

Planning and Neighborhoods Committee Meeting Transcript – 06/15/2015

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>> Casar: Good afternoon, everyone. I'm Greg Casar and I'm convening today's meeting of the planning and neighborhood committee. It is Monday, June 15. It is one something -- just after 1:00 P.M. 1:10 P.M. And we're meeting in city council chambers. We do not have minutes for last week's meeting since it was just a week ago and we usually give our staff a whole month so we will approve those minutes next month -- not next month, in August. Excuse me. And so we will not take up item number 1 since we do not have nouns -- mince to approve. I wanted to read into the record we will not be hosting a meeting in July and the next meeting of this committee will be in August. Also, we are working, I think Tuesday work session we'll be discussing cleaning up the way these committee agendas are posted to give more information to the public so I apologize that this information is still not clear on the committee agendas but we are working on it. There is not public comment open for items 3 or 4 because those have already had time for public comment. Of course committee members you are welcome to call anybody up for questions as we do in the public comment period if something closed and of course if there is good reason to reopen a public comment period, I would entertain a motion if there's some explanation as to why we want to reopen public comment. I apologize to those that signed up for items 3 and 4 there's no public comment that the time on those items. They're just nor our consideration and possible action. So with that we will move on -- yes, sorry. One other point, thank you, mayor pro tem, item 6,

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consider and develop recommendations for the density bonus program was sent over to us by the mayor pro tem's office. We won't be making any -- she just informed me she won't be taking any action today and so I do not think we need them here for this item. Thank you all for coming back to this committee so many times but I believe when we get to that item we'll just discuss -- I'm sure you will accept mayor pro tem's apologies and -- so if the neighborhood housing folks are entertained by me chairing a committee and want to stick around for that or are interested in any other items you may stay, otherwise, you're free from our clutches. Okay. So we will take up citizen communication. We will take up the first five speakers signed up and the first is Stewart Hirsch. >> Casar: Welcome, Mr. Hirsch. You'll have three minutes once you start talking. >> Casar: Mr. Hirsch, before you start I'll let you and the rest of the audience know that our technology staff has told us that there's something funny with the monitors and the mics so I think you guys can hear us okay but we may have trouble hearing you so we may ask some of y'all to repeat everyyourselves here and then and that's just a microphone issue. >> Thank you, chair. I'd like to talk with you about the budget before you hold your last meeting before you

get the city budget. There are two documents I've provided to you today.

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One is a report on -- done at the end of the last century on the decrease investment in permit and code enforcement resources. If you'll look on the back side of the document it's dated 11/24/1998. It gives you a sense of the fact that the city was consciously disinvesting in permanent code enforcement last century. I'm asking that the committee request and entire city council receive the following information, prior to the first scheduled public hearing for the 2015-2016 city budget. One, potential fiscal impact and affordability impact of the Rainey stakeholders proposed code amendments for increased housing affordability, two, the dates if any that the planning commission codes and ordinances committee and full planning commission is scheduled to conduct public hearings and offer recommendation on Rainey stakeholder code amendments, similar sort of issues for density bonus, planned unit development, and annual permit provisions and parking requirements for new single family homes with four or more bedrooms and to eliminate nuances associated with both insufficient trash receptacles and number 4, the potential fiscal impact of collecting all required license fees in the current and coming fiscal year instead of the five bed and breakfast fees and the 1,556 short-term rental fees listed in the attached Austin code second quarter report. Finally, an update of changes in revenue full-time equivalents and staffing for Austin code as compared to both the attached 2012-2013 Austin city budget documents recommended and approved at the time short-term rental code amendments were first approved by the city council. That's a lot of budget information. And, again, I understand that you'll be taking up the budget at the end of July and in August and September. So I wanted to get in here

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early and let you know that there are a lot of issues tying fiscal impact to planning and you should know about those sooner rather than later and not wait until the first public hearing in August. Thank you very much for your time. >> Casar: Thank you, Mr. Hirsch. Next is Marissa McKinney. >> I would like to see my -- concede my team. >> Casar: Ms. McKinney, come on up. >> Good afternoon, councilmember Casar and committee members. My name is Eleanor McKinney, chair of the codenext committee for the American society of architects. Good to see you this afternoon. Last year we produce aid position paper and powerpoint advocating for inclusion of green infrastructure and sustainable water management. Two of the eight imagine Austin priorities in codenext. Green infrastructure includes on-site rain gardens to reduce off site flooding and trees. Sustainable water management includes tools for water conservation such as reclaimed water, rainwater, and use of hvac water to offset potable water use. We went around to boards and commissions and received support from the environmental board, urban forestry board and design commission. We met with council members, our advocacy resulted in a focus on green infrastructure sustainable water management and codenext approach. This focus was part of the council direction on November

