

CITY COUNCIL WORK SESSION AGENDA
MONDAY, JULY 12, 2021 ~ 5:30 P.M.
UNIVERSITY CENTER – HEB ROOM
2818 US 290
FREDERICKSBURG, TEXAS 78624

Charlie Kiehne, Mayor
Tom Musselman, Councilmember
Bobby Watson, Councilmember

Jerry M. Luckenbach, Councilmember
Kathy O'Neill, Councilmember
Kent Myers, City Manager

The City of Fredericksburg City Council will meet in a work session on Monday, July 12, 2021 at 5:30 p.m. This meeting will be held in person and live stream on our YouTube Channel.

Link to City of Fredericksburg YouTube Channel [Fredericksburg, Texas USA - YouTube](https://www.youtube.com/channel/UCrhnIFjVfDS1SPBJD2pYKcQ/featured) (<https://www.youtube.com/channel/UCrhnIFjVfDS1SPBJD2pYKcQ/featured>)

Audio of this meeting will be recorded and uploaded to the City website following the conclusion of the meeting.

1. CALL TO ORDER

2. PUBLIC COMMENTS

The City Council welcomes citizen participation and comments at all City Council Meetings. The City Council offers citizens the opportunity to address them by signing up to speak prior to the meeting and to limit comments to 3-minutes.

Written Comments: to be submitted remotely:

1. Must be received by 3 p.m. on July 12, 2021.
2. Complete the Citizen Comment Form online at [Fredericksburg, TX - Official Website \(fbgtx.org\)](https://fbgtx.org); or
3. Email your comments to CitizenComments@fbgtx.org or
4. Complete a Citizen Comment Form located inside the Public Access entrance at 126 W. Main Street, Fredericksburg, Texas, and place in the box marked Citizen Comment Form.

Copies of the submitted comments will be provided to the City Council and made public on the City website under the "**July 12, 2021**, City Council Work Session" tab.

Verbal Comments:

1. Sign up in-person between 5 p.m. and 5:30 p.m. at the University Center in order to comment.
2. You will be limited to 3 minutes to speak.

NOTE: The Texas Open Meetings Act permits a member of the public or a member of the governmental body to raise a subject that has not been included in the notice for the meeting. However, any discussion of the subject must be limited to a proposal to place the subject on the agenda for a future meeting and any response to a question posed to the City Council is limited to either a statement of specific information or recitation of existing policy. TEX. GOV'T CODE § 551.042.

3. WORK SESSION ITEM

The following item will be considered, discussed, and take appropriate action.

- A. Receive a presentation from Fredericksburg Texas STR Alliance regarding the overview of the mission, goals, and objectives of the Fredericksburg TX Alliance, proposed changes to current short-term-rentals (“STR”) ordinance, and proposed changes to current City incident reporting and enforcement (Milton Buckelew representing Fredericksburg TX STR Alliance).
(Agenda Packet Page 3-24)
- B. Receive a presentation on current status of short-term-rental (“STR”) operations and regulations in the City, and options and recommendations for proposed revisions to City Ordinances that may affect the operation or regulation of short-term-rentals (Jason Lutz, Development Services Director).
(Agenda Packet Page 25-97)
- C. Consider and discuss proposed revisions to City Ordinances that may affect the operation or regulation of short-term rentals (Kent Myers, City Manager)

4. ADJOURN

This is to certify that I, Shelley Goodwin, posted this Agenda at 11:45 a.m. on June 8, 2021, at the entrance and on the bulletin board of the City of Fredericksburg City Hall, 126 W. Main St., Fredericksburg, Texas.


Shelley Goodwin, TRMC
City Secretary



City of Fredericksburg

Citizen Request to be on City Council Agenda

Name: Milton Buckelew representing Fredericksburg TX STR Alliance

Address: 906 Yellow Park Court

Phone number: 830-998-5252

Email: [REDACTED]

Topic: Overview of the mission, goals, and objectives of the Fredericksburg TX STR Alliance, proposed changes to the current STR ordinance, and proposed changes to current City incident reporting and enforcement.

(Agenda wording will be taken from the topic)

Topics may be added to the agenda by a citizen by one of the following:

1. Mayor's approval
2. Approval by at least two City Councilmembers

Rules for topics:

1. Not a political item
2. Maximum time allotted is 10 minutes
3. Your form and Mayor's approval, or approval from two City Councilmembers must be received by the City Manager 7 days before the meeting (City Council Regular Meetings are held on the 1st and 3rd Monday unless a holiday and then it will be held the following day).
4. If your topic will have backup material, it will need to be submitted with this form. No information should be distributed at the Council Meeting.
5. No more than one (1) Agenda Item should be requested.

Office Use

Date received form: _____

Mayor's signature _____ approval date _____

Councilmember [Signature] approval date 7/1/21

Councilmember [Signature] approval date 7/1/21

Agenda Date: July 12, 2021 Workshop

Proposed changes to Ordinance No. 28-001

Section 23-103. Short Term Rental Permit registration fee and application

Current:

B. An applicant for a Short Term Rental Permit shall pay to the City a permit fee of one hundred fifty dollars (\$150.00).

Proposed :

B. An applicant for a Short Term Rental Permit shall pay to the City a permit fee of two hundred dollars (\$200). The permit fee shall be due every year in the same month the permit was issued. The city will offer a 10% discount on the fee if all three years are paid in advance.

Current:

C. A separate Short Term Rental Permit application and permit fee must be submitted for each individual Short Term Rental unit. Each individual Short Term Rental Unit shall be assigned a unique permit number upon permit issuance by the City.

Proposed:

C. A separate Short Term Rental Permit application and permit fee must be submitted for each individual Short Term Rental unit. Each individual Short Term Rental Unit shall be assigned a unique permit number upon permit issuance by the City. This permit number will remain the same and with the unit. The permit number will be updated with a dash and the year of expiration at the end of the permit number. Upon ownership transfer, the buyer has 30 days to update the city of changes to ownership and contact information on the unit. If they fail to do that, then the permit may be suspended.

Current:

D. Prior to issuance of a Short Term Rental Permit, the Operator shall allow an on-site inspection of the Short Term Rental Unit by a City Code Enforcement officer, to ensure compliance with the following:

1. The requirements set forth in Section 23-104(A) of this Article; and
2. The requirements set forth in Section 23-104(B) 1 through 23-104(B) 3 of this article.

Proposed:

D. Prior to issuance or renewal of a Short Term Rental Permit, the Operator shall allow an on-site inspection of the Short Term Rental Unit by a City Code Enforcement officer. Inspections will take place every three years if there is no change in Owner or amenities, to ensure compliance with the following:

1. The requirements set forth in Section 23-104(A) of this Article; and
2. The requirements set forth in Section 23-104(B) 1 through 23-104(B) 3 of this article.

Current:

E. A Short Term Rental Permit issued under this article for a property shall be valid for a period of one calendar year from the date of issuance.

Proposed:

E. A Short Term Rental Permit issued under this article shall be valid for a period of three calendar years from the date of issuance.

Proposed changes to Section 23-104. Short Term Rental operational requirements.

Current:

B. 5 City of Fredericksburg Noise and Sound Level Regulation Ordinance set forth in Chapter 20 of this Code of Ordinances.

Proposed:

B. 5 City of Fredericksburg Noise and Sound Level Regulation Ordinance set forth in Chapter 20 of this Code of Ordinances. Also, Short Term Rental shall provide a noise monitoring device such as Noise Aware, Minut, Room Monitor or Nest in any unit with an occupancy of six or more or where there are multiple units on the same property.

Noise must be limited to 55 db from 50' from the source.

Short Term Rental will be required to post signage stating quiet times from 10:00pm-7:00am in outdoor areas.

Current:

B. 6 City of Fredericksburg Garbage Collection Ordinance, set forth in Chapter 32 of this Code of Ordinances.

Proposed:

B. 6 City of Fredericksburg Garbage Collection Ordinance, set forth in Chapter 32 of this Code of Ordinances. All Short Term Rentals will be required to have the largest trash receptacles available. Also, Short Term Rentals with occupancy of 6 or more will be required to have a minimum of two of the largest trash receptacles available.

Current:

A. 7 Notification that the Guests are responsible for compliance with all applicable laws, rules and regulations pertaining to the use and occupancy of the Short Term Rental, and that Guests may be fined by the City for violations of this Article; and

Proposed:

A. 7 Owner shall provide a “Enjoy Fredericksburg Responsibly” brochure to be produced by the CVB including information notifying the Guests that they are responsible for compliance with all applicable laws, rules and regulations pertaining to the use and occupancy of the Short Term Rental, and that Guests may be fined by the City for violations of this Article.

Current:

There is not a line item for these.

Proposed:

B. 8. The Owner shall provide a sticker to be produced by the city on the front window or door of the property that shows the permit number and expiration date and the emergency contact information of the Short Term Rental.

Proposed Parking Ordinance Modifications:

The Short Term Rental shall provide off street parking, one for every two guests up to three off street parking spaces.

Any street with a width of less than 40' feet (required to park vehicles on both sides of the street and still give emergency access) will be required to park on only one side of the street. The city will provide signage designating these streets.

Additional Considerations:

Any outdoor decorative lighting not for safety or security will be required to be on a timer that shuts off by 10:00 pm in accordance with the dark skies initiative.

FREDERICKSBURG

TEXAS

SHORT TERM RENTAL ALLIANCE

July 2021

The Mission of the Fredericksburg STR Alliance:

To be good neighbors, work with our community and local government to provide safe and healthy accommodations for our guests, and to support those whose livelihoods depends on the STR industry.

Goals:

- To be good neighbors.
- Formalize a citizens group to advocate for the property rights of all citizens of Fredericksburg.
- Promote the health, safety and welfare of our community.
- Work in partnership with the City of Fredericksburg to promote responsible growth regulation and economic development of the STR hospitality industry.
- Assist in establishing a data driven culture to promote impactful legislation.

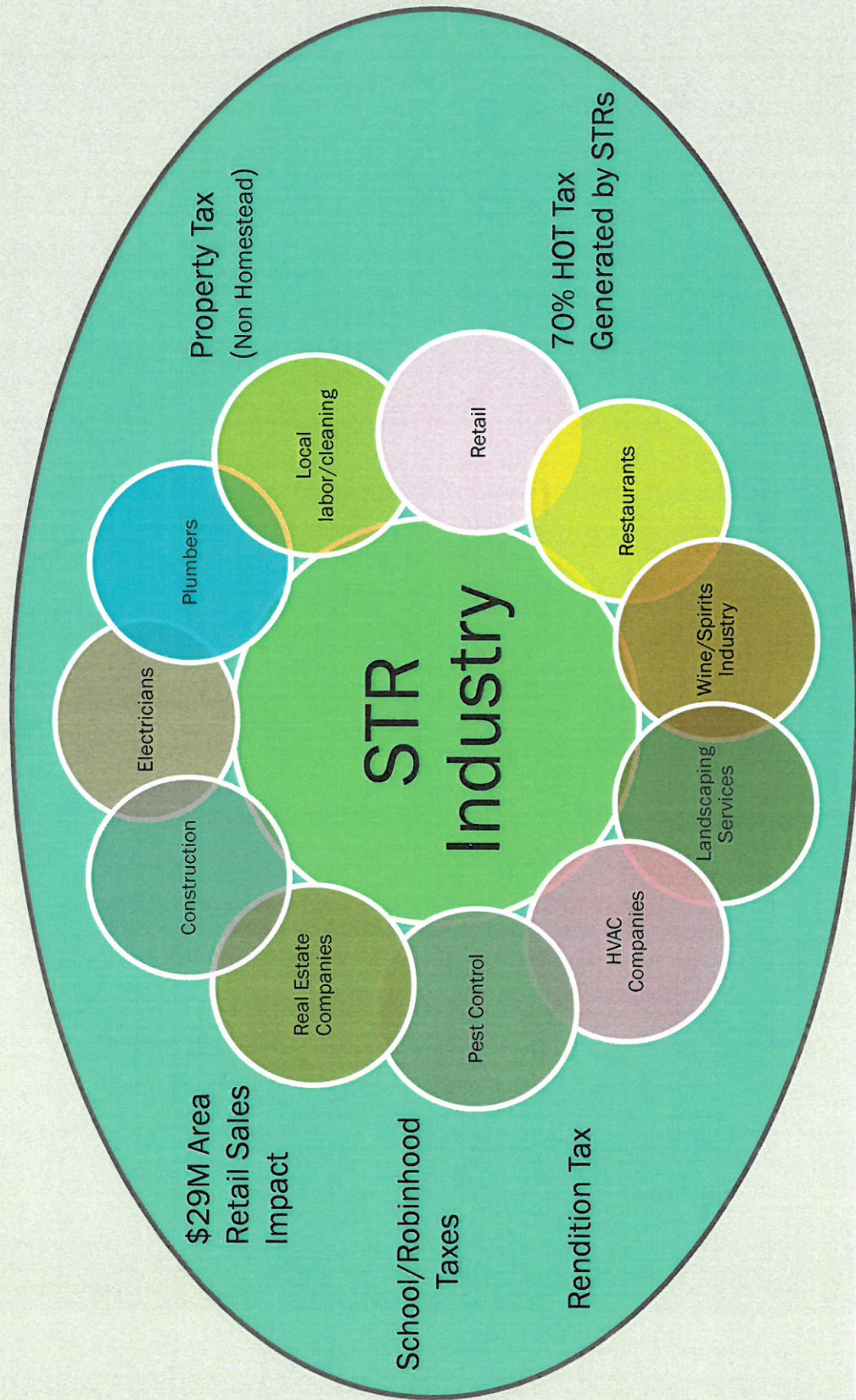
Objectives:

- Provide actionable recommendations to improve upon the following:
 - *Noise*
 - *Parking*
 - *Trash*
 - *Incident Reporting and Code Enforcement*

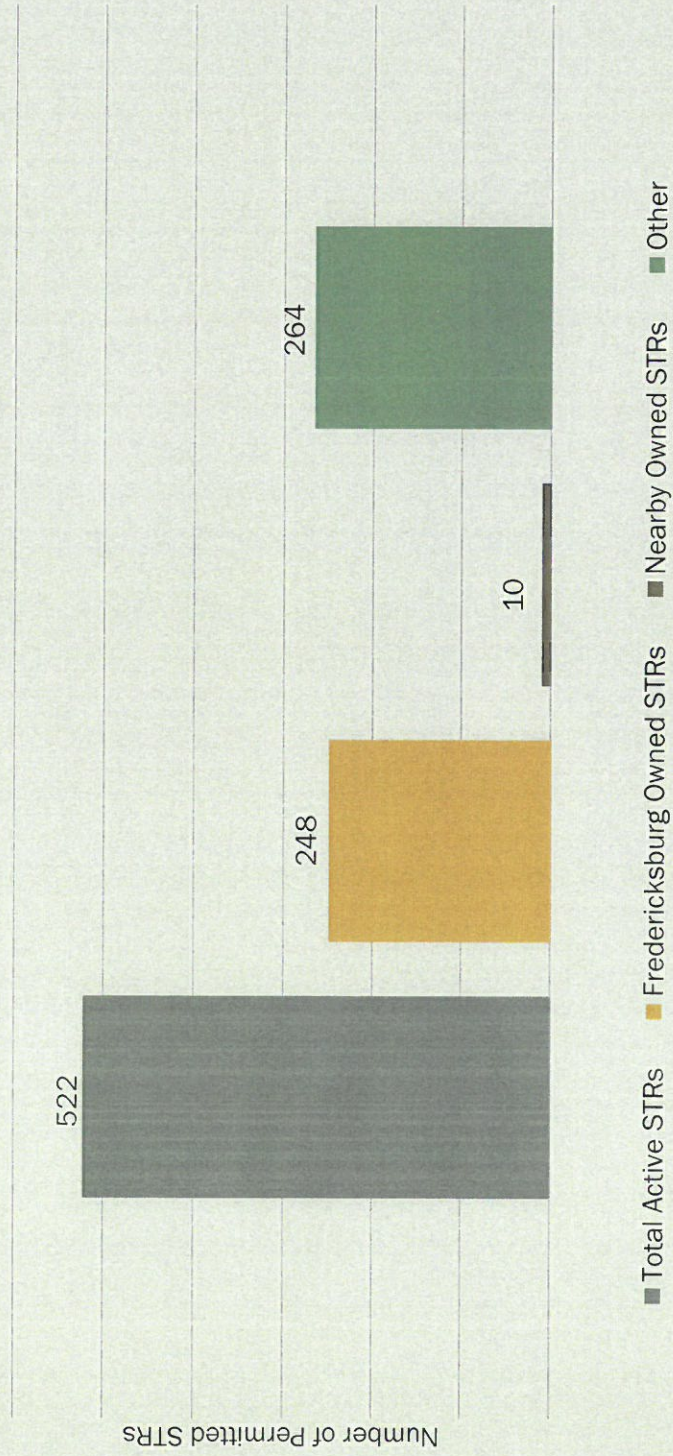
STR Owner Deliverables

- STR property owners are ultimately responsible for the performance of their properties.
- The STR Alliance will issue a minimum standard for best practices for members of the Alliance. These standards will be made available for public release.
- The Alliance will work transparently with our neighbors and city government to become a consultative point of contact for the SRT industry in Fredericksburg TX.

