [RR5]:** This is optional, but was a potential issue in a least one of the other cities that has adopted this ordinance.

**Commented [RR6]:** This section can be simplified if there are concerns about the administrative burden of inspecting these properties.

- (A) Working smoke alarms, meeting the requirements of Section 92.254 and 92.255 of the Texas Property Code, with a minimum of one (1) on each floor or level and one (1) in each room used as a bedroom; and
- (B) A minimum of one (1) working carbon monoxide detector on each floor or level if the premises are equipped with natural gas, propane, and/or an attached garage; and
- (C) A minimum of one (1) 2A:10B:C type fire extinguisher (a standard five-pound extinguisher) available on each floor, inspected annually in accordance with the International Fire Code and tagged by a third-party inspector.

- (2) All gas appliances shall be properly ventilated outside the home.
- (3) Emergency escape openings shall comply with the city's currently adopted International Residential Code (IRC), with at least one (1) emergency escape opening for each bedroom opening directly to the outdoors.
- (4) An evacuation plan shall be posted in each bedroom.
- (5) Any room that does not comply with this subsection (e) shall not be used as a bedroom, and where equipped with a door, shall remain locked at all times when the dwelling is being used as a short-term rental. Any non-compliant bedroom shall not be included in the maximum occupancy calculation for the short-term rental, nor be advertised as a bedroom.

Commented [RR7]: To be confirmed with the Fire Department

- (f) Conduct on premises. Each short-term rental owner, operator, and occupant shall comply with all requirements of the city code. Owners and/or operators shall be responsible for informing occupants of all relevant city codes and occupants' liability for violations of same. In addition, the following shall be unlawful:
  - (1) Conduct involving the use of amplified sound or radios, phonographs, or musical instruments between the hours of 7:00 p.m. and 7:00 a.m., excessive noise, or other disturbances outside the short-term rental structure that would violate chapter 8, article 8.03 of the code, including, but not limited to, the following outside areas: decks, portals, porches, balconies, patios, hot tubs, pools, saunas, or spas;
  - (2) Sleeping outdoors;
  - (3) Placing, or allowing to be placed, waste or recycling receptacles at the designated pickup location prior to 7:00 p.m. on the day prior to the scheduled pickup, or otherwise in violation of chapter 13, article 13.08 of the code;
  - (4) Advertising, promoting, or operating a special event, or permitting the advertising, promotion, or operation of a special event (including, but not

limited to, a banquet, wedding, reception, reunion, bachelor or bachelorette party, concert, or similar activity that would assemble large numbers of invitees) to be held on the premises; and

- (5) Using or permitting the use of the short-term rental for the purpose of: housing sex offenders; operating a structured sober, recovery, or other purpose living home or similar enterprise; selling illegal drugs; selling alcohol or another activity that requires a permit or license under the Alcoholic Beverage Code; or operating as a sexually oriented business.
- (g) Signage. On-premise signage advertising or identifying the short-term rental shall not be permitted.
- (h) Advertising. The owner and/or operator shall not advertise or promote, or allow another to advertise or promote, the short-term rental without including the occupancy limits, parking standards, and city permit number for the listing.
- (i) Local contact. An owner and/or operator must designate the name and contact information of a representative who shall be the local responsible party who can be contacted regarding immediate concerns and complaints from the public. Said individual must be available in person or by phone at all times while occupants are on the premises of the short-term rental. If called, said individual must be able to, and shall, be present at the premises within one (1) hour of receiving a call from the planning director. A local contact must be authorized to make decisions regarding the premises and its occupants.
- (j) Occupant notification packet. The owner and/or operator shall post in a conspicuous location of the short-term rental premises a packet containing, at a minimum, the following information:
  - (1) Maximum number of occupants;
  - (2) Location of required off-street parking, other available parking and prohibition of parking on unapproved surfaces as provided by section 12.05.008 of the code;
  - (3) Quiet hours and noise restrictions;
  - (4) List of HOA rules, if applicable;
  - (5) Twenty-four (24)-hour local contact person and phone number;
  - (6) Property cleanliness requirements;
  - (7) Waste pick-up requirements, including location of waste and recycling receptacles;

