

CITY COUNCIL MEMORANDUM

FROM: The Office of the City Manager **DATE:** September 8, 2025

SUBJECT: TR25-05, Ordinance No. 3922, Public hearing and consideration regarding city-initiated text amendments to Sections 118-1, 118-631, and 118-633 for the purpose of considering the addition of the short-term rental housing use and additional short-term rental regulations.

PRESENTER: Cori Reaume, Director of Planning

SUMMARY:

Revisions are proposed to the zoning ordinance to include short-term rentals into the City's Table of Permitted Uses, along with additional regulations related to both location and operational details for short-term rentals.

GENERAL DESCRIPTION:

The City's zoning ordinance establishes districts or zones in accordance with the comprehensive plan for the purpose of promoting the public health, safety, morals and general welfare. One of the ways in which this is done is by establishing regulations and districts with reasonable consideration for the character of each district and its peculiar suitability for particular land uses, with a view of conserving the value of buildings and encouraging the most appropriate use of land within the City. The proposed zoning amendment is city-initiated, and is predicated by the history below.

Background

In November 2024, the City conducted a community-wide survey regarding short-term rentals (STRs). A total of 426 responses were received. More than 20% of respondents reported that they either knew of or suspected STR activity within their neighborhood. Many respondents also identified nuisances associated with STRs and expressed support for the adoption of regulations to address these concerns.

As staff began researching and drafting regulations in 2025, it became evident that—beyond registration requirements and basic community protection standards—zoning restrictions were necessary to preserve the character and fabric of single-family residential neighborhoods. This approach reflects the City's responsibility to balance property rights with the long-term livability and stability of residential areas.



The following outreach and policy development efforts were undertaken leading up to the draft regulations now under consideration:

- **City Council Discussions** (all publicly noticed and available live or as recordings on the City's website):
 - March 3, 2025
 - May 27, 2025
 - June 9, 2025
 - June 23, 2025
 - August 25, 2025
- **Community Engagement:**
 - Town Hall Meeting on July 15, 2025, including a community survey.
 - Focus group with STR operators on August 20, 2025.
 - Workshop with the Planning & Zoning Commission on August 21, 2025.
 - Numerous individual discussions with STR operators, local residents, HOA representatives, and staff from peer cities.

In addition, complaints submitted at the Town Hall and through subsequent correspondence were geographically mapped to evaluate potential concentration of impacts. While certain areas experienced a higher volume of concerns, the results clearly demonstrated that STR-related impacts are widespread across single-family neighborhoods throughout the City. This further reinforced the need for a regulatory framework designed not only to mitigate nuisances, but also to safeguard the stability and character of residential zones for the benefit of the broader community.

Proposal

Consistent with that feedback, the draft ordinance not only adds in short-term rentals as a listed use in the Permitted Table of Uses, but also limits this new use to specific zoning districts where it is deemed to fit in with other uses.

Section 118-1 – “Definitions” would be amended to include the following:

Short-term rental (STR) means a dwelling that is:

- (1) *Used or designated to be used for residential purposes, including a single-family residence or a unit in a multi-family residential building;*
- (2) *Rented wholly or partly for a fee; and*
- (3) *Rented for periods of less than 30 consecutive days.*

As shown in the graphic below, short-term rentals would be permitted in the following districts: R7-MF, C-1, C-2, Town Center Neighborhood Core, and Town Center Neighborhood Center.

		SECTION 118-631: TABLE OF PERMITTED USES																						
[#] = Conditions. Reference Section 118-633 for specific conditions to listed uses. P = Permitted by Right S = Special Use Permit Required [Blank] = Not Permitted NP = Not Permitted B = Defers to Base Zoning District A = Ancillary H. COMMERCIAL USES	Conditions	RESIDENTIAL DISTRICTS							NON-RESIDENTIAL DISTRICTS							TOWN CENTER								
		RE-1 & RE-2	R-1	R-2	R-3	R-4-D	R-6-T	R-8	MH-1	R7-MF	O-1	LR	C-1	C-2	OC	I-1	I-2	U	AG	TC-Edge	TC-General	TC-Center	TC-Core	
Short-term rental	31									P			P	P								P	P	

This allows for short-term rentals to operate in either single-family or multi-family properties within the identified zones, or in the case of C-1 and C-2, in existing legal nonconforming single-family homes.

The conditions column (31) references additional land use regulations, including a reference to a requirement that short-term rentals comply with other new short-term rental regulations in Chapter 18. For multi-family short-term rentals, STRs can occupy no more than five percent (5%) of the total units in the complex.

Along with the proposed zoning ordinance amendment, the City Council is simultaneously considering the aforementioned amendment to Chapter 18. Businesses, Article XII. Rental Housing, to add a new Division 3 which would provide for a registration requirement and other regulations related to short-term rentals. This item will be presented separately.

The regulations outlined in Chapter 18 are generally consistent with previous discussions on the topic, including annual registration and inspections, compliance with maximum occupancies, establishing parking requirements, reinforcing compliance with hotel occupancy tax payments, provision of a local point of contact, and other general neighborhood/community protections.

Finally, it is important to note that this ordinance does allow a provision by which anyone currently operating a short-term rental in North Richland Hills may have a pathway to remain in operation. In order to be eligible for this continuation, a property must have paid all hotel occupancy taxes owed to the city, and must obtain a permit from the city, including conducting all necessary inspections and complying with all of the other short-term rental regulations.

The new regulations will allow for the City to more closely monitor any such properties for violations, and in instances where there have been multiple violations, the City reserves the right to revoke a registration.



Public Comment: Public comments received since the July 15, 2025 STR Town Hall are attached. Any additional received between August 27, 2025 and the time of the meeting will be provided to you at the meeting.

Planning and Zoning Commission: The Planning & Zoning Commission will conduct the initial public hearing on September 4, 2025 and a recommendation will be provided to the City Council at the time of the September 8, 2025 City Council meeting.

RECOMMENDATION:

Approve Ordinance No. 3922.