STRs Contribution to the City and Local Business

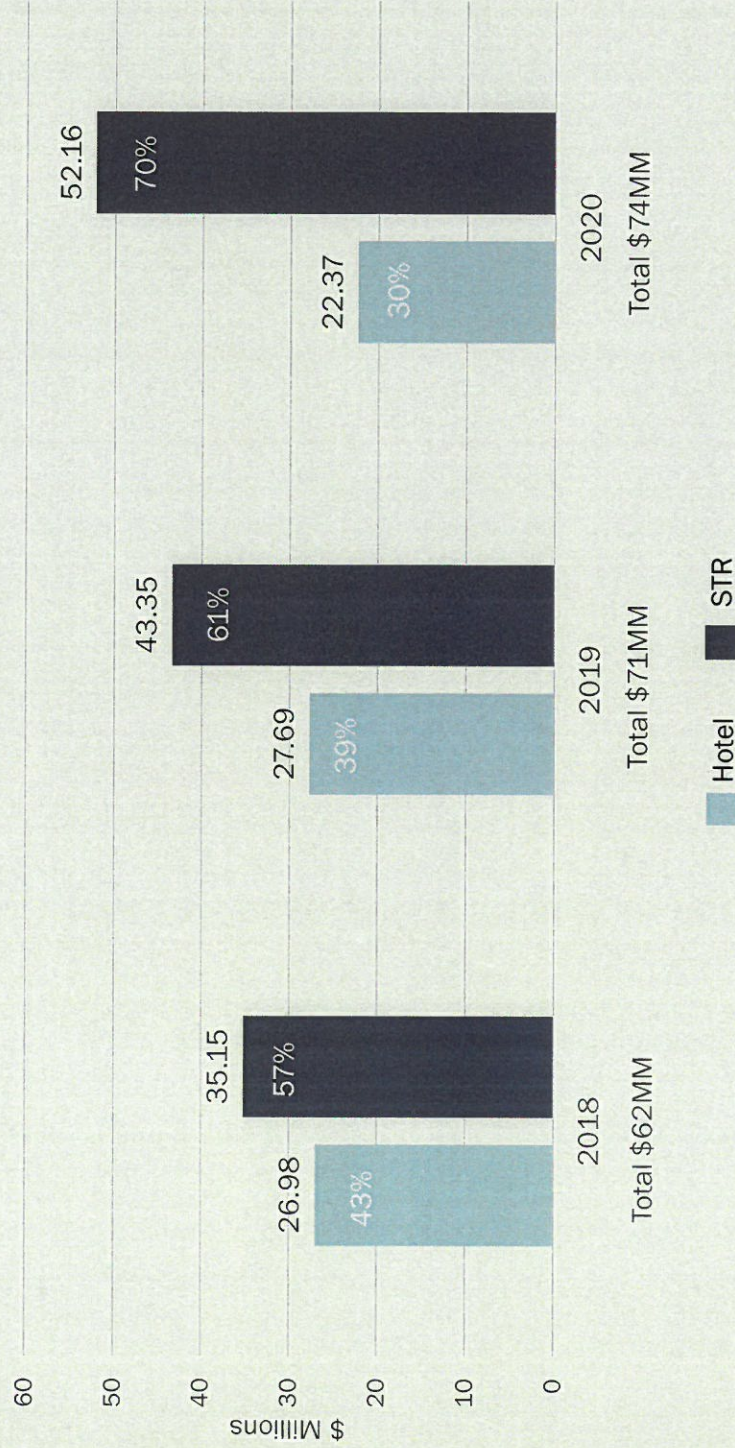


Active STRs in City of Fredericksburg



Data from City of Fredericksburg June 30th, 2021

Gross Lodging Receipts: Gillespie County



Data from Fredericksburg Convention and Visitors Bureau Lodging Receipts – Hotels vs STRs

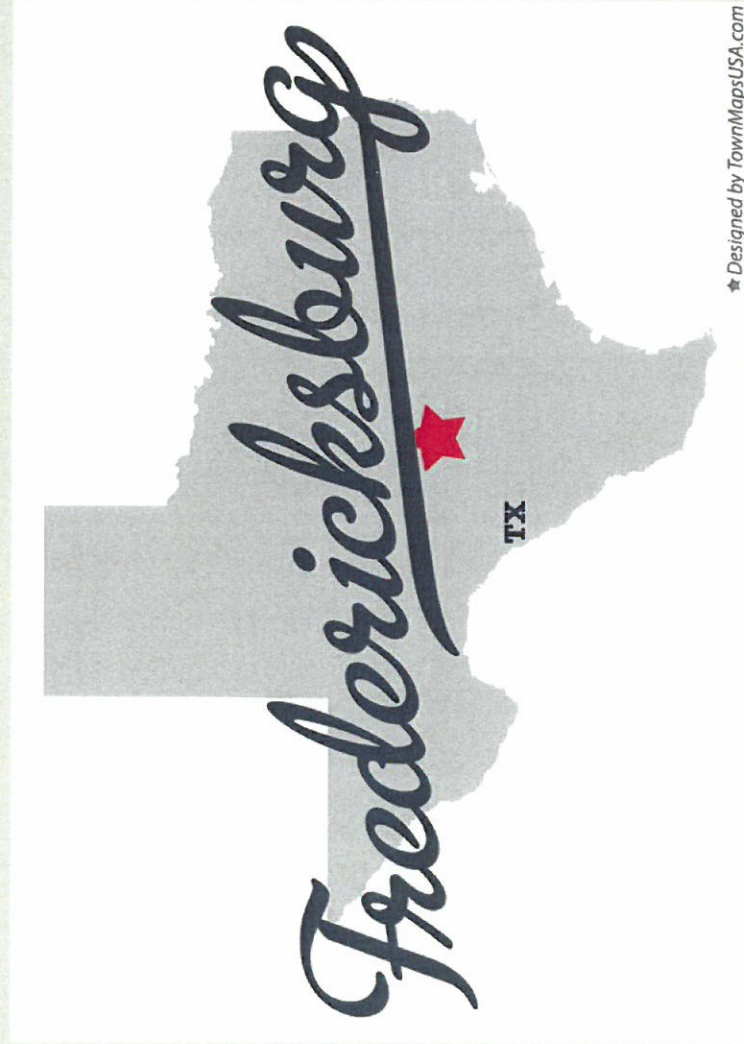
STR Alliance Recommendations and Questions:

- Noise
- Parking
- Trash
- Incident Reporting and Code Enforcement
- Additional Recommendations



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Supporting Information



★ Designed by TownMapsUSA.com

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Noise Recommendations:

- Noise monitoring required for all properties with 6 or more guests. This is to be actively monitored and responded to by the property owner, designee or management company.
- Noise monitoring devices to be located and adjusted to an appropriate dB level during the city inspection.
- Outdoor lights must be on a timer to shut off by 10 pm.
- Noise restrictions aligned with a baseline limitation of 55 dB from 50' from the source.
- Posted quiet times from 10 pm – 7 am.
- Front entrance sticker required with owner or caretaker contact information.
- Quiet times posted on the property at areas where guests may congregate.

Parking Recommendations:

- Define 1 vehicle for each two guests.
- One off-street parking space per unit bedroom, up to 3 parking spaces.
- Off-street parking to be provided for each reservation, with street parking in accordance with city ordinance.
- Consider owner issued parking permits for guests.
- City to consider parking on one side of the street for streets that are less than 40ft wide. City to post appropriate street parking signage.

Trash Recommendations:

- All STRs must have the largest available bin.
- Second trash receptacle required for a unit rental accommodating 6 or more guests.
- Trash management is the responsibility of the owner, designee or property management company to address and correct.
- Management and cleaning companies are responsible to alert the property owners to increase the number of bins as necessary in order to maintain a neat and orderly property.

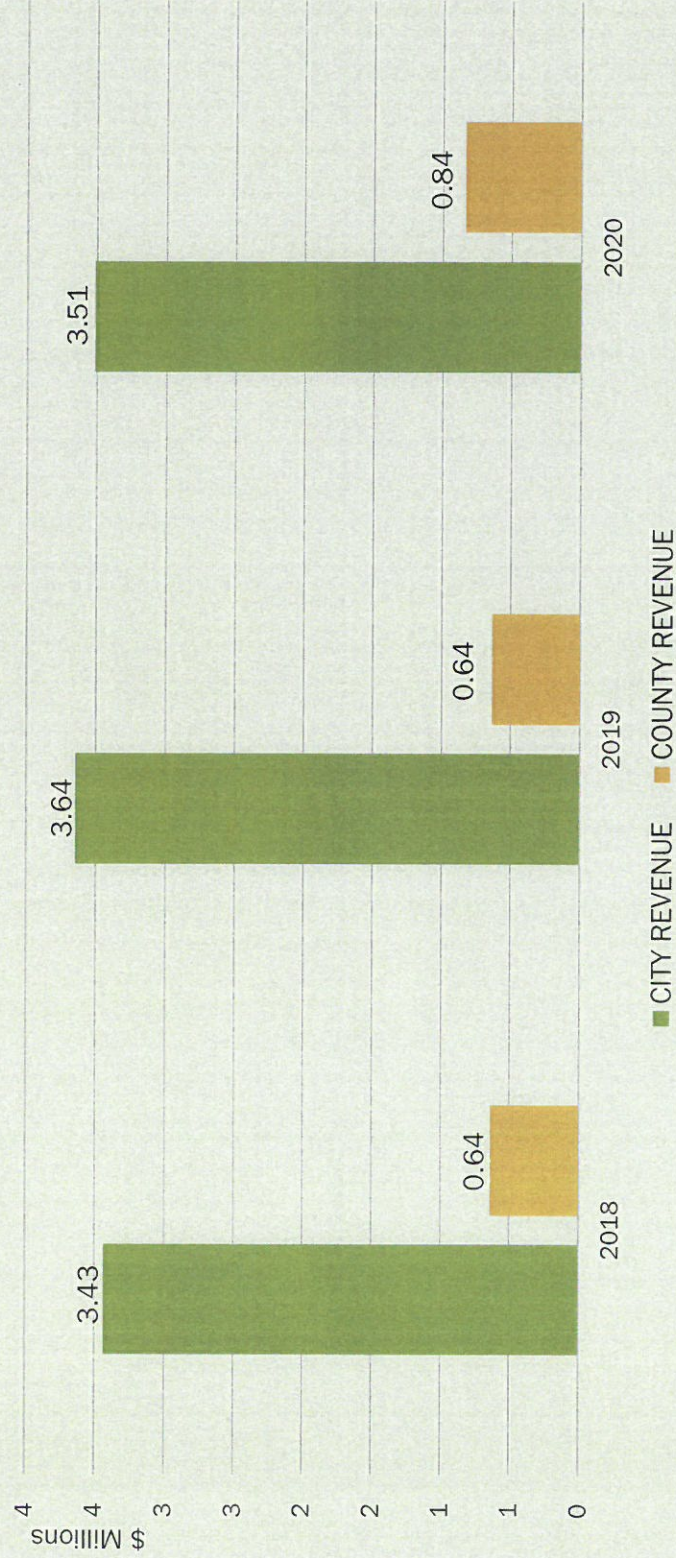
Incident Reporting and Code Enforcement:

- Provide one city managed incident point of contact phone number and website to provide central complaint repositior.
 - *Develop data to determine repeat offenders and hot spots.*
 - *Track unfounded neighbor reporting.*
- Property front entrance sticker required with owner or designee contact information.
- Owners, designee or the property management company are responsible for responding to and addressing STR guest offenses. Escalate if necessary to code enforcement or police.
- Neighbors located adjacent to operating STRs are to have appropriate STR point of contact information.

Additional Recommendations:

- CVB to develop a marketing campaign to “Enjoy Fredericksburg Responsibly”. This positive campaign would include core elements addressing entertainment as well as our city expectations and restrictions for guests. Gain alignment of lodging operators, food and beverage purveyors and merchants utilizing brochures, pertinent websites and elsewhere.
- STR owners to adopt “Enjoy Fredericksburg Responsibly” language for posting on the STR property as well as web-based marketing, VRBO, AirBnB, etc.
- Move STR annual inspections to a 3-year period with permit numbers remaining the same.
- 3-year STR permit is transferable upon the sale of a property.
- The buyer has a 30-day window to notify the city of the transfer of ownership.
- Increase unit annual licensing from \$150 to \$200.

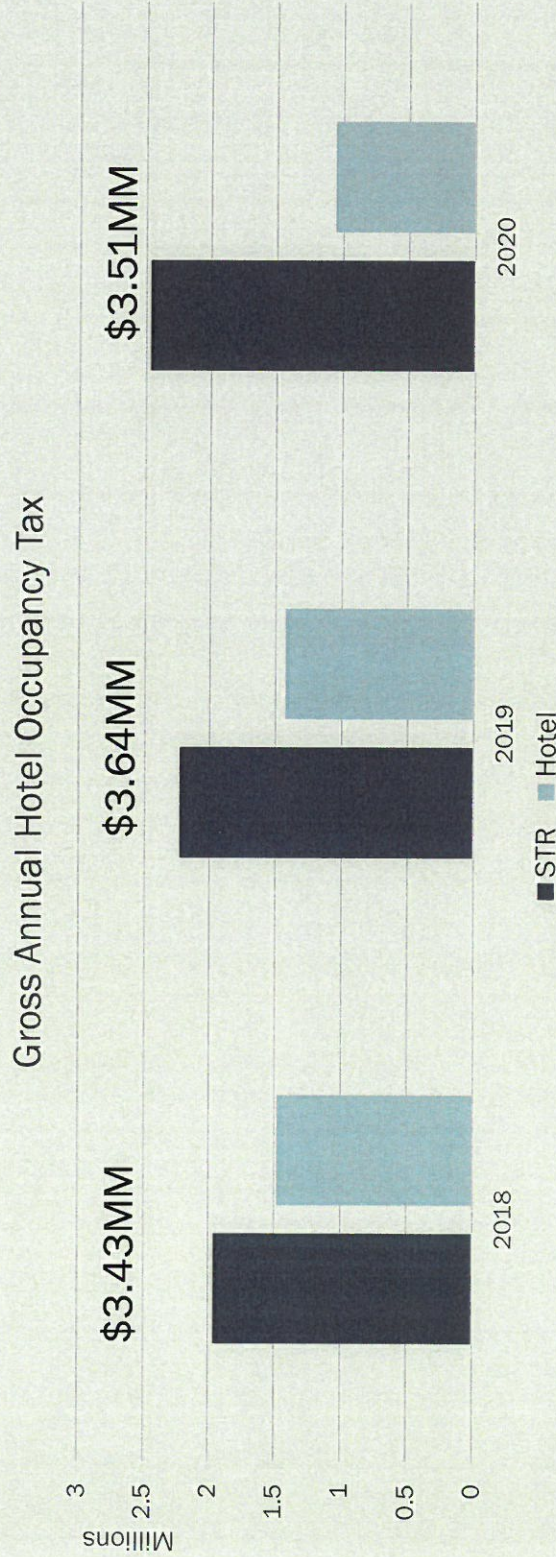
Gross Hotel Occupancy Tax Collections



Data from Fredericksburg Convention and Visitors Bureau
Lodging Tax Collections - 1990-2020

CITY Lodging Tax Collections

(estimated based on County Gross Lodging Receipts)



**STRs recovery vs the traditional hotel industry*

Estimated data based upon Fredericksburg Convention and Visitors Bureau



CITY COUNCIL MEMO

DATE: July 12, 2021

TO: Mayor and City Council

FROM: Jason Lutz

SUBJECT: Discussion regarding Short-term rentals within the City of Fredericksburg.

Summary:

Staff is presenting its findings regarding the operation of Short-term rental (STR) properties within the City of Fredericksburg. These findings are based on comments received from a series of open meetings, held with citizens, owners of STRs, and STR management companies in May of 2021. Below and attached are information regarding comments received, data regarding Police & Code Enforcement issues, a breakdown of regulations from other Cities, a breakdown of the City's current STR regulations and staff recommendations for possible amendments to the current STR and City zoning regulations.

By holding a series of meetings, staff was able to discuss various issues regarding STRs with community stakeholders. The first section of this report will focus on Code Enforcement and those issues identified as the major issues regarding STR operations and highlight possible amendments to the ordinance. These proposed amendments are built on common interests and recommendations made by neighbors and STR owners/operators. The second section of this report will focus on those issues identified with the permitting process and highlight issues and staff recommendations to streamline the process for the owners/operators and City Staff. The final section of this code will focus on Land Use and Zoning regarding long term planning for the City. These regulations will be outlined as "options" for City Council consideration.

Code Enforcement:

The number one issue identified by residents and STR owners/operators was the need for more code enforcement and better communication within City departments (PD, Fire, Development Services). City staff has initiated steps to improve communication with departments regarding reporting and tracking of complaints. Staff has also modified the hours of the Code Enforcement Officer to require work to better

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monitor STR activity. Additionally, City Council has approved the hiring of an additional Code Enforcement Officer to assist with this task, and staff is currently reviewing applications, with a goal of selecting a candidate within the next two weeks. One of the concerns from the STR owners/operators was the need for code modifications that are based on quantifiable data regarding ordinance violations and issues. Attached to this packet is a spreadsheet breaking down the number of calls received by the Police Department, from April 1st – June 18th for specific violations and the number of those calls that were related to STRs. Staff has also provided a list of Code Violations identified by the City's Code Enforcement Officer within that same timeframe.

Code Enforcement Outline of Major Issues & Staff Recommendations:

A. Major Issues Identified

1. Noise
2. Trash
3. Parking
4. Fires
5. Other

B. Noise Violations

1. The City's Sound Ordinance governs STRs.

a. Difficult to enforce.

- Due to distance requirements, sound must be measured a certain number of feet from the source (50' at the front property line).
- Does not give relief to citizens when noise is generated less than 50' from their residence or bedrooms.
- Noise violations are not constant, meaning multiple visits by officers may not register a violation, even though violations may occur.
- Many citizens stated they do not report for the following reasons.
 - Afraid of retaliation.
 - Some report to the owner/operator, so no complaint call is generated to the City.
 - Some address problem themselves by visiting the STR (can create a dangerous situation).
 - Some stated they do not call because they know nothing will come of it.

b. Hot Tubs

- Identified as a major issue and source of loud noises.
- Often placed on or near side and rear property lines.

2. Options

- a. Require sound monitoring devices be installed at STRs and monitored by owner/operator.**

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- May be difficult to manage for operators given the volume of properties they manage.
 - b. Modify the Sound Ordinance to allow reading from the reporting individuals' property and not limit to a 50' distance.
 - Would not stop noise violations but may allow for better enforcement of the sound ordinance.
 - c. Require side and rear yard setbacks for pools and hot tubs (15' minimum)
 - d. Require Quiet Hours for outdoor areas.
 - Sunday – Thursday (10:00 p.m. – 7:00 a.m.)?
 - Friday & Saturday (12:00 p.m. – 7:00 a.m.)?
- C. Trash
1. Easily Enforced
 - a. Trash issues are one of the easier issues to enforce as the Code Officer can easily identify overflowing cans or cans left on the street.
 2. Options
 - a. Require multiple/additional cans for overflow.
 - Could be linked to bedroom/occupancy.
- D. Parking
1. All parties agree parking requirements for STRs are not sufficient.
 - a. Current code requires 1 space per unit.
 - b. A unit is defined as all rooms under one structure.
 - c. A 4-bedroom STR sleeping 12+ people only required to provide 1 space.
 - For comparison, a newly built 2-bedroom single-family home would need to provide 2 spaces.
 2. Options
 - a. Parking be provided based on 1.5 spaces per bedroom.
 - Apartments are required to provide 1.5 spaces for every 1-bedroom unit.
 - Hotel-Motels are required to provide 1.1 spaces for every room.
 - Zoning regs limiting front yards to 25% impervious cover would need to be implemented to prevent individuals from creating a parking lot in the front of the home.
 - Many cities have this requirement for traditional single-family homes.
 - b. Tandem parking would be allowed for single unit STRs and all other parking regulations (layouts, maneuverability, and landscaping) regulations in the zoning code are met.
 - c. Alternate regulations would be to limit occupancy based on the number of spaces an owner/operator is willing to provide.
- E. Fires (Fire Pits)

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1. Fire pits have been a reported issue due to being left unattended, the possibility of spreading to neighboring properties, and smoke from adjacent properties entering adjacent homes.
2. Options
 - a. Require a minimum 15' setback from property line.
 - b. Violation if left unattended.
 - c. Modify ordinance governing fires within the City Limits.

