

**ORDINANCE NO.**

**AN ORDINANCE AMENDING CITY CODE TITLE 4 TO ADD CHAPTER 4-14 ESTABLISHING A PILOT PROGRAM REQUIRING RENTAL REGISTRATION FOR MULTI-FAMILY PROPERTIES AND NON-COMPLIANT SINGLE-FAMILY AND DUPLEX PROPERTIES; ESTABLISHING A PENALTY; AMENDING SECTION 2-1-122 RELATING TO THE BUILDING AND STANDARDS COMMISSION; AND ESTABLISHING PILOT PROGRAM EVALUATION CRITERIA.**

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

**PART 1. FINDINGS.**

The council finds the following:

- (1) The City is committed to ensuring that residential rental properties in the community are safe and maintained in accordance public health, safety, and property maintenance standards in the City Code.
- (2) Property maintenance is necessary to protect all properties, including residential rental unit dwellers.
- (3) Structural failures at multi-family rental properties have increased.
- (4) A proactive rental registration program is needed to protect the community welfare by ensuring that multi-family property are routinely maintained to prevent substandard and dangerous conditions resulting from major disrepair.
- (5) Single-family rental properties also experience property maintenance issues; and property owners who routinely fail to maintain their properties put rental unit dwellers at risk of injury or death.
- (6) Creating a “rental registration pilot program” that includes increased inspection opportunities is a tool that will assist the City in its commitment to ensuring that residential rental properties are safe and maintained in accordance public health, safety, and property maintenance standards in the City Code.
- (7) The areas included in the pilot program have many residential rental units and have had a high number of complaints handled by the Code Compliance Department. Focusing on these areas will allow the City to

1 determine the effectiveness of a proactive rental registration program in  
2 identifying substandard and dangerous conditions in contrast to a  
3 reactive complaint-based system.

4 **PART 2.** City Code Title 4 (*Business Permits*) is amended to add Chapter 4-14  
5 (*Registration of Rental Property*) to read:

6 **ARTICLE 1. GENERAL PROVISIONS**

7 **§ 4-14-1 PURPOSE AND PILOT PROGRAM AREAS:**

8 (A) The purpose of this chapter is to improve the health and safety of rental unit  
9 dwellers in Austin.

10 (B) This chapter creates a pilot program that requires registration of multi-family  
11 rental properties and non-compliant single-family rental properties beginning  
12 on the effective date of this chapter and continuing for 12 months in the  
13 following areas:

14 (1) North Austin Civic Association (NACA);

15 (2) “Restore Rundberg”;

16 (3) East Riverside/Oltorf Combined Neighborhood (EROC);

17 (4) Central Austin Neighborhood Advisory Committee (CANPAC)  
18 Planning Areas;

19 (5) Hyde Park; and

20 (6) Northfield and North Loop.

21 (C) The areas identified above are shown on the attached map that is identified as  
22 Exhibit 1.

23 **§ 4-14-2 DEFINITIONS.**

24 In this chapter:

25 (1) A.A.C.E. means the American Association of Code Enforcement.

26 (2) AUSTIN METRO AREA means the five-county metropolitan area that  
27 surrounds the City of Austin.

- 1 (3) CODE OFFICIAL means the Code Compliance Department director and  
2 authorized designees.
- 3 (4) DWELLING UNIT means a residential unit providing complete,  
4 independent living facilities including permanent provisions for living,  
5 sleeping, eating, and cooking.
- 6 (5) EMERGENCY CONDITIONS means, but is not limited to, fire, natural  
7 disaster, flood, collapse hazard, burst pipes, lack of working utilities, or  
8 other condition that requires an immediate response to prevent harm to  
9 the property, the tenants of the property, or the public.
- 10 (6) I.C.C. means the International Code Council.
- 11 (7) LANDLORD means a person who owns, leases, or subleases multi-  
12 family or single-family property. The landlord is the applicant for  
13 purposes of this chapter.
- 14 (8) LOCAL CONTACT means the individuals described in Section 4-14-36  
15 (*Local Contacts*).
- 16 (9) MULTI-FAMILY PROPERTY means property that is used for: three or  
17 more dwelling units, within one or more buildings; condominium rental  
18 use as defined in Section 25-2-3(B) (*Residential Uses Described*); and  
19 three or more single-family properties owned by one person that are  
20 adjacent to one another.
- 21 (10) NOTICE OF VIOLATION means a written notice that a violation of the  
22 City Code exists.
- 23 (11) REGISTRANT means the landlord of a registered rental property.
- 24 (12) RENTAL PROPERTY means a multi-family property and a single-  
25 family property subject to this chapter.
- 26 (13) SINGLE-FAMILY PROPERTY means property that is used for  
27 conservation single family residential, duplex residential, single-family  
28 attached residential, single-family residential, small lot single-family  
29 residential, townhouse residential, and two-family residential, as those  
30 terms are defined in Section 25-2-3(B) (*Residential Uses Described*).