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2014. We would appreciate the current council's continued support for these items. Thank you. >> Casar: Thank you next, I'm having trouble with your last name, Ashley P or B. Thanks for coming. Please read your name in since I had trouble with your handwriting. That's my fault. >> My name is Ashley [indiscernible] And I wanted to state that I wanted to ensure that green infrastructure and sustainable water management are embedded in codenext. >> Casar: Thank you. Next is mark Smith. Mr. Smith, it looked like you had wanted to give your time to Ms. McKinney as well. >> I did but I won't do that now if

I could make a short statement. >> Casar: That's fine. >> I am also a registered landscape architect here in Texas and have practiced in the Austin and surrounding area for the last 30 years. Really what I wanted to say is that I'm an advocate of the introduction and the inclusion [lapse in audio] Effect of rapid growth is doing right now. Again, a parallel to the '80s. We've had recent history with severe drought and right now we've got a lake that's a little fuller than it was not long ago. We should be looking carefully at how we protect that resource. Finally, the issue of flooding, what we've -- we've seen dramatic flooding in this area in the last month. All of these things are related very strongly to green infrastructure that is being considered in codenext and I think that codenext is the

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next generation of addressing all of these issues, doing it right, and really including all of the tools that we have at our resources to make it work this time. So thank you. >> Casar: Thank you. Next we have David king. >> Thank you, chair Casar, appreciate it. Mayor pro tem and councilmembers, my name is David king. I live in the zilker neighborhood and I wanted to talk about just a couple of items. One, about we have problems with affordability, particularly in our central Austin neighborhoods and in my own neighborhood we had hunting of homes demolished over the past couple years, single family homes demolished and they're not being replaced by single family homes for the most case -- in most cases but they are sometimes being replaced by these mcmansions, what are, they're really not affordable, they're less affordable than what was there before. I would suggest we consider looking at our demolition permitting process and say if we're going to demolish single family homes in our neighborhoods that maybe we should do an affordability impact statement on that. Go analyze what impact is that going to have on affordability and also aim to -- aspects of demolishing single family homes in our neighborhoods. And the next ite I'd like to talk -- item I'd like to talk about, we looked ten years ago Austin was among the most affordable cities, you have no it's among the least affordable. Back then we had a lot more single family homes than we have today in our central Austin neighborhoods. So a lot of people criticize single family homes as being a root cause of that, yet we've seen fewer single family homes and affordability getting worse. So I don't think it's true that single family homes are the cause of our affordability

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problems in Austin. It's our urban density problems contributing in the context of incoming equity. You add both of those together and it just makes sense. Demography at 2015 report showed that -- where we had these urban containment policies like density bonus programs that emphasize density within an urban core, every city no matter where they looked in the world, every country, they got less affordable, not more affordable. So I think that's important when you're considering density strategies, to use them very judiciously and target them. And not have these unintended side effects of exacerbating our affordability problems. I just want to make that point and I hope that you'll consider that when you're looking at other aspects of codenext. The other thing I'd like to us consider doing is our density bonus programs. When you look at those I think we shut up the anti on that require 25% of the units to be affordable at 60% mfi and those units all be on-site. We have to do that for our urban core or we're not going to have affordable nuance our urban core. Last pass a resolution that clearly states that the new codenext zoning districts include all the tools necessary when those new zoning districts come out. Thank you very much. >> Casar: Thank you. And Ms. Dankler, I have a quick question. Both and you Gerard are the sixble and seventh speakers. Saw you were trying to don't your time also to Ms. Eleanor Mckinney. Do you still need to come up and speak or are you willing to defer your time and perhaps we might extend Ms. Mckinney the ability to be our sixth speaker even though we only usually allow five? Is

that all right. >> That's fine, thank you. >> Casar: Thank you.

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>> Thank you very much. I'm Girard Kinney, lifelong austinite. I'm here, I had had it on my calendar to come because y'all were going to have a briefing from Mueller, the mural Mueller commission and you possess owned that a month I understand but I wanted -- what -- I'm not sure I'm going to be able to be here then so this is a good time for me to say the basic things I was going to say, is that as you may know I've been involved in the development of Mueller since its inception, very proud of what we've been able to do at Mueller, but the point I wanted make is whenever the city does a public-private project of that -- particularly of any size like Mueller, there should be a midpoint review. Including Mueller. It's probably too late for a midpoint review to have much to do with the rest of development of Mueller, but we can audio] >> Casar: We want to do our best to review that and a little bit more time seemed to be of essence to do that. We'll make sure to talk even if you can't make it after our August briefing so thank you for coming down. That's all our citizen communication for today. Now we'll move on to item number 3, which is have and develop recommendations relating to accessory dwelling units. Members, I have a recommendation on how we can