- (8) Flooding hazards and evacuation routes, as well as information on the emergency siren system and other safety features;
  - (9) Emergency and non-emergency numbers; and
  - (10) Notice that failure to conform to the occupancy and parking requirements constitutes a violation of the code and an occupant or visitor may be cited.
- (k) Rental agreement notification. The rental agreement between the owner and/or operator of the short-term rental and the occupant shall include, by attachment, all of the information provided in the occupant notification packet.
- (l) Changes in ownership. The purchaser of a short-term rental shall provide the director with current application materials required by section 4.11.003, revised to include any new information associated with the change in ownership, within thirty (30) days of the closing date for the purchase of the short-term rental. Since a permit is non-transferable pursuant to section 4.11.005, the purchaser shall also remit a permit renewal fee as described in appendix A of the code.
- (m) Hotel occupancy taxes. The owner and/or operator of the short-term rental property shall register with the city finance department to pay hotel occupancy taxes prior to the date that the short-term rental permit application is submitted, and the owner and/or operator must remit all applicable hotel occupancy taxes in a timely manner pursuant to applicable laws.
- (n) Request for occupancy history. Upon request of the director, the owner of a premises used as a short-term rental shall remit, within thirty (30) days, an accounting of all rental activity and the hotel occupancy taxes paid therefor.
- (o) Right to inspect premises.
- (1) Inspections. The fire marshal or building official shall perform periodic inspections of each short-term rental property to ensure compliance with this article and other applicable laws. For the purpose of performing inspections, the fire marshal or building official may enter, examine, and survey, at all reasonable times, all buildings, dwelling units, guest rooms, and the premises used as a short-term rental property. An owner and/or operator may refuse to consent to an inspection conducted by the fire marshal. If consent is refused, the fire marshal may seek an administrative search warrant authorized by Article 18 of the Texas Code of Criminal Procedure and the city code. No permit for operating a short-term rental shall be issued until the premises successfully passes such inspection.
  - (2) Types of inspections. The city may perform the following inspections:
    - (A) Initial and renewal inspections. The fire marshal or building official may perform an initial inspection of the short-term rental property upon

Commented [RR8]: Confirm procedures with City finance department



application for a permit, as well as inspections of the short-term rental property upon application for permit renewal.

- (B) Repeat inspections. If, upon completion of an inspection, the premises are found to be in violation of one or more provisions of this section, the city shall provide written notice of such violation and shall set a re-inspection date. If a property fails to pass an inspection, a re-inspection fee will be charged after the third re-inspection of the premises. A property cannot be occupied as a short-term rental while its status with the fire marshal's office is noted as being in violation.
- (C) Fire extinguishers. The owner and/or operator is responsible for obtaining annual independent inspections of the fire extinguishers in compliance with city regulations.
- (D) Change in ownership inspection. As part of the change in ownership process for a short-term rental the fire marshal shall conduct an inspection to verify compliance with this article.

(p) Density limitations for short-term rental properties.

- (1) Limitation. Short-term rentals shall be limited to no more than one-eighth (12.5 percent) of the total number of residential units on the block face or in a multi-unit building. Notwithstanding the foregoing, at least one short-term rental shall be permitted per block or multi-unit building, regardless of density.
- (2) Special exception available. In order to obtain a permit for a short-term rental that would exceed the density limitation of this section, a property owner may apply to the zoning board of adjustment for a special exception in accordance with chapter 14A, section 34 of the code. The board may consider factors such as the following:
  - (A) Whether operation as a short-term rental in excess of the density limitation will not adversely impact the residential quality of the neighborhood in which the property is located;
  - (B) Whether such operation is likely to disrupt adjacent owners' right to the quiet enjoyment of their property (for example, by considering whether lot sizes are small enough that noise is likely to affect neighboring property owners);
  - (C) Whether such operation will substantially impact nearby streets, including whether the property provides only limited off-street parking;
  - (D) Whether the applicant seeks to operate an entire residence as a short-term rental or whether the short-term rental use is limited to a portion of the residence;

**Commented [RR9]:** Council expressed an interest in a more conservative density limitation. This is an example of a relatively permissive option. We can also tailor a limitation to the lake front overlay if necessary.