31 **§ 4-14-3 REGISTRATION REQUIRED; EXCEPTIONS.**

1 (A) Except as provided in subsection (D), a rental registration issued under this  
2 chapter is required to operate, lease, occupy, or otherwise allow a single-  
3 family rental property to be occupied by a non-owner if any one of the  
4 following conditions are met:

5 (1) two or more separate notices of violation are issued for the same  
6 property within a consecutive 12 month period and the owner of the  
7 property fails to correct the violations within the time frame required by  
8 the code official;

9 (2) five or more separate notices of violation are issued on separate days for  
10 the same property within a consecutive 12 month period regardless of  
11 whether the owner of the property corrects the violations within the time  
12 frame required by the code official; or

13 (3) two or more citations are issued for the same property within a  
14 consecutive 12 month period.

15 (B) The violations identified in the notices and citations must be related to the  
16 City Code Chapter 25-12 (*Technical Codes*), City Code Chapter 10-5, Article  
17 2 (*Sanitary Condition of Real Property*), City Code Chapter 10-7 (*Pools and*  
18 *Spas*), and City Code Section 25-11-32 (*Permit Required*).

19 (C) Except as provided for in subsection (D), a rental registration issued under  
20 this chapter is required to operate, lease, occupy, or otherwise allow a multi-  
21 family rental property to be occupied.

22 (D) A rental registration under this chapter is not required for:

23 (1) Owner-occupied residential units; or

24 (2) Residential units regulated by another section of the Code.

25 **§ 4-14-4 REGISTRATION.**

26 (A) The landlord of a single-family property that meets the conditions in Section  
27 4-14-3(A) (*Registration Required; Exceptions*) must register the property.

28 (B) The code official must provide written notice to a landlord of a single-family  
29 property subject to this chapter that registration is required.

30 (C) The code official may allow a landlord up to 14 days to register a single-  
31 family property subject to this chapter.

1 (D) A multi-family property must be registered within 30 days of the effective  
2 date of this chapter.

3 (E) Registration is non-transferable

4 (F) A separate registration is required for each property.

5 (G) A person who fails to register as required by this section commits an offense  
6 punishable under Section 4-14-53 (*Penalty*).

7 **§ 4-14-5 APPEAL OF REGISTRATION REQUIREMENT.**

8 (A) A person required to register under Section 4-4-14(A) (*Registration*) may  
9 appeal the requirement to register to the code official.

10 (B) The appeal must be in writing and filed not later than 10 days after the date  
11 the notice required in Section 4-4-14(C) (*Registration*) is mailed.

12 (C) An appeal must contain a brief statement of the facts that support the appeal  
13 and the reasons why registration should not be required.

14 (D) An appeal under this Section stays the enforcement of the registration  
15 requirement.

16 **§ 4-14-6 OTHER PERMITS OR LICENSES REQUIRED.**

17 (A) The issuance of a rental registration under this chapter does not satisfy the  
18 requirement to obtain any other permit or approval required by this code.

19 (B) Failure to comply with other City permitting requirements is cause to  
20 suspend a registration issued under this Chapter.

21 **§ 4-14-7 CHANGE IN OWNERSHIP.**

22 If the rental property changes ownership, the new owner must, within 30 days of the  
23 change, submit a new registration application and pay a new registration fee.