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proceed. I would love to hear your thoughts. I think that the ads issue is a very important one to create more options, especially in areas where there are few for more folks to live but to do so -- but to be judicious about the way that we amend our code. So my recommendation is that we move forward in the way that the mobility committee handled the taxi franchise issue, which is we move forward on first reading this month at the full council but then keep this issue on our agenda for the next two planning and neighborhoods committee meetings before potential second and third readings so we can really flesh out particular defined issues because taking it on the entirety of Adu reform at one planning committee meeting it's difficult to really hone in on the particulars and I think that councilmember kitchen's committee did a really good job of taking apart the multiple components of the franchise agreements. And so my thoughts are that it's possible this committee could recommend modifications, potential modifications modifications to that recommendation for second or third reading and so my recommendation is that we send that message to the full council, move forward on first meeting on Thursday for planning commission's exception at our August meeting of this committee we take on some of the issues, redesign and reapproved additional dwelling unit designs as they have? Some cities, possibility of revolving loan guarantees that could help lower income austinites' bills, add supplemental income especially in the areas where land prices prices have come -- gone up quite a

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bit. In that same meeting in August I hope we can talk about policies to help us prevent the sort of tear downs that does not incentivize scaping of older homes with Adu but a way we can incentivize ads being built behind the homes and the water metering issue. I've spoken with councilmember Garza's staff and I think that would be appropriate on that issue to coordinate our schedules to have shift some of the public utilities committee members at our meeting or for us to attend theirs. It seems amongst the varied stakeholders who came to our last committee meeting last week there was general agreement that they wanted to see us work -- move forward on those items in it's reasonable, and so I propose that we look at each of those at our August meeting and really address those for or five defined items and then move forward on the meeting, take on some of the issues that seem to be more contentious

among stakeholders that will give us as a committee some time to think through that and for the council to think through the short-term rental issue, since there was agreement about which short-term rentals to prohibit or not prohibit and ads, the parking and driveway -- the driveway requirements and parking requirements, and how those relate to impervious cover. And, finally, the lot size and unit size, Adu unit size regulations at our September meeting so that we are on schedule for -- I know this has been part of the conversation for well over 12 months now so I want to show we have a time line and that we're working on it but not to rush the issue because it has so many components and I really want to respect everyone's input and time by having us consider it all. So that's my recommendation, and I'd love to hear from

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y'all. Councilmember Gallo. >> Gallo: Having served on the mobility committee and used this process for the taxi franchise discussion, it worked really well because the discussion was so broad and there were so many pieces to it that it really was helpful to kind of separate out different segments of it and address and deal with those individually with enough time to be able to have that conversation. So I would really support that, and I think this is really appropriate for this because there are so many different levels of decisions that are going to need to be made. So having just been through that with a very similar type situation, I think that would be really good. The one then I would want to make sure that we say over and over again is both the council and the committees and the public begins to get used to our public speaking opportunities for constituents, that we want to be very clear that people understand that the opportunity to be able to come before and speak before the council committee is really encouraged, but that when this finally gets to council with the council discussion, that that citizen participation in speaking is limited. And so just I think we need to continue to share that information, that that's the process that the council and the council committees adopted as the ability for the public to be able to speak to the committees and also to the council, but just to remind people over and over again as we go through that process that we encourage the public speaking and conversation and the council committees and then as it goes to the council -- >> Casar: Councilmember Renteria. >> Renteria: I have no problem with going through that process. I live in my -- my contact team years ago opted to have

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secondary community I'm quite familiar -- units and I'm quite familiar with the problems associated with that. And I think that we need to take our time and really study this so that we can get it done right and it would benefit the whole community because, you know, we have an opportunity to help our neighbors stay in their neighborhoods and it's very important that, you know, we get this all correct because there's a lot of concerns and questions out there, especially with, you know, the problems that we're having with short-term rentals and the parking situation. So we really need to sit there and really look at this very carefully. >> Casar: Thank you. Mayor pro tem. >> Tovo: I'd just like to -- I think generally I'm in favor of the approach you've suggested. I would just offer one slight difference in the procedural plan. When this was introduced as a resolution there was a lot of discussion in the community about whether this was the appropriate way to proceed on this issue always we are under-- on this issue because we are undertaking a rewrite of the land development code and there are a lot of people who feel this is better addressed in the context of the comprehensive work that's going on, a lot I believe that those conversations have continued through the planning commission discussion over the last year, and I think that's why we have -- why they took a considerable amount of time addressing just some of the very same issues that you've identified as the more controversial piece and they did not -- up the recommendations they made will help us, I believe, achieve more accessory dwelling units but