- (E) Whether the applicant occupies the premises as their primary residence or uses it as an investment property; and
- (F) Whether other short-term rentals in excess of the density limitation are already operating on that block.

(3) Nonconforming uses. A short-term rental that was lawfully in existence on the effective date of this article shall be considered a nonconforming use and shall not be subject to the density limitations set forth in this subsection. A short-term rental shall be considered lawfully in existence on the effective date of this article if the owner provides written confirmation from the city finance department indicating that, prior to the effective date of this article, the property was registered for payment of hotel occupancy tax as required by chapter 11, article 11.04 of the code and the tax account was not in arrears.

**§ 4.11.005 Permit term and renewal; fees; non-transferability; public information designation**

- (a) All permits issued under this article shall be valid for a period of one (1) year from the date of issuance.
- (b) A nonrefundable fee for administration of the application shall be charged as established in appendix A of the code. Such fee shall be paid at the time the application is made and shall not be returned to the applicant, regardless of whether a permit is issued.
- (c) A permit holder shall apply for renewal prior to the expiration of the permit on a form provided by the director. The fee for the renewal of a permit to operate a short-term rental shall be charged as established in appendix A of the code. The permit holder shall either update the information required under section 4.11.003 or submit a statement affirming that the information previously submitted is still accurate. A complete application for renewal received after the expiration of a current permit shall be treated as an application for a new permit in accordance with section 4.11.003.
- (d) A permit to operate a short-term rental is not transferable to another owner, operator, or location.
- (e) All permits issued under this article constitute public information, subject to the terms of the Public Information Act. Information regarding permitted short-term rentals shall be made available on the city's website and shall identify, at minimum, the property address, permit number, and permit date of each short-term rental permitted to operate in the city.

**§ 4.11.006 Repeat offenses.**

**Commented [RR10]:** This is completely optional, but many cities like to include it in the interest of transparency.

- (a) If the director finds that the owner, operator, or any occupant of a short-term rental failed to comply with any requirement of this article three (3) or more times within a twelve (12) month period, the director may revoke an existing permit or may deny an application to renew a permit. No new permit may be sought for the subject property for a period of twelve (12) months following a denial or revocation pursuant to this section.
- (b) If a property is the subject of five (5) or more violations of federal law, state law, or the other provisions of the city code outside of this article within the previous twenty-four (24)-month period, the director may revoke an existing permit; may deny an application for an original permit; or may deny an application to renew a permit, based on: (1) the frequency of any repeated violations; (2) whether a violation was committed intentionally or knowingly; and (3) any other information that demonstrates the degree to which the owner or occupant has endangered public health, safety, or welfare. No new permit may be sought for the subject property for a period of twelve (12) months following the denial or revocation pursuant to this section.
- (c) A permit applicant may appeal the director's decision to revoke an existing permit or deny an application, in accordance with the process set forth in section 4.11.006 of this article.

§ 4.11.006 **Appeals.**

- (a) The revocation of a permit or the director's denial of an application for a permit to operate a short-term rental may be appealed to the city manager in accordance with the provisions of this section.
- (b) An appeal filed under this section must be filed with the director no later than the twentieth (20<sup>th</sup>) day following the date on which the permit was revoked or denied. The appeal must be sworn and must identify each alleged point of error, facts, and evidence supporting the appeal, and reasons why the action of the director should be modified or reversed.
- (c) The city manager or a designee shall, not later than the tenth (10<sup>th</sup>) day after the date the notice of appeal is filed, hear the appeal, and may affirm, modify, or reverse a permit revocation or application denial.
- (d) The city manager or designee shall give written notice of a decision on an appeal to the appellant.
- (e) An appellant who seeks judicial review of the city manager's review on appeal must file a petition with a court of competent jurisdiction not later than the thirtieth (30<sup>th</sup>) day after issuance of the notice of the decision.