24 ***ARTICLE 2. RENTAL REGISTRATION APPLICATION***

25 **§ 4-14-20 CONTENTS OF APPLICATION.**

26 (A) An application for rental registration must be submitted on a form approved  
27 by the code official.

(B) An application must contain all of the information described in this subsection that is applicable to the rental property.

(1) the name, address, and telephone of the applicant;

(2) the name, address, and telephone of the property management company, if not the same as the applicant;

(3) the address of the property;

(4) the number of individual rental units and buildings at the property;

(5) a brief description of the amenities on the property;

(6) the form of business of the applicant and, if the business is a corporation or association, a copy of the documents establishing the business;

(7) the name, address, and telephone of local contacts described in Section 4-14-36 (*Local Contacts*); and

(8) any additional relevant information required by the code official.

#### **§ 4-14-21 APPROVAL OR DENIAL OF REGISTRATION.**

The code official shall issue a registration for a rental property subject to this chapter.

### ***ARTICLE 3. OPERATION.***

#### **§ 4-14-30 RENTAL OF UNREGISTERED PROPERTY PROHIBITED.**

A landlord may not allow another person to occupy or lease a rental property subject to this chapter without a rental registration required by this chapter.

#### **§ 4-14-31 REGISTRATION PERIOD.**

(A) A single-family property subject to this chapter shall be registered for a minimum of two consecutive years.

(B) The single-family property must remain registered until none of the conditions in Section 4-14-3(A) (*Registration Required; Exceptions*) occur for two years.

(C) If a single-family property completes a registration period and then becomes subject to this chapter again, the registration period shall be for a minimum of five years and must remain registered as provided for in subsection (B).

1       **§ 4-14-32 REGISTRATION FEE.**

2           (A) Except as provided in subsection (C), a registrant shall annually pay a fee to  
3           maintain the rental registration.

4           (B) The rental registration fee is established by separate ordinance.

5           (C) A registrant exempt from periodic inspections as described in Section 4-4-  
6           41(G) (*Periodic Inspections*) is exempt from paying a registration fee for the  
7           first five years.

8       **§ 4-14-33 DISPLAY OF REGISTRATION.**

9           (A) A registrant of a multi-family property must display the registration in a  
10          public area of an on-site management office or other similar public area of  
11          the property.

12          (B) A registrant of a single-family property must display the registration in the  
13          kitchen area of the property.

14       **§ 4-14-34 SIGNS.**

15          (A) A registrant shall post and maintain signs, in English and in Spanish, on the  
16          premises of the property that include the following information:

17               (1) the emergency phone number described in Texas Property Code Section  
18               92.020 (*Emergency Phone Number*); and

19               (2) information regarding how to report code violations to the City.

20          (B) For multi-family properties, the signs required by this section shall be a  
21          minimum of 12 inches by 24 inches. Sign facings shall be weather-proof. The  
22          signs shall have a white background with letters and numbers in a contrasting  
23          color.

24          (C) The registrant of a multi-family property must post one sign per 50 units. The  
25          signs must be posted outside and in the common areas of the property. If  
26          more than one sign is required under this section, the signs may not be placed  
27          in the same area of the property.

28          (D) For single-family properties, the signs required by this section shall be a  
29          minimum of 8 ½ inches by 11 inches. The signs shall have a white  
30          background with letters and numbers in a contrasting color.

1 (E) The registrant of a single-family property subject to this chapter must post  
2 one sign in the kitchen area of each dwelling unit.

3 (F) Any changes in the information required by subsection (A) must be updated  
4 within three business days of the change.

5 **§ 4-14-35 TENANT LIST.**

6 (A) The registrant must maintain a list of all tenants at a single location.

7 (B) The list must include the following information

8 (1) name of tenants; and

9 (2) tenant contact information.

10 (C) In the event of an emergency, the registrant or the local contact must make  
11 the rental list available immediately for use by the code official.

12 (D) A registrant must update its list within 48 hours of a change in tenants at the  
13 property.

14 **§ 4-14-36 LOCAL CONTACTS.**

15 (A) A registrant who does not reside within the Austin Metro Area must identify  
16 an individual or individuals that can respond in emergency conditions.