they are not running --

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they are not -- they are not doing things like addressing lot size and other -- some of those other -- and parking, which were extremely controversial among a lot of our community. And so I would just suggest that we really think about whether we want to take on those pieces right now. I will argue that they should be done in the context of the land development rewrite or that we offer neighborhoods an opportunity to opt in or opt out of those tools as we do with other infill tools because I think it does run right up against some of our existing neighborhood plans that communities had worked really hard to craft and so, you know, I think the planning commission's recommendations are reasonable and I will support those moving forward. I will also propose that we make a change to the short-term rental recommendation, but to me those are reasonable interim measures until we get the code rewritten and have an opportunity to address it more fully. But I'm not at -- at this point I'm not keen to start looking at lot size and what not which, again, I think the planning commission in a big stakeholder process over the last year that is really struggled with and this is kind what have they recommended to us as a measure to move forward now. So about that said I will support moving forward with the planning commission's recommendations. I would say, though, that one issue I would urge you all to think about and if this committee doesn't want to support asking our staff to integrate it into the ordinance I'd ask the council on Thursday, but we've had a lot of discussion in the community about the rationale for 80 aching it&it has focused rightly on creating housing opportunities throughout our city. So to really make sure that happens, we are creating opportunities for rental housing and not opportunities for property owners to rent

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out that accessory dwelling as a mini hotel in many more spots throughout our city, I am going to ask that our staff help to us craft some language that would require -- that would really -- right now we have type 1 and 2 and they don't address this situation exactly. If you current have an Adu on your tract and you're renting it as short-term rental, I think that's a different situation, but if you are taking advantage of these decreased restrictions, I don't want to see those accessory dwelling units being used as short-term rentals 100% of the time. I would like to seat ordinance we're moving forward with make sure that doesn't happen. Again, the type 1 and 2 doesn't capture it because if I'm a property owner and I want to take advantage of these losened restrictions if they're adopted into code and I construct a short-term rental -- and I construct an accessory dwelling unit on my property I can use that as an -- I can use, that excuse me, I short-term rental 100% of the time and it's type 1 because I live on the property. So I have not created any housing for families or individuals or seniors, what I've constructed is a mini housing opportunity, when whoo what we've create ready more short-term rental opportunities. I'd like to make sure that we don't have that happen. So I would -- I don't know if you adopt the same practice we have at council so I won't make a motion having just pontificated about that issue but I would support a motion to move forward with the planning commission's recommendation and would I just ask that my committee members allow me to make an amendment addressing that short-term rental situation. >> Caesar: Mayor pro tem, I think I'm generally inclined to support this short-term

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rental limitations that you've outlined. I just thought that it may be helpful, considering you were saying that we were going to have staff help us figure out how that works, for us to consider it -- I had it slated

in the third slot because I just cleanly put the things that seemed that people didn't disagree about in meeting number 2 and one people did disagree about in meeting number three for the benefit of the public if they wanted to address the issue all at once in number 3. But I would be open to creating that recommendation out of our second planning and neighborhoods committee meeting on this item so we discuss the -- the information we have from staff, discuss the actual language here at committee and then ask recommend that to you council. I think it would make the process cleaner if we recommend basically as a strawman the planning commission recommendation on first reading with the knowledge that we would most likely come back with a recommendation on short-term rentals and that we very likely will come back with a recommendation regarding revolving loan funds, you know, other resolutions that may be attached to this. So I don't think that passing this just planning commission recommendation on Thursday would at all signal that we are not going to include some regulation on short-term rentals if that's all right with you. >> Tovo: That's fine with me. I'll just put a marker in on it on Thursday. >> Casar: I will support you greatly and highlight that marker mayor pro tem super. >> Casar: Regarding parking requirements and the minimum lot size, it is discussion that I want to have, and so I would be open to hearing from y'all if you want to have that at the second -- between first and second reading or between second and third. And so I understand your inclination to not touch those requirements yet, but by do want to discuss them amongst the committee and so if you can't -- if you can't support any change, I understand that very well but I would at least want to have the discussion about it.

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And my -- what I would like to do at this meeting is to recommend to the council that we just move on first reading but then also amongst ourselves sort involve a feeling about what we'd like to handle in August and what we'd like to handle in September and what questions or presentation we would like from staff for our August meeting because I think that will be helpful for them to have a couple of months and come back with information, for example, regarding short-term rentals where I might ask for information about which -- how many 5750, that is standard-sized lots, we have in the urban core that -- within neighborhood plans have not opted into the garage apartment infill tool because I don't want to make the decision about lot size without knowing how many opportunities we are missing out on or not missing out on to get people housed. So that's the kind of information and questions I want to send out over the break from our committee in July so we can get all that information at our August meeting, make decisions in August and possible decisions in September. >> Tovo: So then would I just say, chair, I would like to add two more issues to that inclusion of complicated ones, and one would be a neighborhood opt in/opt out process, and then this -- the second would be an affordability [lapse in audio] >> Casar: Affordability requirement like our density bonus programs whereby -- adding this additional attempt or taking advantage of the takenment accessory dwelling unit would you set the remember of the unit. >> Tovo: Along the lines of the mu, yes, if you make use of loosened restrictions then there would be an affordability requirement. >> Casar: Okay. I will make sure that we convey that to our staff so they know it's coming and we -- my hope would be to get some of that report back in memo format or presentation format in August so that we can have some time before we make our decisions. >> Tovo: Great. >> Casar: Okay. >> Renteria: I'd also like to put in there the -- have

