**ORDINANCE NO.**

**AN ORDINANCE AMENDING CITY CODE CHAPTERS 25-2 (ZONING) AND 25-12 (TECHNICAL CODES) RELATING TO THE REGULATION OF SHORT-TERM RENTAL RESIDENTIAL USES; AND WAIVING THE TECHNICAL BOARD REVIEW REQUIREMENT OF SECTION 25-1-502.**

**BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF AUSTIN:**

**PART 1.** Subsection (B) of City Code Section 25-2-3 *(Residential Uses Described)* is amended to add a new use classification, Short-Term Rental, to read as follows and to renumber the remaining classifications accordingly:

(10) SHORT-TERM RENTAL use is the rental of a residential dwelling unit or accessory building, other than a unit or building associated with a group residential use, on a temporary or transient basis in accordance with Article 4, Division 1, Subpart C (*Requirements for Short-Term Rental Uses*) of this chapter. The use does not include an extension for less than 30 consecutive days of a previously existing rental agreement of 30 consecutive days or more.

**PART 2.** City Code Section 25-2-491 *(Permitted, Conditional, and Prohibited Uses)* is amended to add a new use, Short-Term Rental, and the chart in Subsection (C) is amended as follows:

Short-term rental use is a permitted use in the following base districts:

Lake Austin residence (LA)
rural residence (RR)
single-family residence large lot (SF-1)
single-family residence standard lot (SF-2)
family residence (SF-3)
single-family residence small lot (SF-4A)
single-family residence condominium site (SF-4B)
urban family residence (SF-5)
townhouse and condominium residence (SF-6)
multifamily residence limited density (MF-1)
multifamily residence low density (MF-2)
multifamily residence medium density (MF-3)
multifamily residence moderate-high density (MF-4)
multifamily residence high density (MF-5)

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multifamily residence highest density (MF-6)
central business (CBD)
downtown mixed use (DMU)

**PART 3.** City Code Chapter 25-2, Subchapter C, Article 4, Division 1 (*Residential Uses*) is amended to add a new Subpart C to read as follows:

***Subpart C. Requirements for Short-Term Rental Uses.***

**§ 25-2-788 SHORT-TERM RENTAL (TYPE 1) REGULATIONS.**

(A) This section applies to a short-term rental use that is rented for periods of less than 30 consecutive days, is not part of a multifamily use, and:

(1) is owner-occupied;

(2) has a residence homestead exemption as defined under state law; and

(3) is rented for periods of less than 30 consecutive days for an annual total of no more than 90 days.

(B) A short-term rental use under this section may not:

(1) include the rental of less than an entire dwelling unit;

(2) operate without a license as required by Section 25-2-790 (*License Requirements*); or

(3) operate without providing notification to renters as required by Section 25-2-791 (*Notification Requirements*).

(C) For a short-term rental use under this section, a secondary residential unit on the same property may be rented for periods of less than 30 consecutive days for an annual total of more than 90 days.

**§ 25-2-789 SHORT-TERM RENTAL (TYPE 2) REGULATIONS.**

(A) This section applies to a short-term rental use that is rented for periods of less than 30 consecutive days, is not part of a multifamily use, and:

(1) is not owner-occupied;

(2) does not have a residence homestead exemption as defined under state law; or

(3) is rented for periods of less than 30 consecutive days for an annual total of more than 90 days.

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(B) A short-term rental use under this section may not:

(1) include the rental of less than an entire dwelling unit;

(2) operate without a license as required by Section 25-2-790 (*License Requirements*); or

(3) operate without providing notification to renters as required by Section 25-2-791 (*Notification Requirements*).

**§ 25-2-790 LICENSE REQUIREMENTS.**

(A) A license is required under this section for each property containing a short-term rental use.