F. Other

1. Other issues staff will need to research further, and address are as follows:
 - a. ADA access for multiple units on a single site and how that would affect single-family STRs.
 - b. Building Code (Bedroom Occupancy)
 - Currently the building code sets a minimum of 70 square feet for a bedroom (35 square feet per person).
 - Many STRs contain 4 beds in a 10x10 room (100 square feet) = 25 square feet per person
 - Need to determine how this affects capacity per bedroom to ensure adequate life safety.
 - c. Owner/Operator Contact Info
 - List maintained by 3rd party.
 - Difficult for citizens & PD to access in order to resolve issues.
 - Option
 - Create Residential Business License so PD & Code Enforcement can access on site (similar to main street decals).
 - All complaints should be directed to PD if Code Enforcement is not on duty.
 - Safety of citizens is of greatest concern and they should not be required to visit adjacent properties or contact owners/operators on their own.

Permitting, Inspections, Fees, and Compliance & Penalties:

Another area that was identified as a major issue was the STR permitting process. Staff acknowledges these issues and has identified modifications that would result in a more efficient process for STR applicants and City staff.

Permitting, Inspections, and Compliance & Penalties Outline of Major Issues & Staff Recommendations:

A. Permitting

1. Ordinance does not provide a grace period for when owners change hands.

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- a. It may take several weeks to get an application processed, reviewed, and approved. During that time the facility will continue to operate in violation of City Code.
- b. Permitting is reviewed by a 3rd party resulting in more errors, specifically regarding zoning and parking requirements.
 - This has resulted in permits being issued that should not have been allowed.

2. Options

- a. Permits are good for the life of the structure (provided all regulations are followed).
 - Yearly renewal fee required.
- b. Allow permits to be “transferable” between owners.
 - Require 10 business days to update owner/operator info with city or be subject to a violation & fine.
- c. Permitting to be done all by City staff
 - Would require a permit software, My Permit Now, to be installed and utilized.
 - Staff is considering this software for other building permitting needs and would assist in the tracking and permitting of STRs.

B. Inspections

1. Inspections required yearly.

- a. Difficult to schedule given staff workload and scheduling issues with STR booking dates.
- b. Inspections are often rescheduled multiple times resulting in STRs continued operation without a valid permit.

2. Options

- a. Require inspections only during initial permitting of new STRs, when violations are suspected, after complaints, and after remodels or additions.
- b. Inspection Fees shall only be required when properties need to be re-inspected after scheduling issues or failed inspections.

C. Fees

1. Fees are based on staff time to process, review, permit, and enforce STRs.

- a. Due to the increasing number of STRs being permitted (192.66 % Increase since 2018) staff workload has increased, limiting time for other duties and responsibilities.

2. Options

- a. Fees be increased from \$150.00 to \$500.00.
 - Increase to cover:
 - Additional time/workload regarding STRs
 - Additional code officer and permit tech

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- Portion of new permitting software
- Police time regarding investigations & calls
- Court costs
- Other administrative costs

D. Compliance & Penalties

1. Current Compliance & Penalties

a. Current code makes issuing penalties difficult.

- Requires a conviction to issue fines.
- Convictions have not been processed efficiently due to multiple factors.
- Pursuing convictions are time consuming.
- No clear standard for revocation of an STR permit for repeat offenders.

2. Options

- a. Process violations via a fee without a court conviction.
- b. Fines to start at \$250 for the 1st offense and double for each additional offense in a calendar year.
- c. Permit is revoked for a period of 90 days (?) on the 6th violation in a calendar year.

Land Use & Zoning Options:

The final and most important issue identified by all stakeholders during the meetings was property rights. In analyzing all STR issues, staff made every attempt to balance the rights of all stakeholders in the community and utilize good planning policies and practices while also trying to address some of the major issues facing the City at this time and in the future. The planning regulations and issues will vary from one zoning district to another but ultimately the major point of contention has been for properties in the R1 zoning district.

The fundamental issue between the two groups of stakeholders has been identified as the right to utilize property purchased as a STR vs. the right to utilize property purchased as a single-family home. The proposed options outlined below would generally apply to new STRs, as those legally operating at the time of any changes would be considered grandfathered.

Staff has outlined proposed changes that will help all stakeholders in the community and would apply across all zoning districts. The goal would be to incorporate those changes into the following options regarding STR zoning regulations.

Before staff outlines some of the options for zoning, staff must provide zoning definitions found within the code and highlight examples of “property rights issues” that are addressed through zoning which will create context for the proposed changes.

A. Definitions

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1. Single-family residential: The use of a site for only one dwelling unit, other than a manufactured home.
 - a. This definition clearly creates a distinction between types of residential uses (single-family home vs. manufactured home).
 - b. Zoning codes often make these distinctions to separate land uses that operate and function differently, even though they may be the same overarching residential use.
 - c. Commercial zoning districts have similar land use distinction. An H.E.B would be allowed in a C2 zone but not in a C1 zone. A Dollar General would be allowed to operate in C1. Both uses are retail/food sales, with different intensities, thus allowed in different zones.
2. Hotel-Motel: Temporary, transient lodging services involving the provision of room and/or board containing more than eight rental units.
3. Short-term rental: A privately owned dwelling, including but not limited to, a single-family dwelling, multiple family attached dwelling, apartment house, condominium, duplex, mobile home, or any portion of such dwellings, rented by the public for consideration, and used for dwelling, lodging or sleeping purposes for any period less than 30 consecutive days.
4. Example Zoning Issue
 - a. Boutique Hotel – 20 Bedrooms (Development Regulations)
 - 1.65 acre property
 - 22 spaces required
 - Detention & Drainage Engineering Report (**Required**)
 - Location – E. Schubert (Between N. Washington & N. Elk)
 - Zoned R1 – **Not Allowed**
 - b. 5 Houses (STRs) – 20 bedrooms (Development Regulations)
 - 1.65 acre property
 - 5 spaces required
 - Detention & Drainage Engineering Report (**Not Required**)
 - Location – E. Schubert (Between N. Washington & N. Elk)
 - Zoned R1 – **Allowed by right**

The City of Fredericksburg



B. Zoning Options: These options regarding STR regulations (by zoning district) are based on current development trends, the City's unique situation, and regulations other City's are utilizing to ensure the long-term viability of the community and to lesson any negative impacts the STR use may have on the Community.

1. All Zoning Districts

- a. Except for the R1 and R2 districts all current regulations would stay the same.
- b. Incorporate the permitting, code enforcement, inspection, fees, setbacks (pools, fire pits, hot tubs) and parking recommendations outlined above.

2. Multi-family district (R3)

- a. Incorporate the permitting, code enforcement, inspection, fees, setbacks (pools, fire pits, hot tubs) and parking recommendations outlined above.
- b. Only change would be to prohibit the use of existing multi-family units (apartments) from converting units to STRs.
 - Would help ensure the City's more affordable housing options are dedicated to long-term housing options.

3. Mixed Residential (R2) – Historic District Only

The City of Fredericksburg

- a. Incorporate the permitting, code enforcement, inspection, fees, setbacks (pools, fire pits, hot tubs) and parking recommendations outlined above.
 - b. Reduce the density (currently allowed 8 units) within the Historic Overlay District.
 - Can be done via a hard cap (Max 1 unit per 5,000 sq ft)?
 - Or max of 55% impervious cover?
4. Single-family Residential (R1)
- a. Option 1
 - Incorporate the permitting, code enforcement, inspection, fees, setbacks (pools, fire pits, hot tubs) and parking recommendations outlined above.
 - Keep current ordinance regulations (enforce what we have)
 - b. Option 2
 - Incorporate the permitting, code enforcement, inspection, fees, setbacks (pools, fire pits, hot tubs) and parking recommendations outlined above.
 - Keep current ordinance regulations but limit occupancy to 2 occupants per bedroom + 2 overnight guests
 - c. Option 3
 - Incorporate the permitting, code enforcement, inspection, fees, setbacks (pools, fire pits, hot tubs) and parking recommendations outlined above.
 - Allow owner occupied by right (B&B).
 - Allow STR accessory dwelling (if owner or a long-term tenant reside on property & lot is greater than 10,000 sq ft).
 - Accessory dwelling or Main structure may be STR.
 - Require CUP for non-owner occupied STR.
 - d. Option 4
 - Incorporate the permitting, code enforcement, inspection, fees, setbacks (pools, fire pits, hot tubs) and parking recommendations outlined above.
 - Allow owner occupied by right (B&B).
 - Allow STR accessory dwelling by right (if owner or a long-term tenant reside on property & lot is greater than 10,000 sq ft).
 - Accessory dwelling or Main structure may be STR.
 - May allow CUP for non-owner occupied STRs in areas that have transitioned to STR neighborhoods or due to proximity to main street and surrounding development patterns, no conflict would be created between STR and adjacent uses (case by case).

- Create new STR (mixed use) zoning district and identify areas where this zoning would be more appropriate.
 - District could have higher densities or allow more STR units (by right) than what is currently allowed in R1 districts.
- Prohibit in remainder of R1 zoning districts.

Recommendation:

Provide staff with feedback and direction regarding the permitting, code enforcement, inspection, fees, setbacks (pools, fire pits, hot tubs) and parking recommendations outlined above.

Provide staff with feedback and direction regarding the zoning options outlined for the different zoning districts.

Attachments:

STR Surveys (Citizens & Owners/Operators), Open House Comments Summary, Submitted Comments, PD Report on Violations, Code Enforcement Report on Violations, Other City Regulations Matrix, Breakdown of City STR Regulations.



Department Approval



City Manager Approval



City Attorney Approval

The City of Fredericksburg

ATTACHMENT A - OTHER CITY REGULATIONS											
	ALLOWED IN SINGLE-FAMILY (BY RIGHT)	ALLOWED IN SINGLE-FAMILY (CUP)	ALLOWED IN SINGLE-FAMILY (OWNER OCCUPIED)	PROHIBITED IN SINGLE-FAMILY	SPECIAL ZONES OR DISTRICTS	QUITE HOURS	PERMITS REQUIRED	YEARLY INSPECTIONS	PARKING	OCCUPANCY LIMITS	DECAL VISIBLE TO PUBLIC
CITY											
Fredericksburg	X							X		1 per 200 sq ft	
Kerrville		X					X	X	1 Per Bedroom plus 1 for Management	2 Per Bedroom Max Occupancy 10	
New Braunfels			X - B&B	X	SUP for all STRs Not Allowed in Multi-Family Dwellings		X	X - Fire Marshall	1 Per Bedroom	2 Per Bedroom	X
Marble Falls	X					10 pm - 8 am	X	X		2 per bedroom max 16	X
Port Aransas	X							2 Years		2 per bedroom plus 4	X
New Orleans	X						X - 250.00/1,000.00				X
Sanoma				X	PK	No outdoor amplified sound	X - Max 2 Units on Lot	X		2 per bedroom plus 2	
Vail	X					11 pm - 7 am					
Aspen	X						X vacation rental permit 5,850.00				

ATTACHMENT B - PD REPORT**PD CALLS (April 1 - June 18)**

CALL TYPE	TOTAL CALLS	TOTAL STRs	STR %
Alarm (Residence)	14	3	21%
Animal Bite Victim	11	0	0%
Assault	5	0	0%
Burglary	12	1	8%
Civil Dispute	56	2	4%
Criminal Mischief	30	1	3%
Criminal Trespass	12	1	8%
Disturbance	120	3	3%
EMS Cardiac	32	2	6%
Harassment	35	1	3%
Illegal Parking	10	0	0%
Lost/Stolen Property	18	0	0%
Ordinance Violation	86	9	10%
Sexual Assault	6	0	0%
Suspicious	252	4	2%
Theft	43	1	2%

ATTACHMENT C - CODE ENFORCEMENT REPORT

04/1/2021 - 06/30/2021

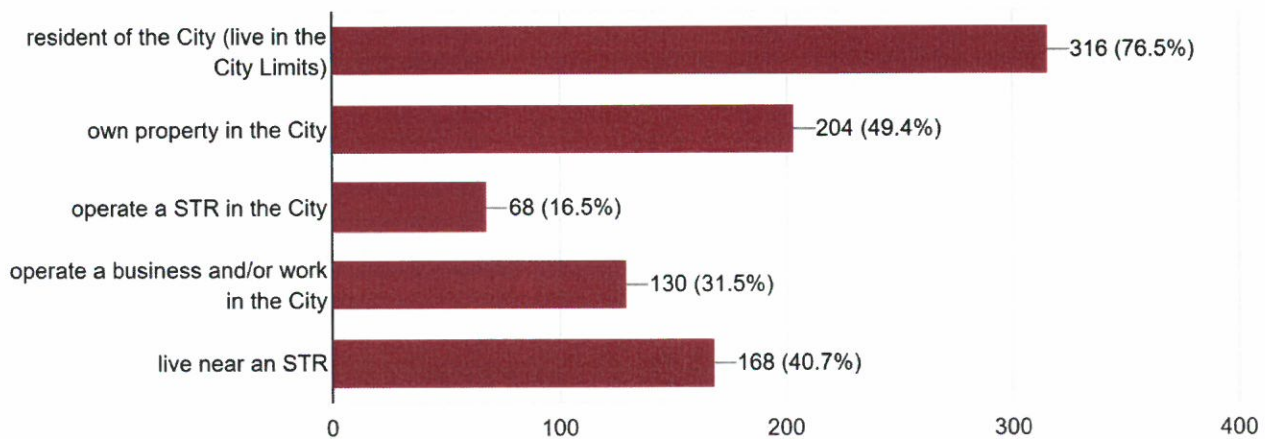
Violations / Issues related to STRs

- 351
- 56 STR without a permit
- 8 STR violating zoning
- 8 STR violations for inadequate parking
- 7 STR Violations for signs
- 7 STR violations for outdoor lighting violations(dark sky)
- 250 STR violations for trash
- 15 STR violations for watering

Attachment D – Survey Results (Neighbors)

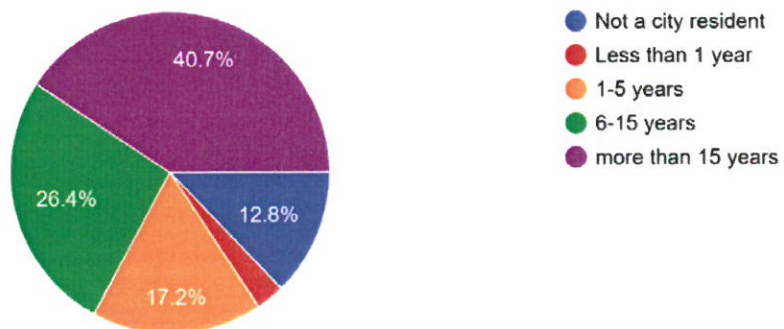
Select the category that best describes you (check all that apply)

413 responses



How long have you lived in the City?

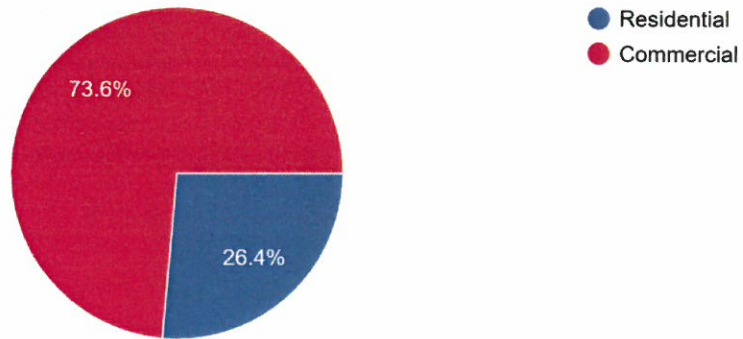
413 responses



Attachment D – Survey Results (Neighbors)

Do you consider STRs a residential or Commercial use?

413 responses



How do you (or would you) feel about having a STR on your block?

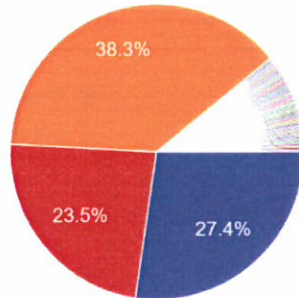
413 responses



Attachment D – Survey Results (Neighbors)

How do you (or would you) feel about having a STR on your block?

413 responses

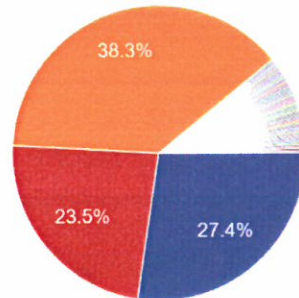


- Already have many and I'm not a fan.
- I do and I don't like it.
- Surrounded and hate it
- 8 on my block 2 or 3 have loud noise...
- Feel great if they control volume or bu...
- Have several on my street like most al...
- Have 3 On block dislike them
- I live in a neighborhood that restricts S...

▲ 2/6 ▼

How do you (or would you) feel about having a STR on your block?

413 responses



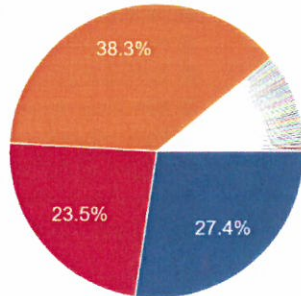
- I have one next door, 2 across the stre...
- Have 6 in neighborhood illegally, violat...
- Raising of housing prices leaving no a...
- only because of possible loud noises....
- The biggest issue with STR right now i...
- Not uncomfortable but apprehensive
- Not applicable, not allowed in my HOA
- Managed well, not much of an issue....

▲ 3/6 ▼

Attachment D – Survey Results (Neighbors)

How do you (or would you) feel about having a STR on your block?