§ 4.11.007 **Enforcement.**

- (a) If the owner, operator, or any occupant of the short-term rental property fails or refuses to comply with the standards and requirements contained herein, the city may initiate enforcement action against the owner, operator, or any occupant, including, but not limited to, the immediate issuance of a citation.
- (b) Failure to timely remit applicable hotel occupancy tax is a violation under this article and shall result in permit revocation if all applicable tax is not paid within ninety (90) days of the issuance of a delinquency notice.
- (c) Any advertisement, whether it be online or in print, promoting the availability of a property within the city for rent for a period of thirty (30) days or less, shall constitute prima facie evidence of the property's use as a short-term rental.

§ 4.11.008 **Discontinuance of operations.**

- (a) The owner and/or operator of a property used as a short-term rental that was registered with the city for collecting hotel occupancy tax prior to the effective date of this article, and who is unable, fails, or refuses to obtain a permit for operation as a short-term rental following the effective date of this article, shall discontinue the short-term rental use within sixty (60) days of the effective date of this article or the notice of permit denial. The density limitation of section 4.11.004(p) shall not bar such owner and/or operator from obtaining a permit if all other requirements and standards of section 4.11.004 are met.
- (b) The owner and/or operator of a property used as a short-term rental that was not registered with the city for collecting hotel occupancy tax prior to the effective date of this article shall discontinue the short-term rental use immediately following the effective date of this article. Such property shall not be resumed as a short-term rental until a permit has been applied for and has been issued pursuant to section 4.11.003.

§ 4.11.009 through § 4.11.14. **(Reserved)**"

**SECTION 2.**

Article A1.000, "General Fee Tables," of Appendix A, "Fee Schedule," of the Code is hereby amended by adding a new Section A1.012, "Short-term rental fees," to read as follows:

"§ A1.012 **Short-term rental fees.**

The schedule of fees for short-term rentals shall be as follows:

- (1) Application for permit: \$200.00.
- (2) Permit renewal: \$200.00.

- (3) Inspection (initial or renewal):
- (4) After hours inspection (after 4:00 p.m. or weekends/holidays):
  - (A) 2-hour minimum: \$190.00.
  - (B) Each additional hour: \$65.00 per hour.
- (5) Reinspection fee: \$65.00.
- (6) Application for special exception: \$325.00”

**Commented [RR11]:** To be completed upon staff determination – I was unable to find a generally applicable inspection fee in the fee schedule, so this can be either be a flat fee or based on square footage or bedrooms. As long as the fee is reasonably related to the cost of administering the STR permit program, we can charge accordingly. I pulled the rest of these fees from other similar fees in the fee schedule, but we can modify as needed.

**SECTION 3.**

Section 3.2, “Definitions,” of Chapter 14A, “Zoning Ordinance,” of the Code is hereby amended to add the definition for short-term rentals, to be inserted alphabetically and to read as follows:

**“SHORT-TERM RENTAL:** The rental for compensation of any residence or residential structure, or a portion of a residence or residential structure, located within a residential zoning district, for the purpose of overnight lodging for a period of not more than twenty-nine (29) days. A short-term rental shall not include a hotel or motel or bed and breakfast facilities. A short-term rental is further subject to the provisions of Chapter 4, Article 4.11 of the Azle Municipal Code.”

**SECTION 4.**

Section 4.10, “Permitted Use Schedule,” of Chapter 14A, “Zoning Ordinance,” of the Code is hereby amended by adding the operation of a short-term rental as a permitted use (“P”) in certain zoning districts, in the section “Residential Uses.”

**Commented [RR12]:** Will need guidance from P&Z and Council on whether STRs will be permitted in all residential zoning districts or only certain ones. We recommend, at minimum, allowing STRs in all single-family districts and any duplex-type districts (so, the E, SF, and MD districts – though we can except SF-MHP, which cities typically prefer)

PERMITTED USES	AG	LFO	E-1	E-2	E-3	SF-1	SF-2	SF-3	SF-4	SF-5	SF-MHP	MD-1	MD-2	MF-1	MF-2	O	CBD	INS	C	HC	IND
<b>Residential Uses</b>																					
***																					
Short-term rental	P		P	P	P	P	P	P	P	P		P	P	P	P		P				

**Commented [RR13]:** I am not seeing an SF-3.5 in the permitted use schedule, though I see it in the zoning regulations – staff, could you please confirm?