17 (B) The individual or individuals described in subsection (A) must be present  
18 within the Austin Metro Area and be available to respond to within two hours  
19 after being notified by a tenant or a City employee of an emergency during  
20 any 24- hour period.

21 (C) If there is a change related to the local contacts, a registrant must update the  
22 code official in writing within three business days and provide the new local  
23 contact's information.

24 **§ 4-14-37 NOTIFICATION OF CHANGE OF INFORMATION.**

25 A registrant shall notify the code official of a material change in the information  
26 contained in the rental registration application within 10 days of the change.

27 ***ARTICLE 4. INSPECTION***

28 **§ 4-14-40 INSPECTION BY CODE OFFICIAL.**



1 (A) The code official may conduct:

2 (1) inspections based on indications of Code violations, including  
3 complaints received by the City;

4 (2) periodic inspections; and

5 (3) follow-up inspections.

6 (B) The following areas of a multi-family property will be subject to inspection  
7 by the code official:

8 (1) all building exteriors;

9 (2) all exterior and interior common areas;

10 (3) vacant dwelling units; and

11 (4) occupied dwelling units upon the consent of the tenant or when subject  
12 to a valid administrative search warrant issued by a court of competent  
13 jurisdiction.

14 (C) The following areas of a single-family property will be subject to inspection  
15 by the code official:

16 (1) all building exteriors;

17 (2) vacant dwelling-units, with the owner's consent; and

18 (3) occupied dwelling units upon receipt of complaint by the tenant or when  
19 subject to a valid administrative search warrant issued by a court of  
20 competent jurisdiction.

21 (D) Nothing in this chapter limits the ability of the code official to inspect as  
22 necessary or as authorized by other law.

23 (E) A landlord or tenant of a rental property may refuse to consent to an  
24 inspection conducted by the code official. If consent is refused, the code  
25 official may seek an administrative search warrant authorized by Article 18  
26 of the Texas Code of Criminal Procedure (*Search Warrants*) and Section 2-  
27 10-1 (*Municipal Court Jurisdiction and Authority*) of the City Code.

28 **§ 4-14-41 PERIODIC INSPECTIONS FOR MULTI-FAMILY PROPERTY.**

- 1 (A) Except as provided Section 4-4-43 (*Third-Party Inspection*), a periodic  
2 inspection of a multi-family property by the code official may occur once  
3 every two years.
- 4 (B) A periodic inspection includes inspection of:
- 5 (1) no more than four dwelling units at a rental property with 20 or fewer  
6 dwelling units; or
- 7 (2) no more than 20 percent of the dwelling units at rental property with  
8 more than 20 dwelling units.
- 9 (C) If one percent of the dwelling units fail inspection, the code official may  
10 inspect all of the dwelling units.
- 11 (D) The code official will select the dwelling units that will be subject to  
12 inspection.
- 13 (E) Prior to a scheduled periodic inspection, a registrant must provide tenants of  
14 the property at least two days written notice that includes the following:
- 15 (1) the dwelling units that may be inspected;
- 16 (2) that an inspector intends to enter the dwelling unit to inspect the unit;
- 17 (3) that the tenant has a right to see the code compliance inspector's  
18 identification before the inspector enters the dwelling unit; and
- 19 (4) contact information for the Code Compliance Department.
- 20 (F) Upon request of the code official, a registrant must provide proof that written  
21 notice was provided.
- 22 (G) A newly-constructed multi-family property is exempt from periodic  
23 inspections during the first five years after the City issues a certificate of  
24 occupancy.

25 **§ 4-14-42 PERIODIC INSPECTIONS FOR SINGLE-FAMILY PROPERTY.**

- 26 (A) The Code Compliance Department may inspect a single-family property once  
27 a year.
- 28 (B) Prior to a scheduled periodic inspection, a registrant must provide tenants of  
29 the property at least two days written notice that includes the following:

- (1) the units that may be inspected;
- (2) that an inspector intends to enter the dwelling unit to inspect the unit;
- (3) that the tenant has a right to see the code compliance inspector's identification before the inspector enters the dwelling unit; and
- (4) contact information for the Code Compliance Department.