413 responses

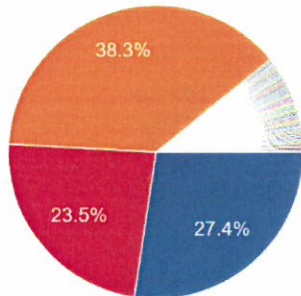


- Depends on whether the STR adhere...
- STR's are a commercial enterprise, th...
- Don't like it at all
- I have a corner lot. One party house si...
- Mild concern
- Noise is a problem. People talking lou...
- We have one beside us, behind us an...
- Owner need to strongly be held accou...

▲ 4/6 ▼

How do you (or would you) feel about having a STR on your block?

413 responses



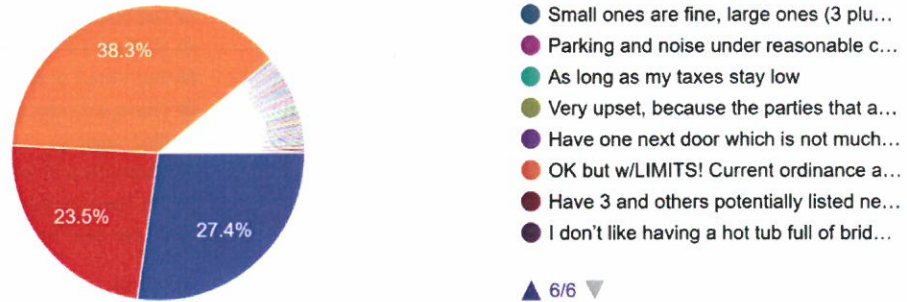
- Fine as long as guests are respectful/...
- Depends on how many. I would not lik...
- depends on the concentration
- Don't disrupt a neighborhood by allowi...
- Strangers with unknown backgrounds,...
- Not enough enough housing for reside...
- Depends on the size and amenities of...
- Not an issue, Have a STR on both sid...

▲ 5/6 ▼

Attachment D – Survey Results (Neighbors)

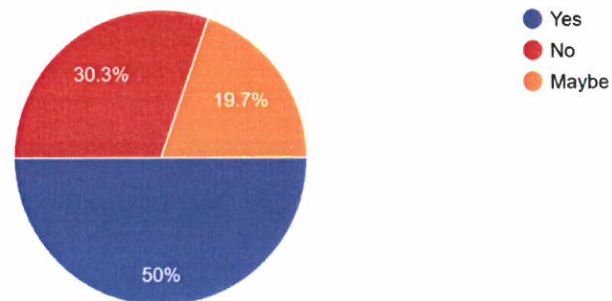
How do you (or would you) feel about having a STR on your block?

413 responses



Do you believe that STRs have an impact on the personal security of residents?

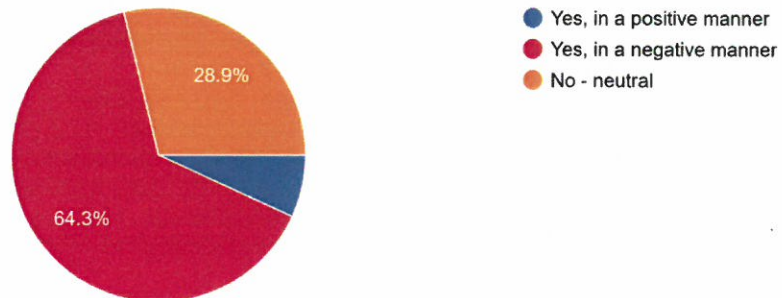
412 responses



Attachment D – Survey Results (Neighbors)

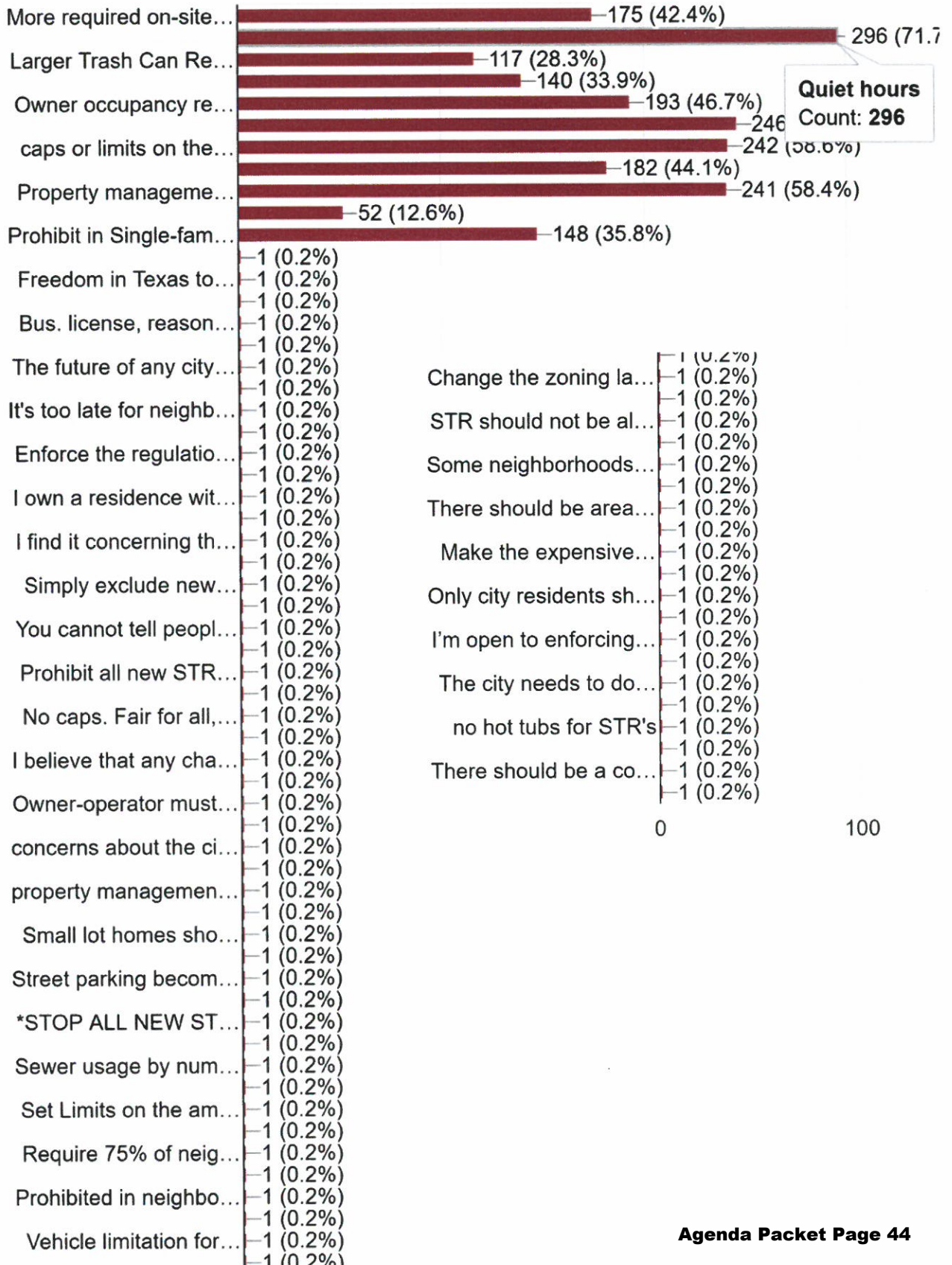
Do you believe that living next to or near a STR property impacts your quality of life?

409 responses



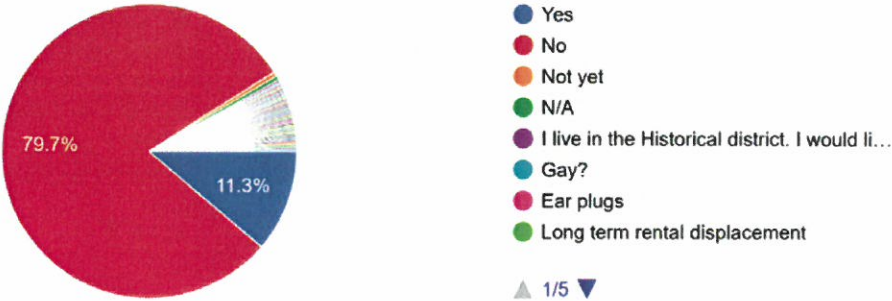
What types of regulations would you recommend for STRs? (Check all that apply)

413 responses



Have you incurred any financial expenses due to STRs operating near you?

408 responses



Have you incurred any financial expenses due to STRs operating near you?

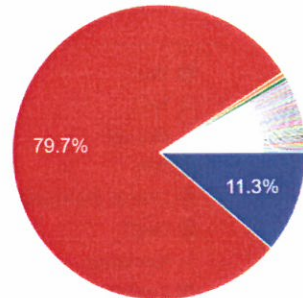
408 responses



Attachment D – Survey Results (Neighbors)

Have you incurred any financial expenses due to STRs operating near you?

408 responses

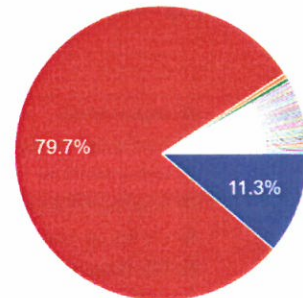


- Increasing property taxes, cost of living
- Not yet but soon I will need to build a f...
- Loss of sleep due to noise
- Demand for purchase of STR properti...
- early on we initiated dialogue with the...
- Reduction in property value despite G...
- Rise in property value & taxes
- Not yet, but if they aren't required to p...

▲ 3/5 ▼

Have you incurred any financial expenses due to STRs operating near you?

408 responses

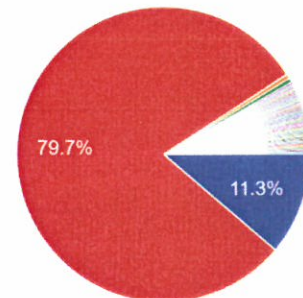


- Considering having to build a privacy f...
- Not sure?
- Retired here for peace and quiet, not t...
- Our house value will decrease if the n...
- Increase taxes
- Increased taxes
- I know two long-term neighbors planni...
- I will find out. If I lose my long term ten...

▲ 4/5 ▼

Have you incurred any financial expenses due to STRs operating near you?

408 responses



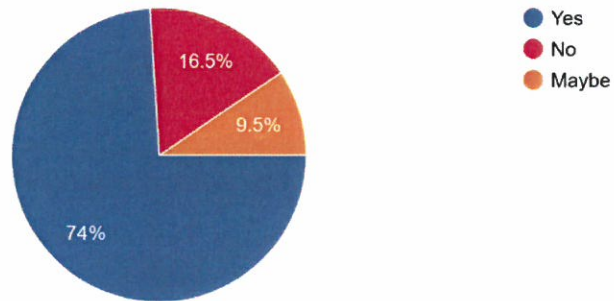
- My answer to this question is 'no'. I'm commenting on this answer to clarify t...
- Live next to a STR currently there's a dead tree that continues to drop branc...
- I'm trying to move to Fredericksburg but cannot afford it.
- Not yet, but I am sure we will if it is built
- Perceived increase in property value and associated taxes

▲ 5/5 ▼

Attachment D – Survey Results (Neighbors)

Do you believe STRs have contributed to long term renter displacement or lack of housing for residents?

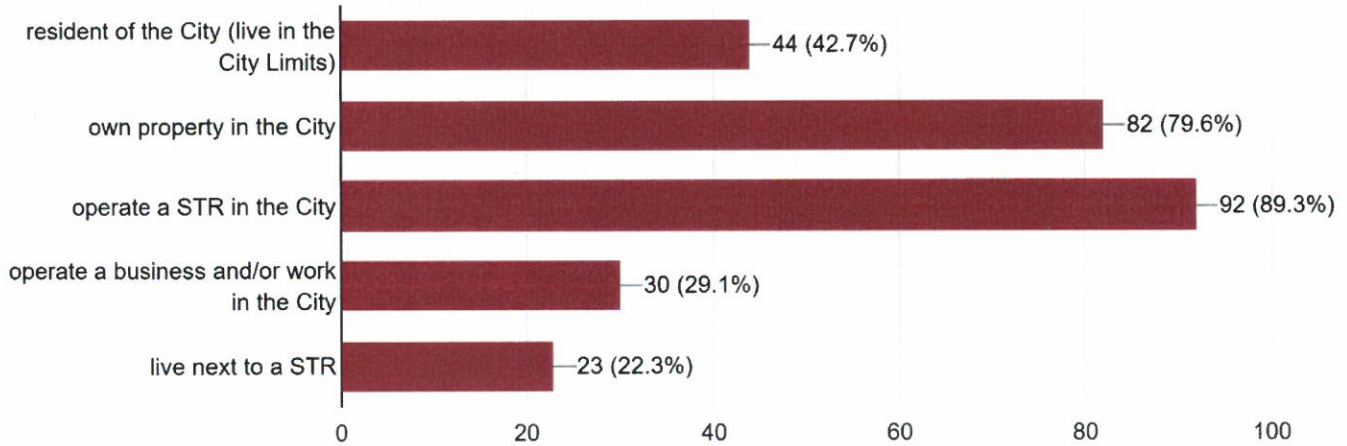
411 responses



Survey Results – Owner/Operator

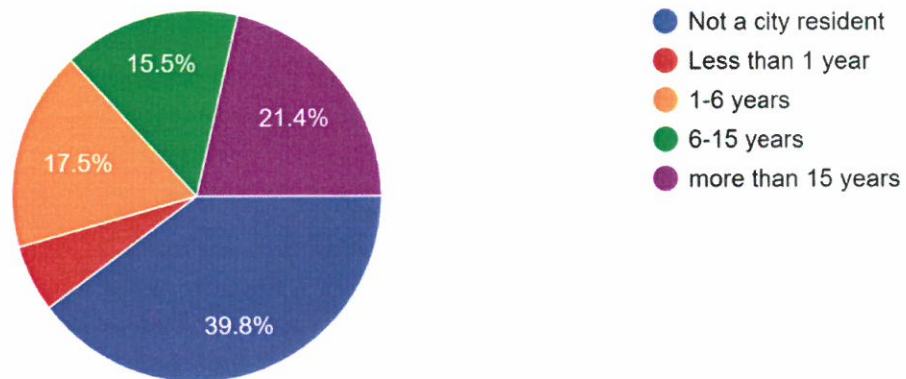
1. Select the category that best describes you (check all that apply)

103 responses



2. How long have you lived in the City?

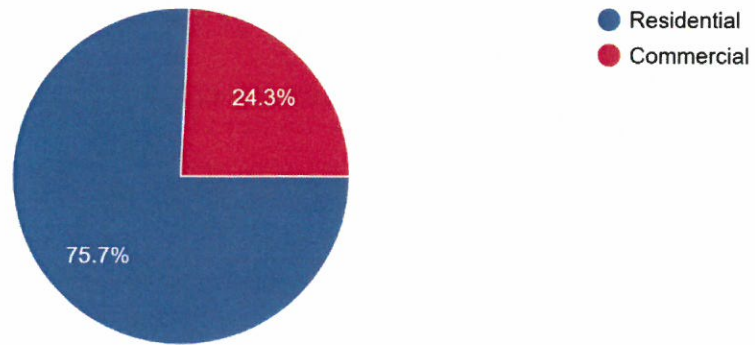
103 responses



Survey Results – Owner/Operator

3. Do you consider STRs a residential or Commercial use?

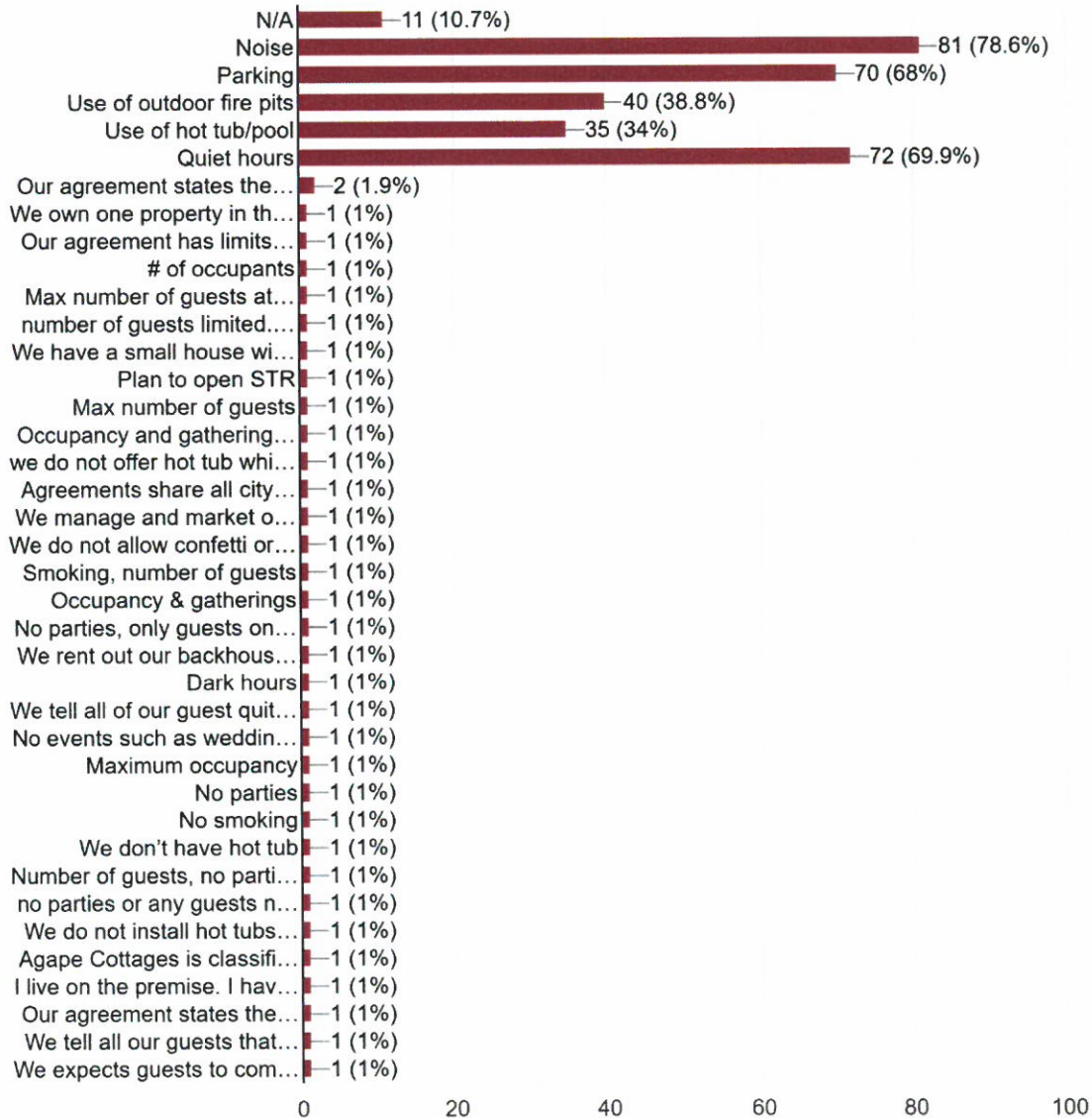
103 responses



Survey Results – Owner/Operator

4. Does your rental agreement with guests limit any of the following (check all that apply)?

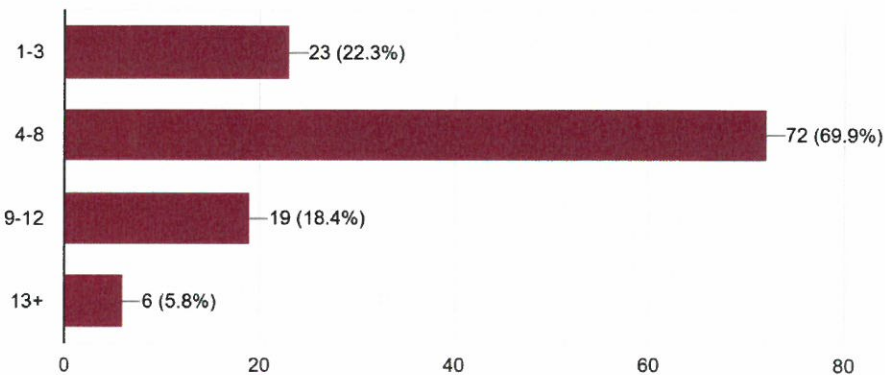
103 responses



Survey Results – Owner/Operator

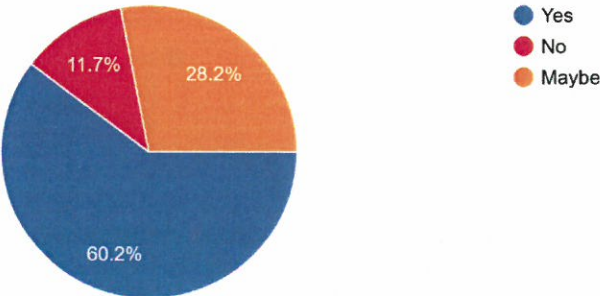
5. Please enter the total number of guests you can accommodate at one time in the STR(s) you operate (check all that apply):