(B) To obtain a license, the owner of a short-term rental use must submit an application on a form provided for that purpose by the director. The application must include the following:

(1) a fee established by separate ordinance;

(2) the name, street address, mailing address, facsimile number, and telephone number of the owner of the property;

(3) the name, street address, mailing address, facsimile number, and telephone number of a local responsible contact for the property;

(4) the street address of the short-term rental use;

(5) a tax identification number;

(6) proof of property insurance;

(7) proof of payment of hotel occupancy taxes due as of the date of submission of the application; and

(8) any other information requested by the director.

(C) The director shall issue a license under this section if:

(1) the application includes all information required under Subsection (B) of this section;

(2) the proposed short-term rental use complies with the requirements of Section 25-2-788 (*Short-Term Rental (Type 1) Regulations*) or Section 25-2-789 (*Short-Term Rental (Type 2) Regulations*);

(3) for a short-term rental use regulated under Section 25-2-789 (*Short-Term Rental (Type 2) Regulations*), no more than 3% of the single-family,

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detached residential units within the zip code of the property are short-term rental (type 2) uses as determined by the Director under Section 25-2-792 (*Determination of Short-Term Rental Density*); and

(4) the structure has:

(a) a valid certificate of occupancy or compliance, as required by Chapter 25-1, Article 9 (*Certificates of Compliance and Occupancy*); or

(b) the building official determines, based on a minimum life-safety inspection, that the structure does not pose a hazard to life, health, or public safety.

(D) A license issued under this section:

(1) is valid for one year from the date of issuance, subject to a one-time extension of 30 days at the discretion of the director;

(2) may not be transferred by the property owner listed on the application and does not convey with a sale or transfer of the property; and

(3) satisfies the requirement for a change of use permit from residential to short-term rental use.

(E) A license may be renewed annually if the owner:

(1) pays a renewal fee established by separate ordinance;

(2) provides documentation showing that hotel occupancy taxes have been paid for the property as required by Section 11-2-4 (*Quarterly Reports; Payments*) for the previous year; and

(3) provides updates of any changes to the information required under Subsection (B) of this section.

**§ 25-2-791 NOTIFICATION REQUIREMENTS.**

(A) The director shall provide a packet of information with each license summarizing the restrictions applicable to the short-term rental use, including:

(1) the name and contact information of the local responsible contact designated in the application;

(2) occupancy limits applicable under Section 25-2-511 (*Dwelling Unit Occupancy Limit*);

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(3) restrictions on noise applicable under Chapter 9-2 (*Noise and Amplified Sound*), including limitations on the use of amplified sound;

(4) parking restrictions;

(5) trash collection schedule;

(6) information on relevant burn bans;

(7) information on relevant water restrictions; and

(8) other guidelines and requirements applicable to short-term rental uses.

(B) The owner or operator of a short-term rental use must:

(1) provide renters a copy of the information packet under Subsection (A) of this section; and

(2) post the packet conspicuously in the common area of each dwelling rental unit included in the registration.

**§ 25-2-792 DETERMINATION OF SHORT-TERM RENTAL DENSITY.**

(A) The director shall determine on an annual basis the total number of single-family, detached residential structures within each zip code and use that number to calculate the maximum number of licenses for Type 2 short-term rentals that may be issued under Section 25-2-790 (*Registration Requirements*).

(B) The determination required under Subsection (A) of this section shall be based on the most current county tax records for each zip code within the zoning jurisdiction and may not be revised until the next annual determination is made.

**PART 4.** City Code Chapter 25-2, Subchapter E, Article 4, Subsection 4.2.1.C (*Mixed Use Combining District*) is amended to read as follows:

C. Uses Allowed**.**

In the MU combining district, the following uses are permitted:

i.[~~1.~~] Vertical mixed use buildings, subject to compliance with Section 4.3. of this Subchapter;

ii.[~~2.~~] Commercial uses that are permitted in the base district;

iii.[~~3.~~] Civic uses that are permitted in the base district;

iv.[~~4.~~] Townhouse residential;

v.[~~5.~~] Multifamily residential;

vi.[~~6.~~] Single-family residential;

vii.[~~7.~~] Single-family attached residential;

viii.[~~8.~~] Small lot single-family residential;

ix.[~~9.~~] Two-family residential;

x.[~~10.~~] Condominium residential;

xi.[~~11.~~] Duplex residential;

xii.[~~12.~~] Group residential;

xiii.[~~13.~~] Group home, class I (limited);

xiv.[~~14.~~] Group home, class I (general); [~~and~~]

xv.[~~15.~~] Group home, class II; and

xvi. Short-term rental.