(C) Upon request of the code official, a registrant must provide proof that written notice was provided.

#### **§ 4-14-43 THIRD PARTY INSPECTION.**

(A) Except as provided in subsection (E), a multi-family property subject to this chapter may satisfy periodic inspection requirement in Section 4-4-141 (*Periodic Inspections*) with inspections conducted by a third-party inspector if the following conditions are met:

- (1) the property has been inspected at least once by the code official after the effective date of this ordinance;
- (2) during a prior inspection by the code official, no violations were found at the property, or any violations found during the prior inspection were corrected in a timely fashion;
- (3) there are no outstanding permitting issues at the property; and
- (4) the registrant has complied with this chapter.

(B) A third-party inspector must inspect at least 40% of the dwelling units equally distributed throughout the property.

(C) A third-party inspection must occur once every year.

(D) The results of a third-party inspection shall be submitted to the code official on a form approved by the code official.

(E) A third party inspection may not satisfy the periodic inspection requirement in Section 4-4-141 (*Periodic Inspections*) if:

- (1) the rental property is subject to a legal action concerning the public health and safety conditions relating to the property;

- (2) during a consecutive 12 month period, the rental property incurs five or more notices of violations regardless of whether the registrant corrects the violations within the time frame required by the code official;
- (3) during a consecutive 12 month period, the registrant fails to timely comply with two or more notices of violations or two or more citations are issued for the rental property; or
- (4) the conditions of the rental property make the property unsafe, substandard, or dangerous.

(F) If the third-party inspection identifies violations of the City Code, a registrant shall, within 30 days from the date of the third-party inspection:

- (1) correct the violations; and
- (2) provide written notice to the code official that the violations were corrected.

(G) If the code official rejects a third-party inspection as described in Section 4-4-144(B) (*Third Party Inspectors*), the registrant must have the property re-inspected by a third-party inspector registered with the City.

#### **§ 4-14-44 THIRD PARTY INSPECTORS.**

(A) A person may register with the City as a third-party inspector if the individual is certified as:

- (1) an A.A.C.E Property Maintenance and Housing Inspector;
- (2) an I.C.C. Property Maintenance and Housing Inspector; or
- (3) an I.C.C. Residential Building Code Inspector; or
- (4) an I.C.C. Building Code Inspector.

(B) The code official may reject a third-party inspection conducted by a person that is not registered with the City.

### ***ARTICLE 5. ENFORCEMENT***

#### **§ 4-14-50 SUSPENSION.**

(A) The code official may suspend rental registration for a property if the code official determines that:

- (1) the registration was issued in error;
  - (2) the property is declared substandard or dangerous by the Building and Standards Commission, the code official, or a court of competent jurisdiction;
  - (3) the registrant fails to timely comply with a notice of violation;
  - (4) the registrant fails to comply with the requirements of this chapter;
  - (5) the registrant fails to comply with other City permitting requirements; or
  - (6) the registrant fails to pay its annual registration fee.
- (B) A suspension is effective until the code official determines that registrant complies with:
- (1) the notice of violation;
  - (2) an order of the Building and Standards Commission, code official, or a court of competent jurisdiction;
  - (3) the requirements of this chapter;
  - (4) other City permitting requirements; or
  - (5) the annual fee is paid.
- (C) While under suspension, a registrant may not lease or otherwise allow vacant dwelling units to be occupied and may not lease or otherwise allow an occupied unit to be occupied by new tenants.
- (D) The code official must give notice to the registrant of its intent to suspend a registration issued under this chapter.
- (E) The notice required by this section may specify a reasonable time for compliance with this chapter. If a time for compliance is specified, the code official may not suspend the registration before the time for compliance has expired.

#### **§ 4-14-51 REVOCATION.**

- (A) The code official may immediately revoke a registration that has been suspended pursuant to Section 4-14-50 (*Suspension*) if the code official determines that the registrant:

- 1 (1) did not comply in a reasonable time with the requirements of this chapter  
2 or a notice of violation for which the suspension was ordered;
- 3 (2) during the suspension, did not comply with other requirements of this  
4 chapter; or
- 5 (3) during the suspension, did not comply with an order of the Building and  
6 Standards Commission, the code official, or a court of competent  
7 jurisdiction.

