

ORDINANCE NO.

AN ORDINANCE AMENDING CITY CODE CHAPTER 4-14 TO ESTABLISH A PILOT PROGRAM REQUIRING RENTAL REGISTRATION FOR MULTI-FAMILY PROPERTIES IN THE EAST RIVERSIDE/OLTORF COMBINED NEIGHBORHOOD (EROC); ESTABLISHING A PENALTY; 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 with 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) 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 with public health, safety, and property maintenance standards in the City Code.
- (6) The area included in the pilot program has many residential rental units and has had a high number of complaints handled by the Code Compliance Department. Focusing on this area will allow the City to determine the effectiveness of a proactive rental registration program in identifying substandard and dangerous conditions in contrast to a reactive complaint-based system.

1 **PART 2.** City Code Chapter 4-14 (*Registration of Rental Property*) is amended to add
2 Article 6 (*Multi-family Rental Pilot Program*) and Article 7 (*Pilot Program Enforcement*)
3 to read:

4 **ARTICLE 6. MULTI-FAMILY RENTAL PILOT PROGRAM**

5 **§ 4-14-60 PURPOSE AND PILOT PROGRAM AREA.**

6 (A) The purpose of this article is to protect the health and safety of rental unit
7 dwellers in Austin.

8 (B) This article creates a pilot program that requires registration of multi-family
9 rental properties constructed prior to January 1, 1999, beginning on the
10 effective date of this ordinance and continuing for 18 months in the general
11 area that is in and around East Riverside/Oltorf Combined Neighborhood
12 (EROC). This area is shown in Exhibit 1, which is attached and incorporated
13 by reference.

14 **§ 4-14-61 REGISTRATION REQUIRED.**

15 A rental registration issued under this article is required for a multi-family rental
16 property.

17 **§ 4-14-62 OTHER PERMITS OR LICENSES REQUIRED.**

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

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

22 **§ 4-14-63 CHANGE IN OWNERSHIP.**

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

25 **§ 4-14-64 REQUIREMENTS.**

26 (A) An owner of a multi-family property must submit a registration application to
27 the code official within 30 days of the effective date of this ordinance.

28 (B) An owner of a multi-family property that is subject to this article shall comply
29 with the requirements set forth in:

30 (1) Section 4-14-30 (*Rental of Unregistered Property Prohibited*);

- (2) Section 4-14-32 (*Registration Fee*);
- (3) Section 4-14-33 (*Display of Registration*);
- (4) Section 4-14-34 (*Signs*);
- (5) Section 4-14-35 (*Tenants*);
- (6) Section 4-14-36 (*Local Contacts*); and
- (7) Section 4-14-37 (*Notification of Change of Information*).

(C) A registrant of a multi-family property must provide in writing to the code official the name, address, and telephone of local contacts described in Section 4-14-36 (*Local Contacts*).

§4-14-65 INSPECTION BY CODE OFFICIAL.

(A) The code official may conduct:

- (1) inspections based on indications of Code violations, including complaints received by the City;
- (2) periodic inspections; and
- (3) follow-up inspections.

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

- (1) all building exteriors;
- (2) all exterior and interior common areas;
- (3) vacant dwelling units; and
- (4) occupied dwelling units upon the consent of the tenant or when subject to a valid administrative search warrant issued by a court of competent jurisdiction.

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

(D) A landlord or tenant of a rental property may refuse to consent to an inspection conducted by the code official. If consent is refused, the code official may seek an administrative search warrant authorized by Article 18

1 of the Texas Code of Criminal Procedure (*Search Warrant*) and Section 2-
2 10-1 (*Municipal Court Jurisdiction and Authority*) of this code.

3 **§ 4-14-66 PERIODIC INSPECTIONS.**

- 4 (A) Except as provided subsection (G), a periodic inspection of a multi-family
5 property by the code official may occur once every five years.
- 6 (B) A periodic inspection includes inspection of:
- 7 (1) no more than four dwelling units at a rental property with 20 or fewer
8 dwelling units; or
- 9 (2) no more than 20 percent of the dwelling units at rental property with
10 more than 20 dwelling units.
- 11 (C) If one percent of the dwelling units fail inspection, the code official may
12 inspect all of the dwelling units.
- 13 (D) The code official will select the dwelling units that will be subject to
14 inspection.
- 15 (E) Prior to a scheduled periodic inspection, a registrant must provide tenants of
16 the property at least two days written notice that includes the following:
- 17 (1) the dwelling units that may be inspected;
- 18 (2) that an inspector intends to enter the dwelling unit to inspect the unit;
- 19 (3) that the tenant has a right to see the code compliance inspector's
20 identification before the inspector enters the dwelling unit; and
- 21 (4) contact information for the Code Compliance Department.
- 22 (F) Upon request of the code official, a registrant must provide proof that
23 written notice was provided.
- 24 (G) A newly-constructed multi-family property is exempt from periodic
25 inspections during the first 15 years after the City issues a certificate of
26 occupancy.
- 27

1 **§4-14-67 THIRD PARTY INSPECTION.**

2 (A) Except as provided in subsection (E), a multi-family property subject to this
3 article may satisfy the periodic inspection requirement in Section 4-14-66
4 (*Periodic Inspections*) with inspections conducted by a third-party inspector
5 if the following conditions are met:

6 (1) the property has been inspected at least once by the code official after the
7 effective date of this ordinance;

8 (2) during a prior inspection by the code official, no violations were found at
9 the property, or any violations found during the prior inspection were
10 corrected in a timely fashion;

11 (3) there are no outstanding permitting issues at the property; and

12 (4) the registrant has complied with this chapter.