**Commented [RR14]:** I know that Council expressed a preference for limiting STRs near the lake. I can’t tell based on the zoning map posted on the City’s website, but would prohibiting STRs in the Lake Front Overlay have the desired effect?

**SECTION 5.**

Subsection 34.3, “Jurisdiction of Board,” of Section 34, “Zoning Board of Adjustment,” of Chapter 14A, “Zoning Ordinance,” of the Code is hereby amended to add a new subsection C to read as follows:

- “C. Hear and decide, upon application, special exceptions to the terms of the zoning ordinance. The term “special exception” shall mean a deviation from the

requirements of the zoning regulations herein established. Special exceptions shall be granted only when the board finds that such special exceptions will not adversely affect the value and use of adjacent or neighboring property or be contrary to the public interest. Special exceptions may be granted in the following circumstances:

1. To permit short-term rental operations in excess of the density limitation identified in Section 4.11.004(p) of the Azle Municipal Code, subject to consideration of the following factors:
  - a. Whether operation as a short-term rental in excess of the density limitation will not adversely impact the residential quality of the neighborhood in which the property is located;
  - b. Whether such operation is likely to disrupt adjacent owners' right to the quiet enjoyment of their property (for example, by considering whether lot sizes are small enough that noise is likely to affect neighboring property owners);
  - c. Whether such operation will substantially impact nearby streets, including whether the property provides only limited off-street parking;
  - d. Whether the applicant seeks to operate an entire residence as a short-term rental or whether the short-term rental use is limited to a portion of the residence;
  - e. Whether the applicant occupies the premises as their primary residence or uses it as an investment property; and
  - f. Whether other short-term rentals in excess of the density limitation are already operating on that block.
2. To permit a minimum lot area of 2.5 acres in the AG, Agricultural district, in accordance with Section 26.7 of Chapter 14A."

#### **SECTION 6.**

This Ordinance shall be cumulative of all provisions of ordinances and of the Code of Ordinances, City of Azle, Texas, as amended, except when the provisions of this Ordinance are in direct conflict with the provisions of such ordinances and such Code, in which event the conflicting provisions of such ordinances and such Code are hereby repealed.

#### **SECTION 7.**

It is hereby declared to be the intention of the City Council that the sections, paragraphs, sentences, clauses, and phrases of this Ordinance are severable, and if any section, paragraph, sentence, clause, or phrase of this Ordinance shall be declared

unconstitutional by the valid judgment or decree of any court of competent jurisdiction, such unconstitutionality shall not affect any of the remaining sections, paragraphs, sentences, clauses, and phrases of this Ordinance, since the same would have been enacted by the City Council without the incorporation in this Ordinance of any such unconstitutional section, paragraph, sentence, clause, or phrase.

**SECTION 8.**

Any person, firm, or corporation who violates any provision of this Ordinance shall be deemed guilty of a misdemeanor and, upon conviction thereof, shall be punished by a fine as provided in Section 1.01.009 of the Code of Ordinances, City of Azle, Texas. Each day any such violation or violations exist shall constitute a separate offense and shall be punishable as such.

**SECTION 9.**

All rights and remedies of the City are expressly saved as to any and all violations of the provisions of the Code of Ordinances, City of Azle, Texas, as amended or revised herein, or any other ordinances affecting the matters regulated herein which have accrued at the time of the effective date of this Ordinance; and, as to such accrued violations and all pending litigation, both civil and criminal, whether pending in court or not, under such ordinances, same shall not be affected by this Ordinance but may be prosecuted until final disposition by the courts.

**SECTION 10.**

The City Secretary is hereby directed to publish the caption and penalty clause of this Ordinance in the official newspaper of the City as required by Section 3.11 of the Charter of the City.

**SECTION 11.**

This Ordinance shall be in full force and effect from and after its passage and publication as provided by the City Charter and the laws of the State of Texas.

**PRESENTED AND PASSED** this \_\_\_ day of \_\_\_\_\_, 2024, by a vote of \_\_\_ ayes, \_\_\_ nays, and \_\_\_ abstentions, at a regular meeting of the City Council of the City of Azle, Texas.

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Alan Brundrett, Mayor

ATTEST:

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Yael Forgey, City Secretary