



SHORT TERM RENTAL ORDINANCE

PH-23-022

April 4, 2023

Background

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- Killeen Code of Ordinances Sec. 31-2 provides a definition of “*dwelling, single-family,*” which states: “Where a single-family dwelling unit is rented, all adult residents must jointly occupy the entire premises, under a single written lease, for a period of at least thirty (30) consecutive days.”
- As written, this definition effectively prohibits the operation of short term rentals (i.e. Airbnb’s and Vrbo’s) in Killeen.

Background

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- ❑ Staff has identified 400+ short term rental properties currently in operation in Killeen.
- ❑ Because short term rentals are not a permitted use under the Zoning Ordinance, these short term rentals are unregulated and do not pay Hotel Occupancy Tax.
- ❑ This results in an estimated annual loss of \$700,000 in revenue and puts hotels at a competitive disadvantage.

Background

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- If approved, the proposed ordinance will establish requirements for the lawful operation of a short term rental property in Killeen.
- The proposed ordinance includes an annual registration requirement. It would also require the property to pass an annual inspection.
- The proposed ordinance also establishes a spacing requirement of 200 feet between short term rentals, which would become effective one year from the effective date.

Background

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- The proposed ordinance includes an intensity requirement that no more than two (2) short term rentals are allowed per two-family or multi-family building.
- The proposed ordinance also includes a process for permit denial or revocation and a process for complaints relating to the short term rental can be reported to the Police Department or City Code Enforcement division, depending on the concern.

Alternatives

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- The City Council has three (3) alternatives:
 - ▣ Do not approve the ordinance;
 - ▣ Approve the ordinance with amendments; or
 - ▣ Approve the ordinance as presented.

- Staff notes that disapproval of the proposed ordinance would mean Short Term Rentals will continue to be an illegal use. Zoning violations are punishable by a fine not exceeding \$2,000 per day.

Staff Recommendation

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- Staff recommends approval of the ordinance as presented.

Commission Recommendation

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- At their Regular Meeting on March 6, 2023, the Planning and Zoning Commission recommended approval of the proposed ordinance by a vote of 5 to 2 with Commissioners Ploeckelmann and Gukeisen in Opposition.

Commission Recommendation

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- Commissioner Gukeisen noted concerns regarding allowing the operation of a business in a residential area. He also noted that he does not support establishing additional taxes, fees, and/or regulations.
- Commissioner Ploeckelmann expressed concerns regarding the impact of the proposed ordinance on the residential character of existing neighborhoods.