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the -- have them come back and see if we can have some kind of funding setups for maybe interest-free loans or, you know, low-interest loans for people that cannot afford to build a secondary unit. There's a lot of people there in my neighborhood, I know, that wouldn't be able to apply for a loan to build one of

these because of their income level. So I was wondering -- >> Casar: I will certainly make sure that we have that on the agenda for part of this discussion in August. I know that that was an explicit recommendation in the report that we got from ora, which I appreciated the hard work people put into that, as well as possibly incentivizing having a larger additional dwelling unit if you enter into restrict not to demolish an older homes. Those piece that's affect our eastside communities I'll make sure are part of the discussion in August. I'll entertain a motion for us to recommend this out. So moved by councilmember Gallo to recommend the planning commission's be passed on first reading but subject to change as we go through second and third? >> Gallo: Yes, very clearly with the understanding that all of the components that would be part of this would be discussed at one of those two meetings. And that there could be potential changes to the first reading language for the second reading and also the final reading. And let me say, I am definitely in support of this. I didn't really mention that ahead of time but I think it's a really good opportunity. Even if it's not an affordable, quote-unquote, affordable unit, we are so desperate in need of small efficiency and 1-bedroom units that are even market rate

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units in this community that just supplying, being able to increase the supply of smaller units in our community will help with affordability because, as the supply goes up to meet the demand that is more than the current supply, it helps those market rents come down. So thank you. >> Casar: Thank you. And I think it was seconded by councilmember Renteria. >> Renteria: Yes. >> Casar: Any discussion, further discussion? Well, before we take a vote, I want to mention that, you know, just yesterday going and picking up some groceries, my cashier stopped me and is a constituent in my district and asked me -- while we're dealing with accessory dwelling units he was hoping we could create options for somebody making not very much money but to live -- [lapse in audio] Eyes are definitely on this conversation. I think we have potential to do a lot of good but I do want to be thoughtful and I appreciate us really thinking over this conversation over several meetings so thank you all for considering doing it this way. All in favor please say aye. Passes unanimously on the dais. Next we'll take up item number 4, which is consider resolution affirming approach 2.5 of codenext relating to the degree to which the existing code will be amend. We voted at our committee meeting that part of council's action taken last year required that the current new 10-1 council reaffirm this position or change course because we will be signing the contract with optics very soon. This is our last bite at the apple to make any change and my recommendation is that

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given the presentation that was made, given the way the community has settled to understand 2.5, my recommendation is that we keep moving forward and not slow down this process, which is going to be a multiyear process. So I would hope for a motion to recommend to the council for Thursday that we adopt a resolution affirming 2.5. Councilmember. >> Renteria: I'll move we adopt 2.5. >> Casar: Seconded by mayor pro tem. Councilmember Gallo is off the dais but she did indicate to me that she's in favor of this approach as well. She's not quite off the dais. So all in favor please say aye. Opposed? Passes unanimously also on the dais. We'll move on to item -- [indiscernible] [Lapse in audio] We've learned a lot, I really appreciate the work of our lapse in neighborhood housing doing the analysis on this, especially Jesse. It's been very informative and I think the mayor pro tem is going to speak briefly to future action or future items on -- >> Are we skipping? >> Tovo: I want to also add my thanks and I apologize for my confusion. I understand that it has been on the housing agenda -- pieces of it having on the housing agenda, pieces on our agenda and my incident was really to make sure that we had a full understanding of what the different programs are. I understand the staff are moving forward with the

response to the planned unit development resolution passed last fall and we'll have an option to consider making those requirements -- making those density bonus -- making the density bonus require on-site housing, which I think is a critical change. I think the best way to proceed at this point, colleagues is for me to actually bring forward concrete proposals so we have

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an opportunity to evaluate density bonus programs that do not currently have an on-site component and create one. If we're really working to create housing for all kinds of people in all parts of down we need to make sure those density bonus programs are doing that by requiring that housing to be built on-site rather than a contribution that goes into a fee for housing that could be built in other parts of other -- other parts of the city. I will take a look at this probably in our July break and then bring forward concrete proposals for us to consider. >> Casar: Thank you. And committee councilmembers audience I apologize with all of the paper thrown in front of me I said we're moving to item 5, which was the short-term rental item but I moved to us item 6. So we're basically done with that. I do think, though, that it might be helpful for us to have a committee report, sent to this committee to the full council and a short report of two sentences saying we'll be taking a look at items brought up by councilmember tovo and I will be considering some recommendations that were brought to us in the housing committee on impediments to fair housing, which include standardization of our density bonus program city-wide looking at the way we allocate the fees and recalibrating fee values if and how the market has changed. So I think those are all pieces of this we'll be looking at and I'll touch base with our staff to let the other councilmembers know we'll be analyzing this in August and we've been working on it. >> Renteria: Chair? Are you also going to be looking at the bonus density and, you know -- and the transit areas, even office space are required to provide affordable housing, and they get -- if we give them -- even at 60 feet they're required to