- 8 (B) Even if the registration has not been suspended, the code official may  
9 immediately revoke a registration issued under this chapter if an order to  
10 vacate the rental property is issued by the Building and Standards  
11 Commission or a court of competent jurisdiction.

12 **§ 4-14-52 APPEAL OF A SUSPENSION OR REVOCATION.**

- 13 (A) A person affected by a suspension or revocation may appeal to the Building  
14 and Standards Commission by filing a written appeal with the code official.
- 15 (B) An appeal of a suspension must be submitted to the code official not later  
16 than 10 days after the date the notice of suspension is mailed.
- 17 (C) An appeal of a revocation must be submitted to the code official not later  
18 than 10 days after the registrant is notified of the revocation.
- 19 (D) An appeal must contain a brief statement of the facts that support the appeal  
20 and the reason why the suspension should be reversed.

21 **§ 4-14-53 PENALTY.**

- 22 (A) A person who violates a provision of this chapter is guilty of a separate  
23 offense for each day the violation of this chapter continues.
- 24 (B) Each offense is punishable by a fine not to exceed \$2,000. A culpable mental  
25 state is not required for fines of \$500 or less, and need not be proved.

26 **PART 3.** City Code Section 2-1-122 (*Building and Standards Commission*) is amended  
27 to read as follows:

28 **§ 2-1-122 BUILDING AND STANDARDS COMMISSION.**

- 29 (A) The Building and Standards Commission is established to hear cases  
30 concerning alleged violations of the City's regulations relating to property  
31 maintenance, housing, and dangerous buildings.

- 1 (B) Each member is appointed for a term of two years or until a successor is  
2 appointed and qualified. A vacancy is filled for the unexpired term.
- 3 (C) The Fire Marshal and the health authority representative are ex officio  
4 members of the commission. The code [~~building~~] official shall also serve as  
5 the commission's executive secretary. An ex officio member may designate a  
6 representative to [~~the~~] attend a hearing.
- 7 (D) The City Council may remove a commission member or alternate member  
8 for cause on a written charge. Before a decision regarding removal is made,  
9 the City Council must hold a public hearing on the matter if requested by the  
10 commission member who is subject to the removal action.
- 11 (E) The Building and Standards Commission shall have the powers and duties  
12 granted by, and comply with the procedures of, Texas Local Government  
13 Code Chapter 54, Subchapter C (*Quasi-Judicial Enforcement of Health and*  
14 *Safety Ordinances*), Texas Local Government Code Chapter 214 (*Municipal*  
15 *Regulation of Housing and Other Structures*), Subchapter A (*Dangerous*  
16 *Structures*), City Code Chapter 4-14 (*Registration of Rental Property*), and  
17 City Code Chapter 25-12, Article 9 (*International Property Maintenance*  
18 *Code*).

19 **PART 4. Follow-Up Evaluation and Report to Council.**

20 The Code Compliance Department will return to council within six months of the end of  
21 the pilot program with a report that addresses the following:

- 22 (1) Number and percentage of rental properties registered;
- 23 (2) Number and percentage of rental properties that received a periodic  
24 inspection;
- 25 (3) Number and percentage of properties that received periodic inspections  
26 and violations were found;
- 27 (4) Number and percentage of properties that timely complied with a Notice  
28 of Violation;
- 29 (5) Number and percentage of properties that received periodic inspections  
30 and no violations were found;
- 31 (6) Changes in the rental market; and
- 32 (7) Stakeholder's perspective.

**PART 5.** This ordinance takes effect on \_\_\_\_\_, 2013.

**PASSED AND APPROVED**

\_\_\_\_\_, 2013      § \_\_\_\_\_  
Lee Leffingwell  
Mayor

**APPROVED:** \_\_\_\_\_  
Karen M. Kennard  
City Attorney

**ATTEST:** \_\_\_\_\_  
Jannette S. Goodall  
City Clerk