103 responses



6. Do you believe STRs operate like Single Family Homes

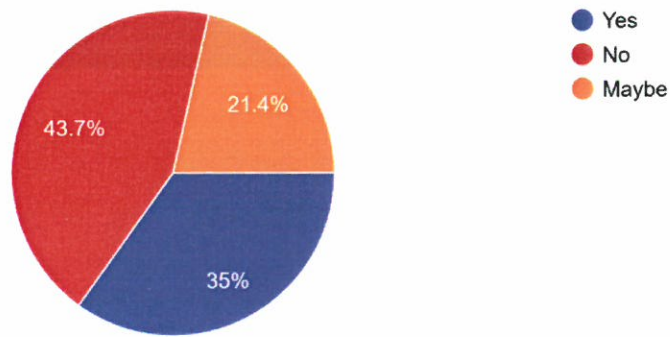
103 responses



Survey Results – Owner/Operator

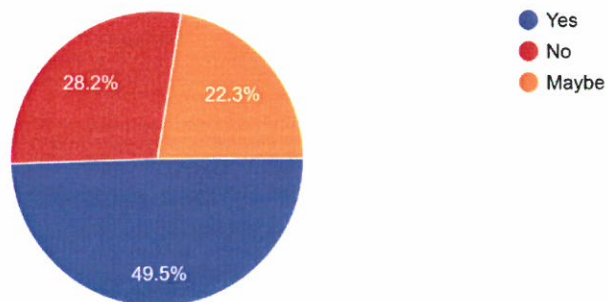
7. Do you believe STRs regulations should be different from one zoning district to another (R-1, R-2, C-2)?

103 responses



8. Do you believe the STR permitting process should be simplified?

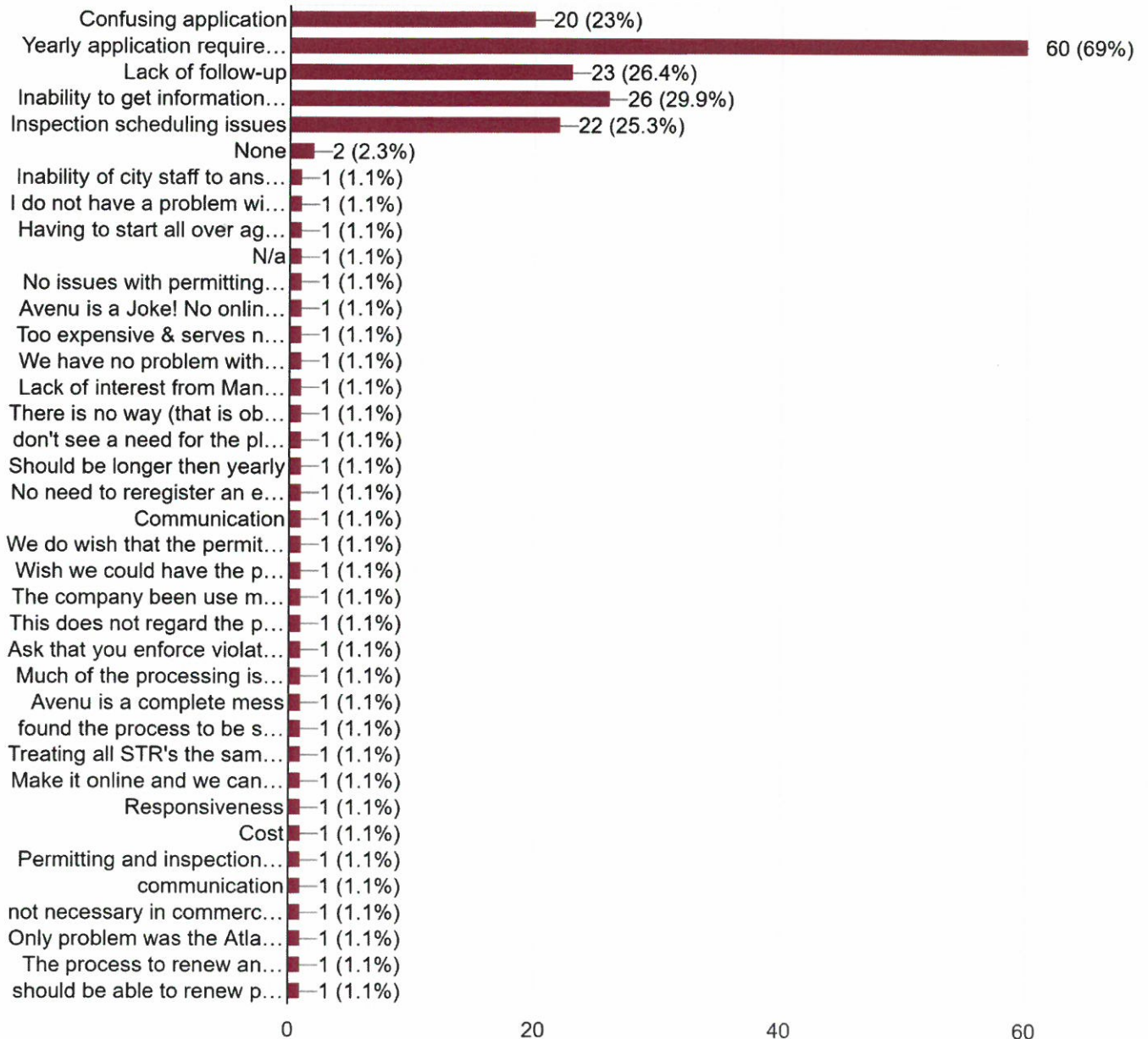
103 responses



Survey Results – Owner/Operator

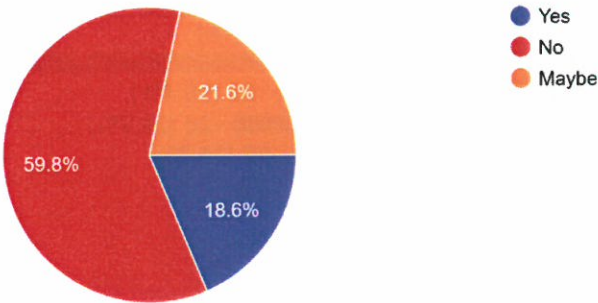
9. What are your major issues or complaints regarding the permitting process (check all that apply)?

87 responses



Survey Results – Owner/Operator

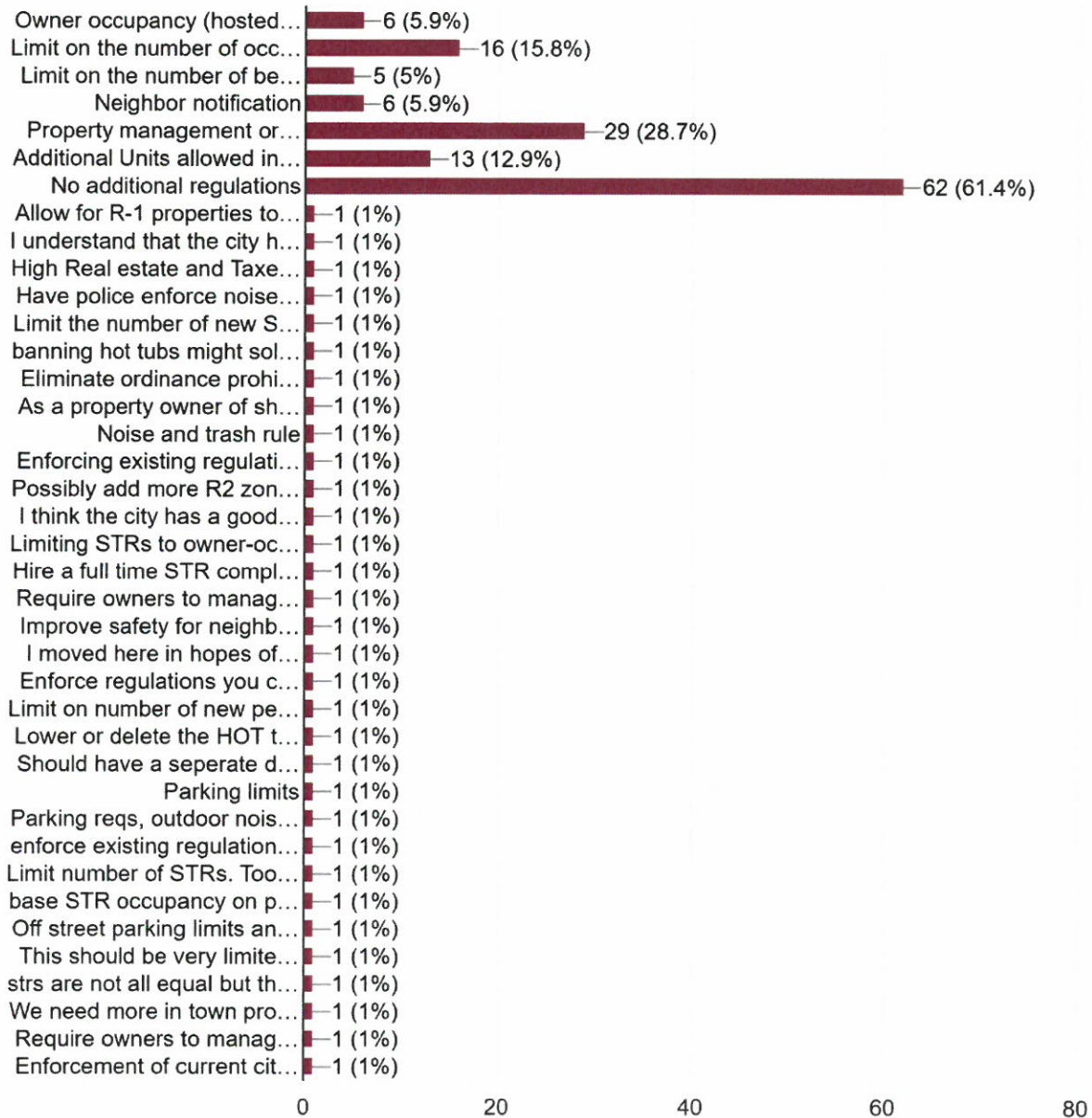
10. Do you believe STRs have contributed to long term renter displacement or lack of housing for residents?
102 responses



Survey Results – Owner/Operator

11. If the City were to modify short term rental regulations, which of the below common rental issues should the City consider developing standards or regulations to address? Check all that apply.

101 responses



Survey Results – Owner/Operator

Attachment F - Current B&B (STR's) Zoning Rules by Zoning District:

- R-1 Allowed in rooms of owners principal residence, up to 8 units (owner must reside within the home)
- The home may be used as a B&B (STR), but limited to a single unit.
- If lot is 10,000 square feet or larger, a separate guesthouse (B&B or STR) may be constructed on the property.
- R-1A B&B's (STR's) prohibited.
- R-2 Structures existing on September 1, 2013 may be used as a B&B whether or not owner occupied
- Additions or new construction must comply with density requirements of R-2, up to 8 units.
- Lots may not be combined to permit more than 8 units
- Density = Efficiency – 2,500
 1 Bedroom – 3,000
 2 Bedroom – 3,500
- R-3 Structures existing on September 1, 2013 may be used as a B&B whether or not owner occupied
- Additions or new construction must comply with density requirements of R-3, up to 8 units.
- Lots may not be combined to permit more than 8 units
- Density = Efficiency – 1,600
 1 Bedroom – 2,000
 2 Bedroom – 2,400
- R-4 B&B's (STR's) prohibited.
- R-5 B&B's (STR's) prohibited.
- C-1 Structures existing on September 1, 2013 may be used as a B&B whether or not owner occupied
- Additions or new construction must comply with density requirements of R-3, up to 8 units.
- Lots may not be combined to permit more than 8 units
- C-2 B&B's (STR's) permitted
- Maximum number of units (density) established by requirements of R-3
- More than 8 units considered Hotel-Motel, and shall comply with C-2 regulations.
- CBD Structures existing on September 1, 2013 may be used as a B&B whether or not owner occupied
- Additions or new construction must comply with density requirements of R-3, up to 8 units.
- Lots may be combined to permit more than 8 units on contiguous property with a Conditional Use Permit
- M-1 B&B's (STR's) prohibited.
- M-2 B&B's (STR's) prohibited.
- M-3 B&B's (STR's) prohibited.

- HSD Same as base zoning of CBD, except Conditional Use Permit required for 1st Floor unit
- PF B&B's (STR's) prohibited.



Staff Memo

DATE: May 27, 2021

TO: Kent Myers

FROM: Shelby Collier

SUBJECT: Short Term Rental Public Meeting and Community Research

May 24, 2021 – Owner/Operator Meeting

This meeting was informative as it provided Staff the opportunity to hear directly from the management companies and owners of the local Short-Term Rentals. This meeting resulted in an overwhelming request for the following:

- Code Enforcement – feedback requesting more enforcement of existing ordinance.
 - Additional Code Officer – feedback requesting 24-hour code compliance.
 - Fines for Violators – A tiered fine schedule potential revocation of permit.
 - Verification of Local Contact for the STR Permit as part of inspection.
 - Institution of Development Services Report published weekly on website.
 - Additional Staff to process STR Applications.
 - New STR Software with online portal.
 - Would like to require Noise Monitoring Devices as part of STR Permit.
 - Concerned about Caps or restrictions in R1 Zoned areas.
 - Disappointed that the meeting was not published in the paper or online.
-

May 25, 2021 – Citizen Meeting

This meeting resulted in 154 citizens that provided a wide range of feedback.

- Local management over out-of-town management.
- Management contact information needs to be given to neighbors.

- Additional Code Officer – feedback requesting 24-hour code compliance.
 - Moratorium on STR's.
 - Single Family should remain Single Family, no STR's allowed.
 - Revision of occupancy limits, 2 per bedroom.
 - Fines for Violators – A tiered fine schedule potential revocation of permit.
 - Noise and Parking are huge issues.
 - STR's should have quiet hours like hotels.
 - Publish all STR's and the management contact information online.
 - If STR is in a Residential Neighborhood, owner must live onsite.
-

Staff Feedback

Staff has researched other communities and would like to pursue the following ASAP:

- An interactive map depicting STR's.
 - [Short Term Rental Map \(arcgis.com\)](http://arcgis.com)
 - Publishing local contact information on the City's website.
 - Pursing Lodging Revs as the Software provider for STR's.
-

STR Ordinance Amendment Schedule

- Public meetings
- **Monday, May 24th 11:00 AM – 2:00 PM/ 3:00 PM – 6:00 PM**
- **Tuesday, May 25th 11:00 AM – 2:00 PM/ 3:00 PM – 6:00 PM**
- **Wednesday, June 2nd 5:00 PM – 8:00 PM**
- Data collection/analysis
- Data/info presented to Council (July)
- Council feedback/direction to staff (July)
- Draft Ordinance (August)
- Public input, review, feedback (August & September)
- Public hearings (August & September)
- Ordinance adoption (September/October)

City Council,

I am writing this to offer some thoughts and hopefully provide constructive feedback on the STR issues you are all dealing with now and will continue to deal with in the future. Having grown up in Fredericksburg, and having worked for the City for 20 years, I feel I have a unique perspective on STR's, both from having them in my neighborhood and from an administration and enforcement perspective.

As you all know, many years ago, STR's or B&B's were generally a unique opportunity for those properties in town that were large enough and charming enough to attract travelers who wanted something other than a hotel experience. And in these cases, the property owners lived on site, they provided a unique living and food experience, and they often became lifelong friends with the guests. The City's ordinances permitted this to occur in the R-1 zones in rooms of the residence, or if the property was large enough (10,000 sf) they could have a separate guest house, but not both. In either case, the owner was on site. The ordinance also allows the principal residence to be used as an STR without the owner being on site. This is the part of the ordinance that has been taken advantage of over the last several years. My point here is that in the past many of these homes were utilized as long term rentals as opposed to STR's. It wasn't until relatively recently that these homes are being used as STR's all over town. You don't really need a unique home or location to use your home as an STR. Case in point, my neighborhood was built in phases but generally the houses were built in the mid 2000's, and there are multiple properties that are now being used as STR's. I can assure you this was never the intent of the ordinance.