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provide, you know, a 10% and we're kind of -- we've been discussing this, you know, about, you know, do we really want housing in office buildings. These are the kind of things would I like to discuss in the future, about, you know, how are we going to respond to that. >> Tovo: Good point. >> Casar: I think I'd add that to the list because that was something I was interested in looking at, either applying -- possibility of applying fee in lieu to other types of buildings or as councilmember Renteria said, how -- taking a look at what on-site affordable housing or fee in lieu would look like in non-residential structures. Mayor pro tem. >> Tovo: I will say, thanks for bringing up that really important point. The planned unit development ordinance coming forward I think has made some provisions for that in the commercial projects, and we would likely want to look to that as a guide for how we handle office buildings and what not in places where it probably doesn't make sense to require them to create residential units in a project that wasn't designed to have residential units. But for those that are residential, I believe they should be constructing that housing on-site. But anyway, thanks for that point. We'll take a look what the they're doing in the planned unit development as we propose some recommendations for the others. >> Casar: Great. I've list what had you said and I'll make sure that we get I committee report out to the councilmembers so they know about our progress. With that I'll move us back to the real item 5, which is consider and develop recommendations ob short-term rental regulations and enforcement. Councilmember Gallo, this was put on the agenda at your request so I will let you roll this out as you please. I think that we have a staff preparation. We also have citizen speakers. How would you like to handle the item? >> Gallo: Why don't I just start with kind of an overview of why we brought this forward as a resolution for the city

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council to take action on. I represent district 10, and over the last three to four months our office has received numerous calls on issues with short-term rentals that are in noncompliance from the standpoint of being operated as venues for parties, venues for weddings, and also appear to be in noncompliance with Austin's city code that restricts the number of unrelated occupants to a maximum of six. And in fact in many neighborhoods there's a maximum occupancy of four. Our concern was whether the enforcement of this -- these non-compliant short-term rental units were the result of code compliance not having the resources or the teeth in the ordinance to be able to effectively shut down the short-term rentals that are not operating in compliance and are negative -- negatively impacting the neighborhoods all over the city, not just in district 10, or if we have issues with the strength of the enforcement that is happening within the code compliance department. So basically that's what this ordinance is -- that's what this resolution is asking for, that the city manager investigate the issues with the inability of the department to enforce the noncomplying properties and to come back to council in mid-august to let the council know whether it's just the operations within the department that are causing that or if there are actually some strengthening needs that we have to the existing ordinance. It's not my intention -- I mean, my intention is to figure out why the enforcement of noncomplying short-term rentals is not happening. It's not my intention to rewrite the short-term ordinance, rental ordinance, and we just need to move

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forward and work with the city manager and code compliance so we can address the neighborhood issues that are happening because of the short-term rentals that are not operating properly and in compliance. We had a press conference last Thursday. The full press conference is on my council Facebook page. If you haven't seen it I'd encourage you to watch. We fortunately had lots of neighborhood residents take their time to come down and participate in the press conference and share their stories and I think all of us were really appalled to hear what they were being faced with in their neighborhoods and how these misbehaving short-term rental owners were operating in violation of city code and in violation of the current ordinance. So I know we have speakers here that will probably share their story again, but, once again, if you look at our Facebook page, you'll see the full video of that press conference. So that's basically where this -- where this is coming from. We've got an issue. It's an enforcement issue, and we need to figure out why the enforcement isn't happening on the properties that are in violation. >> Casar: Councilmember Gallo, would you like to proceed with the staff presentation and then citizens' public comment? >> Gallo: That would be appropriate. >> Casar: Great. We'll hand it over to Mr. Smart. Thank you for coming -- give me one second. Empty. >> Tovo: Can I ask a question. It was my understanding the staff had been asked to look at the ordinance and make recommendations about changes that would help in the enforcement piece and so in looking through your presentation I guess we'll hear in a minute, you have recommended very specific changes. I guess one of the things I would just ask the sponsors to consider is whether we -- how much of that we already know. I mean, we had asked our code enforcement staff -- Austin code staff, catch up with the new name, to take a look and make recommendations which

