



City of Killeen

Legislation Text

File #: PH-23-022, **Version:** 1

HOLD a public hearing and consider an ordinance amending Chapter 31 of the Code of Ordinances of the City of Killeen; providing for amendments to the City's zoning regulations; allowing for short term rentals.

DATE: April 4, 2023

TO: Kent Cagle, City Manager

FROM: Edwin Revell, Executive Director of Development Services

SUBJECT: ORDINANCE AMENDING CHAPTER 31 - Short Term Rentals

BACKGROUND AND FINDINGS:

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.

Staff has identified at least 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.

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.

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.

THE ALTERNATIVES CONSIDERED:

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.

Which alternative is recommended? Why?

Staff recommends approval of the ordinance as presented.

CONFORMITY TO CITY POLICY:

This item conforms to all applicable City policies.

FINANCIAL IMPACT:

What is the amount of the expenditure in the current fiscal year? For future years?

This is not applicable.

Is this a one-time or recurring expenditure?

This is not applicable.

Is this expenditure budgeted?

This is not applicable.

If not, where will the money come from?

This is not applicable.

Is there a sufficient amount in the budgeted line-item for this expenditure?

This is not applicable.

RECOMMENDATION:

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 Vice-Chair Gukeisen and Commissioner Ploeckelmann voting in opposition of the ordinance.

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.

DEPARTMENTAL CLEARANCES:

This item has been reviewed by Development Services, Community Development, Finance, and Legal staff.

ATTACHED SUPPORTING DOCUMENTS:

Minutes
Ordinance