As a staff member for the City, whose responsibility it was to administer and enforce the ordinance pertaining to STR's, I will say that I always tried to respect property rights and often would argue that the market would settle things out. As a Planner, my professional and ethical responsibility was to protect the health, safety and welfare of all individuals. Equally as important, was my responsibility to protect and preserve neighborhoods. When I was working for the City, I would hear the stories about the ridiculous prices being paid for houses that would eventually become STR's. I tried not to allow this to affect my judgement, because again I believed the market would work things out. Unfortunately, this is where my opinion has now changed, and the effects of the real estate market with respect to the use of single family properties for STR's has really changed my feelings about the market. I can give you a number of examples of where corporations and individuals are paying over asking price for homes they intend to use as STR's, but I'm sure each of you have heard many yourself. Since I'm not an expert on the market, I will focus on how I think this matter is affecting our community. First of all, the City's Comprehensive Plan and the more recent Visioning Groups, both stressed the importance of protecting and preserving our residential neighborhoods. While this is a broad statement, one could argue that one or several STR's on a residential street could negatively effect our neighborhoods.

While I know the Council will be receiving much input from the meetings being held this week about STR's, both good and bad, I want to focus my comments really on the R-1 zoned properties. Personally, I think the commercially zoned properties and those zoned mixed residential or multi-family residential are fine, because that is the intent of these districts. If the Council is going to consider changes to the ordinance, I would suggest that you consider establishing a requirement that all STR's in the R-1 zones be owner occupied. This would have a way of self-governing the parties or other undesirable activities that occur when the owner is not present or is some corporation that could care less what is going on and is only worried about the bottom line. I know there will be legal implications for this action that will

need to be investigated but I'm just offering this as a possible solution. Another option could be to limit the number of STR's on a given street in an R-1 zone. I don't think this will work as well, but it may be worth considering. Whatever solution the council may or may not end up with, I would encourage you to put yourself in the position of having an STR immediately adjacent to your home, and how would you react if there was a party there on a regular basis. I can tell you from experience, that the folks staying in these STR's are not concerned about affecting the neighborhoods with noise, lewd activities, over filling trash cans, parking in driveways, excessive lighting, and other detrimental activities. No amount of enforcement will fix this problem, and the days of these individuals respecting the neighbors is no longer the norm.

I wish you all the best and support whatever decisions you make on this matter. Out of respect to the current staff, I will not be attending either of these sessions tomorrow to offer my thoughts or comments.

Best Regards:

Brian Jordan

Concerns with STR in Neighborhoods

*Too many people in one house - ie: sleeping for 12 in a 3 bedroom house – then they all bring vehicles and park all over.

*Trash, noise, outdoor speakers (one actually had a live band playing at 12:30am behind our house), pools and hot tubs encouraging late night activity and noise.

- One night, the bicycle bar dropped a whole group at 11:30pm in front of the rental on our neighborhood street with them screaming and the bright lights flashing on the bar.

-Wine tour bus stopping in the middle of the road because there was no where for them to park because of all the guests vehicles – no flashers or signals – unloading a van full.

-Walking neighborhood streets during daylight and nighttime in packs, all in the middle of the road and often times drunk.

*Comments and situations heard:

-Why let the vocal minority control what happens – well we are the minority because of what is happening and having to live day to day with these situations, unlike the owners of STRS who do not live there – much less – many of them not even living in our community. We were a community and town way before becoming this – we were not built as a resort community.

-I need to hurry and start my B&B because my taxes went up 30%, so I can make money to pay my taxes. (Well I do not have that luxury because I live in my home – and the current direction of taxes will force full time residents and long time residents out of their homes because they cannot afford what is happening) These are commercial properties that can adjust their rates to meet rising costs.

-A friends relative being approached about the sale of their house, because the person wants to buy 17 B&B's in town.

*Most of the developments around town do not allow B&B's in their neighborhoods, so who protects us? In many ways, the city is like our HOA and should protect our neighborhoods. I can also only water my lawn once a week – but these places have extreme water usage (especially for the many people they are cramming into a house), adding pools and hot tubs all over. And our infrastructure can really not handle much more, but yet, every house that sells becomes this and dumps more people into town and utility and water usage increases. We have been lucky to not have a major drought over the last few years, but one will come and then what?

*More than all of this – just losing neighbors. Right now, I still have 7 neighbors in my block – and feel lucky. During the winter storm, we took care of each other, checked on each other and knew if I needed anything, I could count on them. My home has been in my family since 1945 and my daughter is the 4th generation to live there. We have seen houses go up around us – and sometimes felt a little too close! But the thought of these turning into a situation where we have no consistency, have to battle every weekend and lose the closeness of community makes me sick. You have a chance to take better care of those of us who actually live here, get up and go to work here and raise our family here. Of course, not saying to take away all B&B's, but there has to be a better way to take both sides into consideration. I sometimes feel that because all of these properties are not homesteaded and more taxes are taken from them, there is not a big push to restrict because of "loss of income".

Do I believe we have waited too long before addressing this, in many ways yes. But I do not feel that it is too late to make changes that will address many of these issues. I understand that there are both sides, but there is not one person that I have spoken to that live in these neighborhoods that are not concerned about the future.

Thanks for your time and willingness to be open to these discussions – I know that it is not easy.

Laurie Hartmann John

Re: 3am

Connie Roddy [REDACTED]

Tue 5/4/2021 10:24 AM

To: Anna Hudson <ahudson@fbgtx.org>

Thank you Anna!

No need for you to apologize, I appreciate your sympathetic attitude.

The City needs to change this, the City Noise Ordinance to stiff penalties for B & B owners and enforce it.

That would be fair to home owners who live here, pay taxes and live next to a BUSINESS-HOTEL-COMMERCIAL entity in a residential neighborhood.

The owners are no where to be found, chilling and collecting money running a business, no impact. They're not being disturbed and having to call the Police at 3am.

My proposal:

A significant 'fine' on all violations, that will get the B & B owners to enforce the City Noise Ordinance already on the books.

Right now, no consequences...

Right now, Police resources are being used, that's outrageous when Police should be doing their job protecting the City.

Many thanks Anna, we'll definitely put this on our calendar.

Connie

Sent from my iPhone

On May 4, 2021, at 9:51 AM, Anna Hudson <ahudson@fbgtx.org> wrote:

Connie,

I'm so sorry to hear you had to call the police at 3:00 am!

I've attached the press release regarding the input session we're hosting on the 25th of May.

I hope you'll be able to attend.

Anna

From: Connie Rodd [REDACTED]
Sent: Tuesday, May 4, 2021 9:42 AM
To: Anna Hudson <ahudson@fbgtx.org>
Subject: 3am

Good Morning Anna,

I thought of you last night at 3am, I called the Police to report the B & B noise. Super loud, big party.

When is that City group feedback you were talking about?

Thank you,

Connie
(949) 701-9293 cell/text
<Press Release - Public Meeting to Discuss STR Regulations to be Held - 04292021.pdf>

jeanne & david hawes

May 25, 2021

TO: Fredericksburg City Council
CC: Jason Lutz, Shelby Collier, Anna Hudson
RE: Public Input Session - Urgent Request for Change in Density to R2 Zoning

My family owns 3 houses in Fredericksburg, currently long term rentals for local residents. We believe we provide a valuable service since affordable housing is limited. We bought the first property several years ago with plans to retire to Fredericksburg in a few years.

We are rethinking that choice as a result of increased crowds, traffic/parking, noise & over commercialization of town. All these negative factors are a direct result of city not controlling **Density**. This is reflected in zoning.

Our house at 209 E. Travis is zoned R2. We were shocked when neighbors presented a possible plan for 213 E. Travis, building 2 more houses in addition to original house & garage, creating a total of 6 units.

We expressed concern w/Development & Historic Preservation staff in 3 memos, detailing 10 surrounding houses, w/5 having a single B&B, in addition to main house. We were told zoning could allow this, even though plan has 2-3x more STRs than other properties, 100 - 400% more square feet, fill entire lot w/4 buildings & 6 cars, limit green space & trees and house up to 20 people per night. All of this on a .40 acre lot. This kind of development & density is unreasonable, creates an outlier & sets a terrible precedent for block.

If Fredericksburg really cares about integrity/charm of town & quality of life for residents, we believe you should IMMEDIATELY change R2 zoning to limit up to 4 units per lot, not 8. Anything additional should only be considered in commercial areas. If you don't act now, the city will be forever changed with no way to recreate the charm that was once here. Once gone, you can't go back. We fear this is already happening!

Long Range Vision "Path to the Future" sought to "Provide oversight & monitoring of hospitality industry in order to maintain proper balance of needs of residential community w/tourists needs":

Quality of Life Committee Closing Statement: ...there are several major issues that will have considerable impact upon our government, quality of life, economics & community morale. These issues cannot be avoided or ignored, to do so would be a disservice to the history of Fredericksburg, present & future residents, as well as the health & future existence of Fredericksburg.

*The future will be one that includes a growing tourism industry with all the positive and negatives that this industry brings... Seeking greater numbers of tourists can be detrimental to our economy and our way of life. Targeting a broader demographic that brings and demands quality will, however, be of great value to both. Fredericksburg has a high tourist to resident ratio...**Such numbers of tourists could impact the quality of life that the residents enjoy. Therefore, it becomes extremely important that the City and County work together to protect our neighborhoods, byways, transportation, safety, culture and heritage of our community.***

Please protect our neighborhood with reduced/limited zoning for R2. Jeanne & David Hawes

From: [Jeanne Hawes](#)
To: [Kent Myers](#); [Jason Lutz](#); [Shelby Collier](#); [Anna Hudson](#)
Subject: Fw: Concern Over Development - Documents
Date: Thursday, June 10, 2021 12:23:23 PM
Attachments: Development Memo May7 Property Detail.doc
Development Memo May7.doc
Development Memo May21.doc
Development Memo CityCouncil May25.doc
213 E.Travis DesignReview May 2021.pdf

Attached are memos detailing proposed building plan at 213 E. Travis. Also included is actual building plan submitted.

Thanks! Jeanne Hawes cell 214-478-2836

On Thursday, June 10, 2021, 12:16:50 PM CDT, Jeanne Hawes <jeannehawes@sbcglobal.net> wrote:

To: Mr. Kent Myers, City Manager, Mr Jason Lutz, Development Director, Ms. Shelby Collier, Development Associate & Anna Hudson, Historical Preservation

Hello. I have been in conversation w/Shelby & Anna with concern of proposed building plan at 213 E. Travis, next door to my property at 209 E. Travis. Shelby has been very generous w/her time discussing zoning & development issues raised over what we consider is an extremely excessive proposal to build 6 B&B units, in a residential area.

I have documented numerous issues in 3 different memos sent to Shelby, Anna & City Council listening session. I will send those on separate email, so you have them all in one place. Please take the time to read them & email below, sent to Mayor & City Council.

It appears this proposed plan is starting the approval process, so I am reaching out to everyone in city offices to sound the alarm about how this plan violates over development concerns & vision statement. There is lots of talk about keeping the quality of life high in town, but if this plan goes forward, it will set a dangerous precedent.

My request is for city to immediately change R2 zoning, in residential neighborhoods, to maximum of 4 B&B units, instead of current number of 8 allowed. If someone wants to build that many units, they should do that in a commercial zone, and not a residential street.

One city council member has already said these issues are going to be discussed over the summer & changes will be made. Because of this, please don't allow this process to go forward. It should be paused until City Council resolves zoning concerns & issues. Thanks for your time & consideration. Thanks! Jeanne Hawes

On Thursday, June 10, 2021, 10:39:11 AM CDT, Jeanne Hawes <jeannehawes@sbcglobal.net> wrote:

Hello Mr. Mayor & City Council Members. I am writing to share concern about a proposed building plan, on a residential street, that exemplifies over development that leads to lower quality life in town. These issues were highlighted in the City's Vision Plan recently.

Our property is located at 209 E. Travis, which is a lovely residential block. Zoned R2, the #200 block has 10 houses, of which 5 have 1 B&B unit in addition to original house. These B&B units do not detract from the street because they are unobtrusive & contain plenty of green space surrounding.

Proposed plan submitted by next door neighbor at 213 E. Travis contains 6 total B&B units. Even though the lot is only .4 acre, their plan calls for building 2 new houses, in addition to original house & garage. There is nothing else like this on the block! It would create an outlier & set a precedent for other properties to equally over develop.

I have talked at length to Development & Historical Preservation office & was told zoning allows up to 8 units in R2. This means that on any given night, this property could have up to 20 people staying on it! This is excessive and needs to be changed immediately. What can be done to reduce the zoning to new projects to maximum of 4 units?

I will forward several memos written detailing concerns & comparison of surrounding properties for your view.

Would you please guide me on how this can be addressed quickly to prevent this proposed building plan from being approved. We believe the City Council should put a stop to excessive building on single properties before it is too late and Fredericksburg turns into a Disneyland of B&Bs and tourists and drives out all the local residents.

When you get a chance, please drive by the block so you can see it for yourselves. Thanks!
Jeanne Hawes

From: [Jeanne Hawes](#)
To: [Kent Myers](#); [Jason Lutz](#); [Shelby Collier](#); [Anna Hudson](#)
Subject: Fw: Concern Over Development in Fredericksburg
Date: Thursday, June 10, 2021 12:17:01 PM

To: Mr. Kent Myers, City Manager, Mr Jason Lutz, Development Director, Ms. Shelby Collier, Development Associate & Anna Hudson, Historical Preservation

Hello. I have been in conversation w/Shelby & Anna with concern of proposed building plan at 213 E. Travis, next door to my property at 209 E. Travis. Shelby has been very generous w/her time discussing zoning & development issues raised over what we consider is an extremely excessive proposal to build 6 B&B units, in a residential area.

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Thanks! Jeanne Hawes cell 214-478-2836

----- Forwarded Message -----

From: Jeanne Hawes <[REDACTED]>
To: ckiehne@fbgtx.org <ckiehne@fbgtx.org>; kathylene155@gmail.com <kathylene155@gmail.com>; jluckenbach@fbgtx.org <jluckenbach@fbgtx.org>; tmusselman@fbgtx.org <tmusselman@fbgtx.org>; bwatson@fbgtx.org <bwatson@fbgtx.org>
Sent: Thursday, June 10, 2021, 10:39:11 AM CDT
Subject: Concern Over Development in Fredericksburg

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Would you please guide me on how this can be addressed quickly to prevent this proposed building plan from being approved. We believe the City Council should put a stop to excessive building on single properties before it is too late and Fredericksburg turns into a Disneyland of B&Bs and tourists and drives out all the local residents.

When you get a chance, please drive by the block so you can see it for yourselves. Thanks!
Jeanne Hawes

From: [Bowyer, Timothy](#)
To: [Jason Lutz](#)
Subject: FW: STR Ordinance Examples
Date: Sunday, May 30, 2021 11:20:14 AM

Hi Jason,

I was encouraged to send this email to you also. Thank you and the city for taking time to hear opinion from the array of interested parties.

Peace,

Tim
Chaplain
Hill Country Memorial Hospital
Pastoral Care
830-990-6125

From: Bowyer, Timothy
Sent: Tuesday, May 25, 2021 12:43 PM
To: kmyers@fbgtx.org
Subject: STR Ordinance Examples

Hi Kent,

I serve as the chaplain for HCM Hospital, live in the city limits and next door to a STR. Fortunately, this rental property has not attracted noise makers or other disturbers of the peace, save for minor things like leaving floodlights on for days on-end and the atmosphere of not knowing our neighbors on that side. But, we know the owners, who come to stay from CO 1-2 times a year.

I have had occasion to hear the complaints of numerous staff here at HCM, who have struggled to find any affordable long-term rentals or houses for purchase in Fredericksburg, which a base to mid-level salary would afford. These are nurses, aides, social workers, administrators. Many have to live far outside of Fredericksburg, sometimes commuting from as far away as San Antonio.

I also have friends my age (mid- 30's) who have only been able to live in Fredericksburg because they run short-term rentals, which they do with neighbors in mind.

It's a complex issue.

Personally, I would hope for an ordinance that would require residency in Gillespie Co. (even if it is defined by living 2-4 weeks out of the year here) to obtain a permit, preventing SBO business from out of town or owners out-of-state to profit from tourism in Fredericksburg.

To have a limit per street, to protect the availability of homes as residences whether by ownership or long-term rentals.

To require the surrounding neighborhood residents be informed which homes on the street are SBOs, the number for code enforcement/reporting, and the local SBO manager's contact information.

The existing ordinance outlines the requirement for onsite parking, noise, sanitation, etc. But I would hope for an increase in the fine amount for violation of the ordinance and/or clarification about revocation of permit for repeat offenses (3 strikes policy?)

I wanted to write to give you a link to a page with examples from other destination towns. The Durango example is especially helpful.

http://www.urbanconservancy.org/wp-content/uploads/2015/09/Durango_STR_Regulations_NOLA3.pdf
<https://www.gov1.com/community-development/articles/examples-of-short-term-rental-regulations-AFE7TNTGivcUe1RN/>

My prayers are with you, the council, and the code enforcement officers.

Tim Bowyer

Tim Bowyer
Hill Country Memorial Hospital
Chaplain, Pastoral Care Supervisor
830-990-6125
tsbowyer@hillcountrymemorial.org
<https://www.hillcountrymemorial.org/services/pastoral-care/>

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From: [Judith Rost](#)
To: [Shelby Collier](#)
Subject: Question on zoning for STR
Date: Thursday, June 3, 2021 11:52:28 PM

Shelby:

It was nice meeting you yesterday at the STR meeting. As a native Fredericksburgian I'm sure you're concerned about all the single family homes being sold throughout the city to investors.

This prohibits families from purchasing these homes at affordable prices because the investors usually bid cash. I was offered cash for my home a few weeks ago for an Austin investment firm. I refused to sell because they gave me a song and dance about the market value of my property. I told them of the updates to my property and wouldn't consider selling for that price. They then were more willing to pay my price after they looked at it.. I like my home right now, so I still refused their offer.

At the meeting yesterday I was handed a paper stating STRs were allowed in R-1 zoning. Was this something new established in 2018 when they set rules for permits and inspections for STRs? Or was this created years before when doing zoning ordinances?

As a former director of housing in another city about the size of Fredericksburg, I feel the city screwed up when they allowed STRs to be sold in R-1 zoning without consent of the neighborhood. I don't think the city council realized how much the STRs would get out of control within the city, thus taking properties away from families. Most families need to get loans from banks. Very few can afford to pay cash for a family home. This leaves them out of the market against the STR investors.

