

Fort Worth City Council will keep its ban on short-term rentals in residential areas in place.

The hot button issue has been debated in [public meetings and online](#) for months. Even as they discussed the policy during a Dec. 6 work session, council members said they were receiving “waves of emails” from constituents concerned about the policy proposals.

The council also will vote on a registration ordinance in January that requires legal short-term rentals in mixed use and commercial areas to register with the city and pay hotel occupancy tax.

The city will [resume enforcement](#) of zoning violations by its code compliance officers. The proposed registration ordinance would clarify that advertising a short-term rental is evidence of short-term rental use and could be used to issue violations.

Previously, code compliance officers could issue a violation only if they observed evidence a property was being used as a short-term rental.

Code compliance is already stretched too thin when it comes to enforcing zoning violations, said council member Carlos Flores, who represents north central parts of Fort Worth. He expressed doubts that the city will be able to manage complaints effectively.

Council members Chris Nettles, Elizabeth Beck and Alan Blaylock were in favor of moving forward with allowing short-term rentals in residential areas if owners obtained a special permit. Other council members preferred to hold off.

“I don’t know if we’ve done the best job preserving the sanctity of neighborhoods while also preserving personal property rights,” said council member Michael Crain, who represents southwest Fort Worth. “I’m not sure this is the perfect answer.”

Lauren Brady, president of the [Fort Worth Short Term Rental Alliance](#), said the decision will restrict visitors’ ability to enjoy Fort Worth on their terms.

“What they landed on at the end felt pretty detrimental to the short-term rental community within Fort Worth,” Brady said. “At least for the time being.”

The next steps for some existing short-term rentals are unclear, Brady said. When the registration ordinance goes into effect, short-term rentals legally operating in areas zoned commercial will register and start paying hotel occupancy tax.

Short-term rentals operating in residential areas, such as Brady’s, could be forced to cancel reservations.

Carol Peters, with United Neighborhoods of Fort Worth, said maintaining the city’s current ordinance is likely the best path forward.

“We are finding more and more support among neighborhood associations for retaining the current ordinance and keeping short-term rentals out of neighborhoods,” Peters said.

Federal case affects Fort Worth

It has been five months since Fort Worth City Council last publicly discussed the city’s policy on short-term rentals.

The city solicited feedback on four proposed short-term rental policies from residents in July. The council heard the result of that outreach in August, but the issue was then put on hold as deliberations over the city’s budget took priority.

In the meantime, a U.S. Court of Appeals case out of Louisiana threw a wrench in Fort Worth's proposed policies.

A group of property owners took the city of New Orleans to court after it revised its short-term rental licensing policy. The new policy required property owners applying for a short-term rental license to prove the property is their primary residence through a homestead exemption.

The case, filed Aug. 22, 2022, partially rules in favor of property owners who want to obtain short-term rental licenses but cannot because the home they want to rent out is not their primary residence.

The [court sided](#) with the property owners, holding that the policy discriminates against interstate commerce.

“A law is discriminatory when it produces differential treatment of in-state and out-of-state economic interests that benefits the former and burdens the latter,” [the case reads](#). “Our conclusion that the residency requirement is discriminatory puts it on death's doorstep.”

The case limits Fort Worth's ability to differentiate between owner-occupied and investor-owned short-term rentals, Dana Burghdoff, assistant city manager, said.

“All of our options differentiated those owner-occupied homes from investor-owned homes,” Burghdoff said.

Alternative zoning policies proposed

In place of the previous policy proposals, staff now recommends council amend the city's zoning process to allow the use of conditional use permits for short-term rentals in residential districts, Burghdoff said.

Council members expressed support for a new strategy for regulating short-term rentals by changing the zoning process. However, council members chose to hold off on any changes to the city's zoning policy for short-term rentals.

Now, the city requires short-term rental owners to obtain a zoning change to allow short-term rentals in a residential area. The option is seldom used by short term rental operators, according to a Dec. 7 informal report to council members.

The permits are different from the current process because they can be time-limited and revoked. The permits would also allow the city to limit the density of short-term rentals in a given block or multifamily building to no more than 5%.

Burghdoff also revisited the registration process for short-term rentals. Only legal short-term rentals would be allowed to register with the city. The registration would allow the city to collect an annual fee and hotel occupancy tax.

The registration would also require the short-term rental to comply with a set of policies, including a local contact, limit total occupancy to a maximum of nine people and ban events or properties.

“Arguably, (conditional use permits) are opening the door a bit,” Burghdoff said.

However, Burghdoff added that these permits can be more restrictive than the existing zoning process because it can be time limited — meaning they would have to be renewed through the zoning process. Parker, the mayor, agreed with that view.

Flores brought up a [similar policy](#) from the city of Waco, where it tabled a similar permit policy in 2021.

Jessica Sheedy Black, co-founder of the [Texas Neighborhood Coalition](#), said the results of the permits in Waco were inequitable. Wealthier neighborhoods could afford to hire lawyers to fight conditional use permits at zoning meetings while poorer neighborhoods had no such defense.

“You were ending up with this really inequitable result where the rich neighborhoods weren’t getting (short-term rentals), but the lower income neighborhoods were,” Sheedy-Black said.

As Fort Worth City Council prepares to reconsider its policy, United Neighborhoods of Fort Worth will attend Tuesday’s public comment meeting to support the decision council members came to.

“I really hope we all come to an accommodation that can give us certainty and some comfort about what comes next,” Peters said.

Attendees speaking against loosening the city’s short-term rental policy will wear all black in a show of solidarity, Peters said.

Editors note: This story was updated to correct which council members were in favor of adding a special permit for short term rentals in residential areas.

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