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they're prepared to do today. I'm just wondering, I hope we remain open to the possibility that we may be poised for making some recommendations about which one should move forward, even advance --

even in advance of the August because this has been an ongoing piece of work that they've been doing. >> Gallo: We've had that dialogue. The mid-august is a deadline for coming back to council. So the -- that would be our first zoning meeting with council in case there are any changes to the existing ordinance from the aspect of enforcement strengthening that needs to be done. That would actually be the first council meeting that we would have from this point forward to be able to address that. And certainly it is our intention for the city manager and the department staff, as they have determined that there are things they can already do within their department, that that happens immediately. So we're not asking for those changes that can be done departmentally to wait until the middle of August. We're asking that they be evaluated and obviously if they can be done prior to August, we would certainly be supportive, as would the neighborhoods, who are facing this issue in their neighborhoods. >> Casar: Mayor pro tem. >> Tovo: I'm still not clear. When I said we were poised for action today I thought we were poised for action to make some -- to potentially take some action related to the recommendations that the staff are presenting us with. So I'm not clear on whether we're taking action on the actual recommendations that staff have brought forward or whether we're taking action on the resolution that tells staff to go forward and review the situation which they've -- some of which they've already done or are we poised to take action on both of those thanks. >> Gallo: I apologize. Maybe I didn't make that clear. Thank you for asking that again. If the staff has already isolated and determined there are some action items that can be done within their department already that haven't been done, they are

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one step ahead of the process and so they would actually be dealing with some of those things that perhaps the city manager would have been reporting to us in the middle of August. But since we've been having this discussion for a couple weeks now, I really appreciate that staff has jumped on this and hopefully found some really good immediate solutions to the declares -- issues that we're having right now. Certainly our idea would be that those implementation of those departmental procedures and policies could be in place immediately and I appreciate the fact that you've stepped up to this and come forward very quickly to address those instead of waiting until the middle of August for the reports. So thank you. >> Tovo: I think, I guess -- we can talk after. I think they've -- have been recommending for months months and photos we take action and make changes to the ordinance but it will prob make better sense to talk about it after you finish with your presentation. >> Casar: Thank you. Director smart. >> Thank you. Thank you very much. We're glad to be able to come today and provide you a brief presentation on short-term rentals. I think that the committee is correct in its assumption that we're bringing suggestions for changes across the board. You've mentioned possible changes to the ordinance. You've mentioned, also, possible changes in departmental policy and actions. And also, resources. And I think all three of those things are things we're going to need to look at. And mayor pro tem is correct. We started some conversation earlier about possible changes to the ordinance, so we're -- kind of ahead of the game. We already started looking at possible changes. Some of the things we will talk about are the result of our meetings with your office and councilmember Gallo's office. As you know, 2012 is when we came forward -- is when the city

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council passed an ordinance that actually required short-term rentals to register. We heard several different problems, including public safety and possibly decrease in property values, and affecting the actual integrity, the character, the identity of the neighborhoods themselves. There's been a lot of concern expressed with those. You mentioned the different types of str. Some are more commercial than others. Just a review of the program, we've got basically four types. And type one str is owner-

occupied fully, whether the owner lives there on the property. But they leave for the weekend and they rent it out during the weekend, or they rent it out during a particular festival or event. And the rest of the time it's occupied solely by the property owner. That's type one. Clearly type one. Type 1a allows for a partial rental of the property. The owners don't live in the property, but -- they do live there, allowing one or two rooms to be rented out. It's a partial rental. That could include, as you mentioned earlier, ads, accessory dwelling units. Type 2, the owner does not live at the property. The property is intended specifically for rental as a short-term rental. And also type 3, that includes multiple properties, apartments, condominiums, and other types of dwelling units.

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The program includes a licensing fee. \$50 of that is a notification fee. And that notification fee is to allow our planning and zoning department, or development services to provide notice to. The annual renewal fee is \$235. We are getting quite a number of renewals at this time. Density caps have been set for type 2 and type 3 at 3% of the maximum single-family residences per census track, and also it's the same with type 3, except there's also a requirement no more than 25% of the building or 25% of the property can be rented as a short-term rental in the multifamily complexes. I neglected to mention that I also have with me today Mr. Marcus Elliot, who is a division manager. He's been our point person in the implementation of the program. He'll be able to help answer questions and add some more information that might be helpful. The str licenses by type. You can see primary type 1 has the most strs, but type 2 is quite a bit of a number there. 366 owner-occupied. 1154, that is a snapshot as of April 1st. And so that's one snapshot, is how the str program is going. I can tell you that the program that we have, even though it does have its need for improvement on the enforcement side, is sort of a model