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

15 (C) A third-party inspection must occur once every two years.

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

18 (E) A third party inspection may not satisfy the periodic inspection requirement
19 in Section 4-14-66 (*Periodic Inspections*) if:

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

22 (2) during a consecutive 12 month period, the rental property incurs five or
23 more notices of violations regardless of whether the registrant corrects
24 the violations within the time frame required by the code official;

25 (3) during a consecutive 12 month period, the registrant fails to timely
26 comply with two or more notices of violations or two or more citations
27 are issued for the rental property; or

28 (4) the conditions of the rental property make the property unsafe,
29 substandard, or dangerous.

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

1 (1) correct the violations; and

2 (2) provide written notice to the code official that the violations were
3 corrected.

4 (G) If the code official rejects a third-party inspection as described in section 4-
5 14-68 (*Third Party Inspectors*), the registrant must have the property re-
6 inspected by a third-party inspector registered with the City.

7 **§ 4-14-68 THIRD PARTY INSPECTORS.**

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

10 (1) an A.A.C.E. Property Maintenance and Housing Inspector; or

11 (2) an I.C.C. Property Maintenance and Housing Inspector; or

12 (3) an I.C.C. Residential Building Code Inspector; or

13 (4) an I.C.C. Building Code Inspector.

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

16 ***ARTICLE 7. PILOT PROGRAM ENFORCEMENT.***

17 **§ 4-14-70 SUSPENSION.**

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

20 (1) the property is declared substandard or dangerous by the Building and
21 Standards Commission, the code official, or a court of competent
22 jurisdiction;

23 (2) the registrant fails to timely comply with a notice of violation;

24 (3) the registrant fails to comply with a requirement of Article 6 (*Multi-*
25 *family Rental Pilot Program*);

26 (4) the registrant fails to comply with other City permitting requirements; or

27 (5) the registrant fails to pay its annual registration fee.

1 (B) A suspension is effective until the code official determines that registrant
2 complies with:

3 (1) the requirements of this Article 6 (*Multi-family Rental Pilot Program*);

4 (2) an order of the Building and Standards Commission, code official, or a
5 court of competent jurisdiction; or

6 (3) a notice of violation.

7 (C) While under suspension, a registrant may not lease or otherwise allow
8 vacant dwelling units to be occupied and may not lease or otherwise allow
9 an occupied unit to be occupied by new tenants.

10 (D) The code official must give notice to the registrant of its intent to suspend a
11 registration issued under this chapter.

12 (E) The notice required by this section may specify a reasonable time for
13 compliance with this chapter. If a time for compliance is specified, the code
14 official may not suspend before the time for compliance has expired.

15 (F) If the registration is suspended, the code official must give notice to the
16 tenants.

17 **§ 4-14-71 REVOCATION.**

18 (A) The code official may immediately revoke a registration that has been
19 suspended pursuant to section 4-14-70 (*Suspension*) if the code official
20 determines that the registrant:

21 (1) did not comply in a reasonable time with the requirements of this chapter
22 or a notice of violation for which the suspension was ordered;

23 (2) during the suspension, did not comply with other requirements of Article
24 6 (*Multi-Family Rental Pilot Program*); or

25 (3) during the suspension, did not comply with an order of the Building and
26 Standards Commission, the code official, or a court of competent
27 jurisdiction.

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

1 **§ 4-14-72 APPEAL OF A SUSPENSION OR REVOCATION.**

- 2 (A) A person affected by a suspension or revocation may appeal to the Building
3 and Standards Commission by filing a written appeal with the code official.
- 4 (B) An appeal must be submitted to the code official not later than 10 days after
5 the date the notice of suspension or revocation is mailed.
- 6 (C) An appeal must be submitted to the code official not later than 10 days after
7 the registrant is notified of the revocation.
- 8 (D) An appeal must contain a brief statement of the facts that support the appeal
9 and the reason why the suspension or revocation should be reversed.

10 **§ 4-14-73 PENALTY.**

- 11 (A) A person who violates a provision of Article 6 (*Multi-family Rental Pilot*
12 *Program*) is guilty of a separate offense for each day the violation of this
13 chapter continues.
- 14 (B) Each offense is punishable by a fine not to exceed \$2,000. A culpable mental
15 state is not required for fines of \$500 or less, and need not be proved.

16 **PART 3. Follow Up Evaluation and Report to Council; Online Reporting Tool.**

17 The Code Compliance Department will report to Council quarterly with a report
18 that addresses the following items related to properties that have registered:

- 19 (1) Number and percentage of rental properties registered;
- 20 (2) Number and percentage of rental properties that received a periodic
21 inspection;
- 22 (3) Number and percentage of properties that received periodic inspections
23 and violations were found;
- 24 (4) Number and percentage of properties that timely complied with a Notice
25 of Violation;
- 26 (5) Number and percentage of properties that received periodic inspections
27 and no violations were found;

28 **PART 4. This ordinance takes effect on _____, 2013.**

PASSED AND APPROVED

_____, 2013

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Lee Leffingwell
Mayor

APPROVED: _____
Karen M. Kennard
City Attorney

ATTEST: _____
Jannette S. Goodall
City Clerk