Also, nothing was mentioned at the two meetings I attended about how these STRs are being taxed. Since it is considered a business, it should be taxed as commercial. Is this being done? You should have some knowledge of what the appraisal district is doing for taxes. It would mean more revenue for the city and could ease the residents who live here their tax burden. Just a thought.

Thank you for your prompt response to this email.

Judith (Judi) A. Rost
215 W. Driftwood Drive
Fredericksburg, TX 78624
320-815-7520 cell

J. A. Rost, Inspirational Author (Fiction & Non-Fiction)

RIVER FALLS MYSTERY SERIES:

SECRETS IN THE HIGH RISE, Book One (2017)

NO REASONABLE DOUBT, Book Two (2018)

SAVED BY GRACE, Book Three (2019)

TOO CLOSE FOR COMFORT, Book Four (2020)

Other books by J. A. Rost:

CHRISTMAS IN FREDERICKSBURG (released 2019)

HILL COUNTRY DREAMS (to be released 2021)

Short-Term Rentals—Fredericksburg, Texas

Introduction

Fredericksburg is a unique town, centered around several blocks of historic buildings that host shops, restaurants, museums, art galleries, coffee shops and wineries. And while this center, core area of town is what draws people from many places to stay in short-term rentals and buy second homes, her extended neighborhoods are also filled with historic homes and full-time residents.

How do we maintain what is unique about our town in a manner that preserves and protects property rights, advances the strong real estate and housing market, and increases the tax revenues that have resulted from short-term rentals, while also preserving areas that are still largely made up of full-time residents?

We share a common space that is special, and we must work together to keep it that way.

So how do we do it?

Let's look at some of the primary considerations and then list some possible solutions.

Main Street Area

Make no mistake about it, the Main Street area is the heart of the town, offering a variety of opportunities for visitors to walk and experience life as it once was, or at least as close as is possible. Undoubtedly, there are full-time Fredericksburg residents that walk and shop Main Street, but the reality is that the Main Street area customer base is heavily weighted towards those who come from out of town/State, stay in short-term rentals, and walk to Main Street to shop, eat, visit and “experience” Fredericksburg.

The list of who benefits from a thriving Main Street is long, and perhaps unascertainable, but includes: local business owners; Fredericksburg residents who depend on opportunities for employment and business ownership; and local governments who depend upon the tax revenues to fund our schools, our City government and services, including our police, fire department, and judicial system.

Neighborhoods

While Main Street is the heart of the town, the soul might be said to be located in the various neighborhoods, especially those neighborhoods outside the core four to five blocks off of Main Street in each direction. It is in these neighborhoods where many of the property owners are full-time residents—wanting to raise children, enjoy retirement and live in a safe and friendly area.

Full-time residents in our neighborhoods do not want or deserve adjacent properties to host constant loud noise, drunkenness, unsupervised parties, and a dozen cars parked along our streets, often blocking driveways and corner visibility. No one should be heard to suggest that this is okay or must be tolerated.

Results of Improper Regulation of STRs

There are different views about short-term rentals and the pros and cons of allowing them in all R-1 zoned areas. However, it must be noted that our core neighborhoods near Main Street are already filled with many short-term rentals, in both R-1 and R-2 zoning areas. In fact, on most blocks between Milam and Llano to the west and east, and Schubert and Peach to the north and south, there are as many short-term rental properties than otherwise. Some blocks have only short-term rentals. And many of the properties located in the core that are not currently being used as a short-term rental, are second homes to those who live

primarily outside of Fredericksburg. Thus, it would be disingenuous, in fact false, to assert that changes must be made to the short-term rental rules in order to preserve the existing character of core neighborhoods. These core street areas have long been home to “Sunday-houses,” boarding rooms, and most recently, short-term rentals.

Passing new, but improper regulations would have many unintended consequences, including:

- In the core area of Fredericksburg, any prohibitions to the use of properties as short-term rentals would not be *rationaly related to the general welfare* of the core neighborhoods since the properties are already largely used for short-term rentals. As such, prohibitions would be subject to sustainable challenges, tying up City time and resources trying to defend the new rules in costly litigation.
- Property transactions that have closed before new rules are passed have a legally recognized, buyer’s “*investment backed-expectation*” property right of being able to utilize the property as contemplated at the time of purchase. Thus, new rules prohibiting short-term rentals on properties purchased by those intending to participate in the short-term rental market would be subject to a sustainable challenge that would cost the City tax dollars to fund expensive litigation.
- There would be Constitutional challenges to the rules by existing property owners, both for “*compensable regulatory takings*” and for “*violations of due process and right to assembly*,” resulting in expensive lawsuits for the City to pay for, and likely lose. Even if the City prevailed, which it likely would not, property valuations would then need to reflect the changes and their impact on property values for different properties within the same blocks. There would be countless challenges to the valuations, legal and otherwise. If one property on the block has the right to have a short-term rental, but the neighboring property does not, there would have to be a corresponding difference in the City/County valuation of the two properties.
- Texas in general, and Fredericksburg in particular, have been known to preserve and protect *property rights*. The right to lease one’s property, including as a short-term rental, is a basic and fundamental property right and legally recognized privilege. Does the current City Council and staff really want to be remembered as the “DC council and staff” that stripped property rights from its citizens, rather than working to accommodate property rights for all?
- There is no sustainable legal justification for simply “grandfathering” existing short-term rentals and prohibiting new ones. The disproportional impact on the value of one’s property without the right to do short-term rentals is substantial, easily approximating \$150,000 to \$200,000, depending on the location and condition of the structure. In addition, some properties have recently been purchased and are undergoing expensive restorations before they are put into short-term rentals—but they were purchased with the “investment backed-expectation of being used as a short-term rental once completed.
- Most, if not all, of the restorations of homes in the historic district over the past decade are driven by owners who may enter the short-term rental market. Millions of dollars have been spent locally in purchasing property, hiring local real estate agents, title companies, contractors, architects, plumbers, electricians, roofers, carpenters, surveyors, as well as contracting with numerous local service providers. The result has been a fresh and positive restoration of many homes that had deteriorated or were simply, unattractive. New, improper rules on short-term rentals would negatively impact the market driven improvement of the town’s homes and neighborhoods.

- Real Estate agents have long trumpeted, and massively benefitted, from the strong real estate market—driven in large part from a purchaser being able to purchase property that would allow the owner to host a short-term rental in both R-1 and R-2 neighborhoods. Are the realtors prepared to return their commissions from sales where representations were made about short-term rentals that could be proved to be less than true or reliable. Will there be lawsuits against agents who made representations about the right to operate a short-term rental?

Proposed Changes to STRs Rules

The most identifiable issue with short-term rentals in Fredericksburg is compliance with the rules and regulations and the need for stricter and more consistent enforcement. Here is a list of potential changes to consider to the existing rules on short-term rentals that would avoid sustainable legal challenges:

- **Effective date:** All new STR rules apply to properties purchased after the effective date of the new rules
- **Fee increase to fund enforcement:** Increase the fees charged for STR permits, and use a significant portion of the additional revenues to fund the hiring of necessary personnel, and purchasing of necessary infrastructure, to strictly enforce the rules
- **24/7 contact number for neighbors:** Require a 24/7 available phone number for owner or manager of short-term rentals to be on file with the City, posted on the internet and provided to neighboring property owners
- **Hotel Occupancy Tax collection:** Take all action necessary to insure all short-term rental owners are paying hotel/occupancy taxes that are owed
- **Notice of Rules:** Require proof that the short-term rental owner has provided a copy of the rules and potential fines to each guest and proof that the guest has read and agreed to be bound by the rules and be subject to the fines
- **Fines for violations of the rules:** Raise and collect the fines imposed on guests who violate the rules. Also, raise and collect the fines imposed on property owners and managers who do not comply with City regulations
- **Off-street parking:** Require an off-street parking location for at least two cars in rear or on the sides of all short-term rental properties
- **Revocation or suspension of permit:** Revoke or suspend the permits of owners of short-term rental properties that are repeat violators

Conclusion

Short-term rentals are not passive income. In fact, to operate one well, and in full compliance with the rules, is considerably challenging and takes hard work. There are many existing short-term rental properties that would likely return to single family rentals or owner-occupied homes if proper rules were passed AND ENFORCED. The marketplace in Fredericksburg is currently astir with the idea of short-term rentals. But as the City moves forward with clear rules and consistent enforcement, the market will weed out those not passionately operating a fully complying short-term rental. The effect will be, in part, more homes used as a family residence and affordable long-term rentals. Private property rights and a prosperous real estate market are as much a part of the fabric of Fredericksburg as any other thread.

Let us look after the interests of our neighbors, and not our own interests alone. Clear rules and consistent enforcement is the best way to look after all the interests of all the neighbors.

From: Shelby Collier
Sent: Monday, June 7, 2021 9:44 AM
To: Rhoda Reynolds
Cc: Jason Lutz; Kent Myers
Subject: RE: STR response

Good morning Mrs. Reynolds,

Thank you for your feedback regarding Short Term Rentals.

We are truly fortunate to live in a community with citizens that are active and thoughtful regarding our development and growth.

I will be sure to pass your comments along to additional Staff as part of the ongoing discussions surrounding Short Term Rentals.

Have a blessed day!

“We're leading with integrity while providing the best customer services to our community.”
Shelby Collier/ Associate Planner/ City of Fredericksburg
O. 830-990-2013/ scollier@fbgtx.org

From: Rhoda Reynolds [REDACTED]
Sent: Friday, June 4, 2021 3:03 PM
To: Shelby Collier <scollier@fbgtx.org>
Subject: STR response

Good afternoon-

My husband and I moved to Fredericksburg in 2001 and lived for the first 2 years inside the city limits. We now live just outside of town but we own 2 rental properties in Fredericksburg with our children.

They were both originally long term rentals and one remains so. However, we have found that neighborhood complaints and care of the property can be an issue in long term rentals.

We made the decision to convert one of the properties to a STR and have just begun to rent it as there were significant repairs that had to be made. When they are here our children live in this house. We have a no events policy and quiet hours from 10 to 8 as part of our house rules. We also do not have a hot tub. These are choices we have made as we feel invested in these neighborhoods. It would be inappropriate for those of us who are responsibly managing a property so that it is well cared for and an attractive part of a neighborhood to be penalized for the irresponsibility of others. We have a neighbor that flies his drone each night but we have not complained about the noise or invasion that it creates.

We all have to learn to live together and appreciate our different purposes for our properties.

As a resident of Gillespie County I would like to see there be more investment in offering activities that draw families and groups looking for a pleasant place to get away from the city. It would help draw a more diverse crowd of visitors if we had more bike lanes, hiking opportunities, family weekend offerings and fewer tasting rooms on Main Street.

Respectfully,

Rhoda Reynolds

From: [Shelby Collier](#)
To: [Rhoda Reynolds](#)
Cc: [Jason Lutz](#); [Kent Myers](#)
Subject: RE: STR response
Date: Monday, June 7, 2021 9:43:46 AM

Good morning Mrs. Reynolds,

Thank you for your feedback regarding Short Term Rentals.

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I will be sure to pass your comments along to additional Staff as part of the ongoing discussions surrounding Short Term Rentals.

Have a blessed day!



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Respectfully,

Rhoda Reynolds

It is my opinion that there are two problems with the existing mechanisms for reporting STR problems and for rectifying them.

1. STR problems called in to 9-1-1 Dispatch are inefficiently handled
2. Penalties for poorly managed STRs are not sufficiently punitive

Reporting an STR problem

Suppose there's a noisy outdoor party going on at 1 am Saturday morning at a nearby STR. Typically, I don't know how to contact the STR operator so my only recourse is to call 9-1-1. This results in a police officer being dispatched to take care of the problem.

What's wrong with this response?

Each time an STR is licensed by the City, the STR operator must designate a local contact person who is responsible 24/7 for handling problems. Unfortunately, this person is not currently involved in problem resolution. Instead, a City police officer is involved. This is a waste of a valuable resource.

I've spoken with the Dispatch Director Les Metzler. He does not have a list of 24/7 contacts for STRs. If he did have the list, he could avoid calling out a police officer. He could contact the 24/7 person and let them know they have one hour to resolve the problem.

If the problem is not resolved within the hour, I can call 9-1-1 again. This would trigger the dispatch of a police officer to take care of the problem. It should also trigger a penalty for the STR operator.

When problems are not taken care of within one hour of being reported

An "offence" is incurred by an STR operator if a problem is not resolved within one hour of being reported. For the first offence within a 3 month period, the STR operator should be forbidden to operate the STR for one month. For the second offence within a 3 month period, a two month penalty should be imposed. For any subsequent offence within a 3 month period, the license to operate the STR should be revoked permanently.

I'm not proposing these penalties should be imposed if problems are taken care of within one hour of being reported. But they should be imposed if the 24/7 contact is delinquent in taking care of problems within one hour of them being reported.

The need for cooperation between the department that licenses the STRs and 9-1-1 Dispatch

A mechanism needs to be implemented so that 9-1-1 Dispatch can access an on-line, up-to-date list of STRs, their street addresses, and the contact information of the 24/7 person responsible for handling problems. This mechanism needs cooperation between City Hall departments but should not be insurmountable.

**Thank you for your consideration,
Graham Pearson
830-733-7435**



Short-Term Rentals—Fredericksburg, Texas Revised Ordinance—Love your NEIGHBORhood

Introduction

It is time to revise the ordinance on short-term rentals (STR) in Fredericksburg, Texas.

Importantly, the revisions should be tied to a broader vision for Fredericksburg and help shape policies that address many of the other underlying concerns and challenges we face at this time as a community. There must be synergy between changes to the STR ordinance and moving toward solutions for affordable housing, revitalization of parks and safe neighborhoods, sustainable long-term rentals and attracting and keeping an energetic and prospering work force. All of these challenges, and others, must be kept in view while addressing STRs and their impact on neighborhoods and full-time residents.

Let us state what we hope is the obvious: The most important component to a successful revision to the existing ordinance on STRs is for each of us to love our neighbor(hood). No matter which side of the argument you are on, can we talk and exchange ideas and still be agreeable with one another? Can we honor property rights, but also yield to considering the use and enjoyment of property rights by our neighbor of their property as a full time resident or STR operator?

We hope all sides to the STR dialogue can see the other perspectives and then take this time in the City's history to make substantive and meaningful changes to the STR Ordinance.

Long-Term Vision—Proposed Revisions

The underlying vision of the proposed revisions to the ordinance stands on these legs:

- **New “STR-Zone”** First, a newly created “STR-zone” would be established as the allowed area for short-term rentals. This could be accomplished by creating a new zoning classification, or simply adding a STR designation to existing classifications. This zone will incorporate an improved park system, pedestrian/bike-friendly streets and a vibrant Main Street area. The STR-zone would be an area marked by Frantzen Park to the southwest all the way north to Marktplatz and then to the Middle School campus that will hopefully include public park features in the future and on to other parks outside of the STR-zone. This STR-zone can be roughly drawn using Ufer to the south, Milam to the west, Travis to the north and Lincoln to the east. These boundary streets already represent an area that is an established area of mostly STR's with a high walkability and connection to Main Street and nearby shops and restaurants.
- **STR Permit Cap** Second, there will be a City-wide deadline set for all property owners to choose whether to apply for a STR permit. The number of permits applied for by the deadline (which are then processed and approved within one year of application date) will set the maximum number of permits available for issuance. All properties outside the “STR-zone” that do not apply for a permit by the deadline will be permanently barred from ever obtaining a STR permit. No additional STR permits will ever be issued outside of the STR-zone and no additional permits will be issued within the STR-zone except upon the release or non-renewal of an existing STR permit within the zone. A waiting list will be created so that an orderly issuance of new STR permits can occur when an existing one is released. This approach of setting a deadline will grandfather any existing STR's, as well as meet the legal requirements of “investment-backed expectation” for those property owners who purchased properties based on bringing them up to code and putting them into the STR market.

- **Property Tax Treatment/Fee Increase** Third, there will be a property tax adjustment between properties with a STR permit and those without the permit, based on true market considerations. The revised ordinance will also increase STR permit fees to \$2,500 and annual renewal fees of \$750 that will help fund the City expenses for managing the permit system, enforcing the rules and cover other expenses associated with promoting a pedestrian/bike friendly, park-connected core. By increasing property taxes and raising fees on STR's, only motivated STR owners will apply for a permit. Other owners will be financially encouraged to put their properties into the long-term rental market so badly needed in our community. Property tax adjustments will take time and cooperation between different governmental offices and agencies, but this can be done if all parties are wanting to bring about an equitable result.
- **New Rules/Stricter Enforcement** Fourth, new rules will be promulgated concerning parking, noise and owner contact information—and coupled with an increased enforcement staff to insure the rules are followed. The new rules will include a requirement that a 24/7 available phone number for BOTH the owner and manager of short-term rentals to be on file with the City and provided to neighboring property owners. All STR permit holders will be required to obtain proof that the short-term rental owner or manager has provided a copy of the rules for parking, noise, lights, trash, as well as the potential fines to each guest. The owner/manager will also maintain written proof that the guests have read and agreed to be bound by the rules and agreed to be subject to the fines. Violation of the rules will result in fines imposed on guests who violate the rules. Also, the revised ordinance will raise the fines imposed on property owners and managers who do not comply with City rules and regulations. The new rules will require one off-street parking location for each bedroom, in rear or on the sides of all short-term rental properties, but will allow stacked parking. The rules will provide for a revocation or suspension of the permits of owners of short-term rental properties that are repeat violators of the rules.

Conclusion

The goals of the revised ordinance are to honor property rights, while also moving toward a recognized zone for future STR's. By giving all property owners an opportunity to opt in or out of a STR permit, private property rights are given due process. By having a total permit cap, with an accompanying waiting list for others who want a permit within the STR zone, the City and its residents can more accurately govern and regulate the balance between STRs occupants and resident families. By changing property tax assessments, raising fees, passing and enforcing stricter rules—only the legitimate, motivated, market focused STR's will remain. Other property owners will be incentivized to put their properties into the long-term rental market, providing more affordable housing for work force personnel and families wanting to raise their children in safe neighborhoods. By emphasizing the core-pedestrian area of Fredericksburg as the STR-zone, shops, restaurants and special events at Marktplatz will continue to have the foot-traffic necessary for a vibrant market center.

We want Fredericksburg to be a City where its residents love their NEIGHBORhood.

This will occur if her leaders are willing to take decisive steps toward reigning in the continued proliferation of STRs in all neighborhoods. Just as is the case with our need for affordable housing and a vibrant/prosperous work force, the solutions will not come all at once, nor make everyone entirely happy—but first steps are vital if we are to ever solve these persisting challenges. It is the hour to love our neighbor(hoods) and the steps we propose are good first steps to that end.

