

Regulating short-term rentals won't work

Dallas must enforce rules, prioritize long-term housing in single-family neighborhoods



Signs protesting short-term rentals were posted in Dallas' Edgemont Park Conservation District on March 24, 2021. (File Photo/Juan Figueroa)

By MELISSA KINGSTON

The Dallas City Council has yet to agree on whether they should ban short-term rentals in certain neighborhoods, but discussions are ongoing. The lack of regulation and clear rules has frustrated some residents.

Merely regulating short-term rentals will not work in Dallas. We all know the city cannot adequately enforce any regulatory scheme we could create.

Short-term rentals are a land use decision: Do we allow our housing stock to be used as short-term lodging, and if so, under what rules? Every land use decision is a balancing act. In this case, we are balancing existing residents' right to the quiet enjoyment of their homes, neighborhood building, and the need to use our housing stock to house residents against the profits of short-term rental operators and platforms such as Airbnb and Vrbo.

The single most pressing sustainability issue our city faces is the lack of affordable housing, and not just traditional low-income housing. Working families are suffering from the "missing middle" housing that is increasingly available only in the suburbs. To thrive, Dallas must have stable housing for all of its residents because we cannot expect our neighbors to succeed in employment, education or otherwise without a supportive place to live.

In this environment of acute housing shortage, every short-term rental robs us of one unit of long-term housing the city needs; removing housing units adversely impacts all other levels of housing. The only benefit to the city from the operation of short-term rentals — hotel occupancy tax — cannot be used under state law to produce housing and is rarely paid by operators or platforms anyway.

Short-term rentals also negatively impact neighborhoods in other ways. In single-family and other residential neighborhoods, neighbors have grown frustrated with the city's inability to stop the proliferation of "party houses" that have been documented to bring disturbance, noise and even crime into quiet neighborhoods. The platforms allow homeowners to advertise their homes as event spaces encouraging parties and other disruptive events with no regard for their surroundings. Condo associations, homeowner associations and buildings with centralized management all have effective tools for regulating and/or limiting short-term rentals, but single-family neighborhoods have none of that. A city so unable to regulate party houses will similarly fail to effectively administer regulations that allow short-term rentals in single-family neighborhoods.

The platforms have proved themselves unreliable partners in any sort of regulation efforts by the city. While these platforms run heartwarming TV ads, they steadfastly refuse to cooperate with local governments to provide data needed for regulation and enforcement, frequently suing local governments to avoid having to do so. And they refuse to assist with the collection of hotel occupancy tax. They provide little to no accountability for operators, who, increasingly, are corporations with no presence in Dallas.

While there are certainly responsible operators in our city, short-term rentals have never been legal to operate in residential neighborhoods under our development code. The city has always recognized that short-term rentals are a lodging use as we can see from its efforts to collect hotel occupancy tax. The fact that the city attorney has allowed short-term rentals to operate in neighborhoods where lodging uses are illegal is yet another reason to doubt that they can be regulated in these neighborhoods.

The city has ample space for short-term rentals without subjecting quiet, stable neighborhoods to their operation. Multiple short-term rental hotels are in the development phase today. The market is responding to the demand for short-term lodging. The city must prioritize its long-term housing needs and the quality of life of its residents by enforcing its existing rules and eliminating short-term rentals from single-family neighborhoods.

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