**PART 5.** Sections 1308 (*License Suspension*) and 1309 (*Appeal from License Suspension or Denial*) of City Code Section 25-12-213 (*Local Amendments to International Property Maintenance Code*) is amended to read:

**1308 LICENSE SUSPENSION**

**PART 6.** The title of Chapter 13 of City Code Section 25-12-213 (*Local Amendments to International Property Maintenance Code*) is amended to read:

CHAPTER 13 HOTEL, BOARDING HOUSE, ROOMING HOUSE, SHORT-TERM RENTAL, AND BED AND BREAKFAST ESTABLISHMENT REGULATIONS

**PART 7.** Sections 1308 (*License Suspension*) and 1309 (*Appeal from License Suspension or Denial*) of City Code Section 25-12-213 (*Local Amendments to International Property Maintenance Code*) is amended to read:

## 1308 LICENSE SUSPENSION

Whenever the code official finds on inspection of the physical premises or review of applicable records of any boarding house, hotel, rooming house, short-term rental, or bed and breakfast establishment that conditions or practices exist that violate any provision of the International Property Maintenance Code, City Code, or any rule or regulation adopted under this code, the code official shall give written notice to the owner of the property and the operator of the boarding house, hotel, rooming house, short-term rental, or bed and breakfast establishment that unless the violations are corrected by an identified deadline, the [~~boarding house, hotel, rooming house, or bed and breakfast establishment~~] license shall be suspended. At the end of the time provided for correction of the violation(s), the code official shall re-inspect the location or records of the boarding house, hotel, rooming house, short-term rental, or bed and breakfast establishment and, if the conditions or practices have not been corrected, shall suspend the license and give written notice to the licensee that the license has been suspended. On receipt of notice of suspension, the licensee shall immediately stop operation of the boarding house, hotel [~~or~~], rooming house, short-term rental, or bed and breakfast establishment, and no person may occupy for sleeping or living purposes any rooming unit therein, except that the code official may allow continued occupancy by the primary resident(s) of a short-term rental. The notice required by this subsection shall be served in accordance with the notice provisions of applicable law.

## 1309 APPEAL FROM LICENSE SUSPENSION OR DENIAL

The following actions of the code official may be appealed to the Building and Standards Commission as provided in this Code:

1. the denial of an application for a license to operate a boarding house, hotel, rooming house, or bed and breakfast establishment;

2. the suspension of a license to operate a boarding house, hotel, rooming house, short-term rental, or bed and breakfast establishment; and

3. the issuance of a notice that a license to operate a boarding house, hotel, rooming house, short-term rental, or bed and breakfast establishment will be suspended unless existing conditions or practices are corrected.

An appeal filed under this section must be filed with the code official no later than the 20th day following the date on which the license was denied or suspended, or notice of violation was received. The appeal must be set for hearing before the Commission on the next available agenda date following receipt of the appeal and must be heard following setting on the scheduled agenda if a quorum is present at the hearing, unless the appellant requests a later date and waives the scheduled hearing.

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**PART 8.** The council waives the requirement for technical board review under City Code Section 25-1-502 (*Amendment; Review*).

**PART 9.** This ordinance takes effect on _____.

**PASSED AND APPROVED**

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_____, 2012 § _____
Lee Leffingwell
Mayor

**APPROVED:** _____ **ATTEST:** _____
Karen M. Kennard
City Attorney

Shirley A. Gentry
City Clerk

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