From: [Edward Kramer](#)
To: [Jason Lutz](#)
Subject: STR - Resources for consideration
Date: Thursday, May 27, 2021 6:20:44 AM
Attachments: [image001.png](#)

Jason,

Thank you for your presentation followed by your monitoring of Q and A. You handled a challenging room well, and I appreciate your willingness to give voice to all in the room. As a small point of feedback, I do believe it would be useful to have a microphone for commenters. They were very difficult to hear and understand.

Has leadership considered creating a private sector task force made up of local citizens to assist with STR policy proposals? The community has many who are willing and able to serve on such a task force for the good of our community and assist local leaders on this challenging issue.

I would like to share a few resources for you and decision makers to review and consider in your analysis of the STR issue in Fredericksburg.

<https://commons.lib.jmu.edu/cgi/viewcontent.cgi?article=1112&context=honors202029> – A thesis on the economic impact on local communities. Executive summary: Where there are too few regulations and taxes are not issued properly (residential vs. commercial), the economics skew toward the issue we have in Fredericksburg today. Economic Rent (See definition below) is reduced when you take measures such as requiring a business license to insurance tax compliance and require short-term rental permits.

Economic rent is an amount of money earned that exceeds that which is economically or socially necessary. This can occur, for example, when a buyer working to attain a good or service that is considered exclusive makes an offer prior to hearing what a seller considers an acceptable price. Market imperfections thus lead to the rise of economic rents; it would not exist if markets were perfect since competitive pressures would drive down prices.

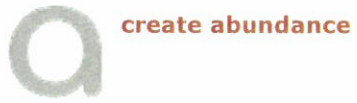
<https://coloradohardmoney.com/aspen-taxing-nightly-rentals/> - Aspen is making some major changes now to address their STR issues. Interesting how closely the issues we are facing correlate with those discussed in Aspen.

<https://www.epi.org/publication/the-economic-costs-and-benefits-of-airbnb-no-reason-for-local-policymakers-to-let-airbnb-bypass-tax-or-regulatory-obligations/> - useful for any policy discussion we may have in the future

Again, thank you for your leadership.

Thank you,
Eddie

Eddie W. Kramer, CFP®, EA



803.451.2923

Abacus Planning Group
150 E. Main Street
Ste. 205
Fredericksburg, TX 78624

abacusplanninggroup.com

From: [Jim Goodman](#)
To: [Jason Lutz](#)
Subject: STR comments/ public input
Date: Saturday, May 29, 2021 1:42:35 PM

Hello Jason,

Thank you for holding the Public Input Sessions. I attended the Tue morning session and thought that the session was well done.

I would like to submit the following letter to you and to the town.

STR CONFLICTS IN FBG

It is clear that both the residents and town staff have much to regret about our present STR situation. I believe the basic flaw is that the town can not control people that party and celebrate in STR's. There is no person, or manager, or owner present to be responsible for civil behavior. And why would our officials want that responsibility?

A few additional rules will only increase the duties and burden on the town staff and will not satisfy residents who need real relief.

Why do we permit STR's at all? They favor outsiders into our family neighborhoods and drive good people with children away. We must place a moratorium immediately and search to find a meaningful solution.

Jim and Laurie Goodman
601 Persimmon Court
FBG

The conundrum of STR's:

Like many other homeowners in Fredericksburg, I recently received an unsolicited mailing from a local property manager suggesting I convert my home into an STR. Currently, there are 850 permitted STR's in Fredericksburg and probably a significant number that are non-permitted. The owners of over 50% of residential property do not claim a homestead exemption, suggesting these properties are not the owner's primary residence. Some of these properties may represent second homes, others are long term rentals. During the 23 years we have lived here, we have seen our Historic District neighborhood morph from a community of homes with families to a collection of residences largely empty other than on weekends and holidays.

The proliferation of STR's has inexorably changed the character and culture of our town. Often cited concerns include nuisance of noise and garbage, rising property values due to homes purchased as businesses, and empty neighborhoods devoid of families with children. Of great concern also is the absence of permanent residents who vote in local elections. While some locals do own properties used as STR's, the majority appear to be owned by absent landlords who have no connection to our community other than financial. Further, these STR's are businesses operating in neighborhoods zoned for residence thus adversely affecting valuations. In the past several years, bond elections pertaining to parks, schools, and other public investments have failed due some degree to the replacement of homes owned by voters with STR's occupied by tenants.

My comments should not be construed as denigrating private property interests. Nor should they to be construed as holding individual owners or property managers personally responsible for the winds of change. My comments are, however, meant to encourage better understanding of the consequences of the monetization of our homes and community that, while financially beneficial to some, also produce incrementally detrimental effects upon the many. Certainly, our local government has been slow to appreciate the ripple effect of STR's as they held private property interests in higher regard than community interests. We have reached a tipping point and the reaction by elected officials is beginning to push back.

Municipal ordinances must address some of the more egregious disruptions to those who live here, notably excessive late-night noise, over-parking, and inadequately managed trash. Ordinances also must also address accountability of owners, the number of guests an STR may accommodate, and the number of dwellings on any single property that may be rented to visitors. Ordinances should better distinguish between owner on site B&B's from no owner on site STR's. Unfortunately, current ordinances are limited and lack clarity and enforceability. But even if better codes are written and enforced, there still will be adverse consequences for our neighborhoods due to the sheer number of STR's.

If there is to be some compromise that will allow our amazingly vibrant, beautiful, and historic community to exist as the real place that tourists love to visit rather than a sterile "Disneyland-like" venue that will quickly lose its character, city government and property developers must take into consideration the larger picture and the greater good. On one hand, private property

rights are certainly important. On the other hand, the marketplace does not always provide the best allocation of resources.

There is an ancient tradition in English law concerning “the tragedy of the commons.” This tradition seeks to provide equitable access to scarce resources. The tragedy of the commons refers to a situation in which individuals with access to a shared resource (also called a common) act in their own interest and, in doing so, ultimately deplete the resource. Originally, the concept had to do with public land available for grazing on market days but has evolved to consider many issues where demand outstrips supply such as national parks, water, elite public universities, and housing.

Perhaps this is the time to agree to a moratorium (with a reasonable endpoint) on new STR permits, clarify and enforce the current ordinances, bring into regulation currently non-permitted rental properties, and, with input from all stakeholders, undertake a serious study of the consequences of the current policy.

Not to find a balance between the rights of property owners and the rights of the public will ultimately lead to our collective undoing.

Leonard Bentsch
205 N. Bowie St.
Fredericksburg, Texas 78624

STR Discussion
John Weisinger

I would like to compliment Jayson and how well he and the City staff handled the STR meeting last Wednesday afternoon. I felt there were many positive inputs to consider with few gripes.

First, having spent almost a year along with Rose Marie Mazanke seeking input from many different groups in Fredericksburg and the county, we heard a lot. The final document from the visioning process, however, did not accurately weigh the topics of interest that were expressed. Without a doubt the overriding concern and point of interest by virtually every group we met with was the preservation of "The Quality of Life in Fredericksburg".

Our town has reached a tipping point with OVERTOURISM. It is the elephant in the room. We have to get tough which will make some people unhappy. This is imperative if we want to get this STR problem under control.

When B&Bs first appeared in FBG, they were not a problem. Over time, however, a lack of oversight, a lack of enforcement of existing ordinances, an ignoring of the growing STR problem, and a minimizing/ignoring the complaints of residents have created a serious tipping point for the quality of life in our town.

Overtourism impacts not only the STRs and Quality of Life issues. Traffic, retail, inflated rent and housing prices, noise, infrastructure, law enforcement and the list goes on and on are impacted. Overtourism is a unique problem not shared by many towns. It seriously impacts the culture of FRB that has been the attraction for so many to visit and call home in the past.

STR Suggestions:

We need to reduce the number of STRs if we want to maintain our neighborhoods this can be done by having the \$500/year permit fee that was originally recommended by the visioning subcommittee. If not paid the permit would be revoked. Weed out the not-so-serious STRs.

For an STRs to be allowed in a neighborhood one must get a Conditional Use Permit that allows neighbors to give input and challenges

To reduce the number of STRs give a present STRs an incentive to change the STR to long term rental property by giving a discount on property tax.

This discount could be applicable for any non-owner occupied property that is only used for long term rental. Some would take this offer to get rid of the hassles of having an STR. There may other incentive possibilities.

Establish a policy that will revoke the permit if a certain number of police calls have been made on an SDR property. Way to eliminate party houses and make owners more involved in the policing.

Only allow STRs to permanent residents on their property. No absent owners.

Work with STR owners to create neighborhood friendly Guest Houses that fit into a neighborhood and are an asset. If the STR owner is uncooperative they should loose their permit or be forced to close.

STRs should be removed by attrition from R-1 residential areas or be re-zoned. The re-zoning would be accomplished through a Conditional Use Permit. When an STR in R-1 is sold that residence could not be sold as a potential STR only as a residential home. If after sale the purchaser wanted to make it an STR they would be required to get the property re-zoned via a CUP.

With increased STR permit fees (\$500) hire two enforcement officers and tailor the job description to make sure that both work weekends, nights and holidays. We must take the enforcement off the shoulders of our police force.

Have strong and enforceable ordinances that have consequences.
No outside sound systems or TVs that can violate sound ordinances
10 pm neighborhood quiet time begins. Lighting standards.

Limit the size and number of guest houses on a property to discourage parties and encourage more affluent, well mannered and economically desirable guests.

Have STRs abide by light ordinances which are not being enforced.

Encourage more quality hotels, motels or convention center to encourage a more affluent demographic and stop our neighborhoods from becoming hotels. The growth of a quality wine industry is going to change the demographics of those coming to experience FBG wines. The hospitality facilities provides jobs.

Seek the approval of the legislature to use our Hot Tax dollars differently than the statute requires BECAUSE we are THE tourist mecca of Texas and Hot Funds could help provide needs and services that would provide sustainability of this iconic tourist destination and its assets.

Implement a city tourist tax on accommodations and food establishments
Funds available for infrastructure and enforcement. Numbers of cities and towns have implemented just such a fee or tax for these purposes.

Make city ordinance honest for R-1 uses. If you are going to allow STR businesses in R-1 areas of the city don't penalize other cottage businesses that may be in R-1.

Take out the "loop hole" in R-1 zoning that has been used to allow STRs.

From: [Jessica Mittel](#)
To: [Jason Lutz](#); [Clinton Bailey](#); [Kent Myers](#); [Shelby Collier](#); [Anna Hudson](#)
Subject: Suggestions for STR Ordinance
Date: Tuesday, June 1, 2021 3:21:49 PM

Hello,

I met with Kent a few weeks ago to discuss some possible changes to the STR ordinance based on research I have done focusing on other cities with STR ordinances. I promised that I would send the information we discussed. From what it sounds like, both owners and neighbors have issues with party houses, so many of my suggestions target party houses specifically.

Possible STR ordinance changes to consider after stats are gathered and analyzed:

- Cap occupancy for R1 zoned properties. The city already restricts occupancy, but also place a cap on it. It doesn't sound like anyone has complaints about lower occupancy STRs. A normal residence never has 12+ people residing in it. Only allow commercially zoned to have higher occupancy. Some cities define it as 2 guests per bedroom. Kent's question to me was how do we enforce it. Most people book based on the occupancy advertised. Otherwise, there are devices that count the number of phones in the room. Some noise monitoring devices do both. AirBnB even put a 16 guest cap last year on occupancy to prevent parties.
- Require parking for each property. I have read other city ordinances that require 1 spot per bedroom. Even 1 spot per 4 people would be a good start which is what I tell my owners to provide. We just need to try and find a balance to avoid houses looking like parking lots with unproportionate sized driveways in the front. Must be stated on the listing that only X amount of cars are allowed on the property.
- Hours of operation for hot tubs since this seems to be the hottest topic.
- Grandfathering current R1s that have hot tubs, but not allowing them going further in R1s.
- Require noise monitoring devices on larger occupancy properties or repeat violation offenders. NoiseAware is \$99/device + \$99/month for monitoring.
- Require owners to obtain signature of receipt from guests stating they acknowledge the STR ordinance. Some cities do this and require operators to either have a central office for guests to check in or meet them at the property to sign the document. An electronic document is also an option which we started doing for some of our properties. Also, all guests at the property must be listed on the document by the time of check-in. Listing guests would also help verify occupancy if needed.
- Fines and/or suspension chart for repeat offenders.
- Fines assigned to guests and brief STR ordinance posted on the listing if possible. AirBnB has a "house rules" section.
- Music fully maintained inside the property after 11pm.
- No dogs left alone in the yard while guests are gone.
- Increase STR permit fee. We are the least expensive I have seen by far.
- Permit Renewal every 3 years. Many of my properties haven't changed anything in 30 years! City inspectors are too stretched thin.
- Must have a local operator contact. Shelby touched on this a bit, and it sounds like there has been some follow up on this recently.
- Require notification from the owner should they sell their STR, so that the existing permit gets marked expired or updated accordingly. However, there should be some

grace period for the new owner to renew before receiving a violation since there will likely be existing future reservations when the property sells.

- If a permit is renewed and paid on time, provide an additional length of time or grace period to allow inspection since it sometimes is impossible to receive an inspection between the current city's schedule and an already established property's bookings.

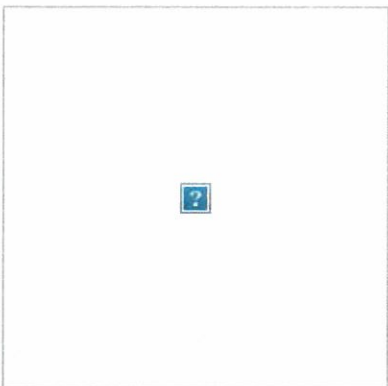
Other comments/suggestions:

-
- STR hotline and STR code enforcer who works or is on call on weekends, nights & holidays when guests are here and enforcement is necessary.
- Provide a list of STRs online with operator contact.
- Please do not change the actual permit number every year. This is not only confusing, but a lot of work to change.
- Get rid of Avenu! With STR helper, we had online renewal. We could see in our portal when a permit was about to expire or had already expired. There were no accounting errors before Avenu, permitting was more consistent and the communication was better. Shelby has tremendously helped the communication part and has helped with getting them to respond in a timely manner.
- If you have to stick with Avenu, require them to have a permit processing deadline. Currently, processing an application can take anywhere from 2 weeks to several months.
- Call the owner/operator when there is a violation. Don't just put a sign in the front yard with little to no explanation and leave.

On a separate note, I think it would be a great idea to provide incentives for owners to rent out their house long term vs. short term. If anyone wants to discuss this topic, please feel free to reach out.

I realize that some of these items may be difficult to enforce, but this would at least give owners a few more guidelines. I think most people want to follow the rules, but there will always be that small percentage that do not, no matter what the ordinance states.

Thank you,
Jessica



Jessica Mittel

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City Council,

I am writing this to offer some thoughts and hopefully provide constructive feedback on the STR issues you are all dealing with now and will continue to deal with in the future. Having grown up in Fredericksburg, and having worked for the City for 20 years, I feel I have a unique perspective on STR's, both from having them in my neighborhood and from an administration and enforcement perspective.

As you all know, many years ago, STR's or B&B's were generally a unique opportunity for those properties in town that were large enough and charming enough to attract travelers who wanted something other than a hotel experience. And in these cases, the property owners lived on site, they provided a unique living and food experience, and they often became lifelong friends with the guests. The City's ordinances permitted this to occur in the R-1 zones in rooms of the residence, or if the property was large enough (10,000 sf) they could have a separate guest house, but not both. In either case, the owner was on site. The ordinance also allows the principal residence to be used as an STR without the owner being on site. This is the part of the ordinance that has been taken advantage of over the last several years. My point here is that in the past many of these homes were utilized as long term rentals as opposed to STR's. It wasn't until relatively recently that these homes are being used as STR's all over town. You don't really need a unique home or location to use your home as an STR. Case in point, my neighborhood was built in phases but generally the houses were built in the mid 2000's, and there are multiple properties that are now being used as STR's. I can assure you this was never the intent of the ordinance.

As a staff member for the City, whose responsibility it was to administer and enforce the ordinance pertaining to STR's, I will say that I always tried to respect property rights and often would argue that the market would settle things out. As a Planner, my professional and ethical responsibility was to protect the health, safety and welfare of all individuals. Equally as important, was my responsibility to protect and preserve neighborhoods. When I was working for the City, I would hear the stories about the ridiculous prices being paid for houses that would eventually become STR's. I tried not to allow this to affect my judgement, because again I believed the market would work things out. Unfortunately, this is where my opinion has now changed, and the effects of the real estate market with respect to the use of single family properties for STR's has really changed my feelings about the market. I can give you a number of examples of where corporations and individuals are paying over asking price for homes they intend to use as STR's, but I'm sure each of you have heard many yourself. Since I'm not an expert on the market, I will focus on how I think this matter is affecting our community. First of all, the City's Comprehensive Plan and the more recent Visioning Groups, both stressed the importance of protecting and preserving our residential neighborhoods. While this is a broad statement, one could argue that one or several STR's on a residential street could negatively effect our neighborhoods.

While I know the Council will be receiving much input from the meetings being held this week about STR's, both good and bad, I want to focus my comments really on the R-1 zoned properties. Personally, I think the commercially zoned properties and those zoned mixed residential or multi-family residential are fine, because that is the intent of these districts. If the Council is going to consider changes to the ordinance, I would suggest that you consider establishing a requirement that all STR's in the R-1 zones be owner occupied. This would have a way of self-governing the parties or other undesirable activities that occur when the owner is not present or is some corporation that could care less what is going on and is only worried about the bottom line. I know there will be legal implications for this action that will

need to be investigated but I'm just offering this as a possible solution. Another option could be to limit the number of STR's on a given street in an R-1 zone. I don't think this will work as well, but it may be worth considering. Whatever solution the council may or may not end up with, I would encourage you to put yourself in the position of having an STR immediately adjacent to your home, and how would you react if there was a party there on a regular basis. I can tell you from experience, that the folks staying in these STR's are not concerned about affecting the neighborhoods with noise, lewd activities, over filling trash cans, parking in driveways, excessive lighting, and other detrimental activities. No amount of enforcement will fix this problem, and the days of these individuals respecting the neighbors is no longer the norm.

I wish you all the best and support whatever decisions you make on this matter. Out of respect to the current staff, I will not be attending either of these sessions tomorrow to offer my thoughts or comments.

Best Regards:

Brian Jordan