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program. And our division, Mr. Elliot and others, have been getting quite a bit of calls from other cities that are looking to implement short-term rental programs, looking to emulate what we have going on here in the city of Austin. This is a quick snapshot of that 1154 short-term rentals by council district. And you can kind of see where most of the short-term rentals are located. And we've got a number of -- we've got nine census tracks where you have caps, where they have reached the cap, reached the maximum number of short-term rentals in those particular districts. And I think that's most of those, again, is nine, five -- districts nine, five, and three. So we can talk about challenges to the short-term rental program. What kind of challenges are we facing. And a lot of these have been discussed over the last few weeks, but also have been discussed over the last few months. What can we do to even improve the program that we have currently. The first item is that it was -- there is a lot of concern about the, what we call the gauging public interest advertising provision. It allows an unlicensed short-term rental to advertise and test the waters, so to speak, to see if there's interest in renting their property. They can do that without a license. And that's fine. We've had some talks with the industry, particularly home away and Austin rental alliance about this. And it's okay as long as, if they test the waters and they get interest, they come in and get licensed before they actually start renting the property out. A number of times, unfortunately, some owners will test it out, get the interest, and then go forward without getting licensed. So we end up with more properties operating without a license. That's at number 2 and number 3.

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An expired license they fail to renew and they're still operating without a license. And probably, one of

the highest number of complaints we get is over-occupancy. It's when you have too many people come into a property, and there are parties, and there are other nuisance behaviors that occur like noise and parking, and maybe even other items -- other activities that actually destroy or at least harm the overall enjoyment of the property of their neighbors. So, over-occupancy is an issue. And then lastly is the authority to inspect. And we just think there needs to be clarification in the ordinance about the authority that city has, that code has to actually go in and inspect licensed strs. And so we have a suggestion along this line. I'll go through our recommendation for dealing with those challenges. The first one -- first and second one would be to add penalties for not -- operating without a license. In the case of building permits, if you are doing a building and you don't have a permit, and then you're caught like that, and you have to get a permit, you have to pay a fee. Not just your Normal billing permit fee, but another fee that acts as a penalty for not doing the right thing in the first place. And so, we think something similar for short-term rentals might be appropriate. Right now, if someone is caught operating without a license, they come in and pay the same thing as the person who did it the right way. So there's no penalty included. So, we think a penalty. Something like double the fee would be appropriate, or some number that is appropriate for

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serving as a disincentive for property owners to operate without a license. We're not saying we want their money. We want them to comply. And so we have that penalty in place, maybe it will be a disincentive for them to not comply. So, both of these deal with penalties. One for operating without a license, and one for operating once your license has expired. Another recommendation deals with the occupancy limit. And this one has really been a tough one to enforce. As you mentioned earlier in your opening statements, councilmember Gallo, we've had a couple of cases go to court. And then being able to prove beyond a reasonable doubt that there was more than six unrelated persons staying at a particular residence during a period of time is really problematic. Even if we've knocked on the door and we've got statements to that effect that, okay, there were 11 people living here, do you have those names? Yes. Are they present in the courtroom? No, they've gone back to their respective hometowns or whatever. And so, for ten others with me, then we're not able to prove the case. So we've gone as far as going to municipal court, and not being able to prove the case. It's a tough one to enforce. We're suggesting here at least that maybe we add a statement. That a statement be added in the advertisement that states that it's a violation of city code to allow more than six unrelated persons to reside in a

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short-term rental. And I know we've had some discussion with councilmember Gallo -- the suggestion that maybe -- more than X number of six unrelated persons to reside. So we think we need another tool along those lines. Whether it be this kind of a statement on the advertising or a requirement that you sign an affidavit that you will not go beyond that limit, we think that would be helpful in this case. It would help put the owner on notice, and it will also help put the tenants -- the residents on notice, also. >> Casar: Director, I believe councilmember Gallo has a quick question. >> Yes. >> Gallo: Let's visit about this before we move on to the next one. What I'm trying to understand -- and I process if you go through the court system. So, my concern, and what I want to address is the existing ordinance right now. It's my understanding -- so let's take an example where a property does have a license. And they are currently advertising for that property. And in the advertisement, it says, "Sleeps up to 15 people." >> Right. >> Gallo: In the current ordinance, is that a violation of the ordinance? >> It could be. It could be. There's a couple ways of looking at it. Our ordinance says, no more than six unrelated persons. Some properties

can hold, obviously, can hold up to more than six persons. So if it's a family, for example, of 16, then that family, certainly, if there's enough space, that family could live there. That advertisement could be okay. So, 15 cousins could live there.

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If they're unrelated, then they can't and that would be a violation of the code section. The code does state now that it is a violation to advertise the property in violation advertise violations of the code. So, you're saying that you could have more persons occupying the property than is allowed by the code. That kind of advertising is not permitted. But being able to prove that, I think, is still the situation. Because of that one statement that that's unrelated persons. It does not apply to related persons. >> Gallo: So, one of the major issues that neighborhoods have right now is when these properties are being leased to 15 people, and you walk in and there's beds set up everywhere. And obviously, 95% of the time it's not a family. If it's a family, that's a different situation. But more than likely, it's not. And that's the partying atmosphere that's being promoted by these properties. How do we address that? How do we get the teeth in the ordinance -- or with your department -- so that we can figure out how to stop that? Because that's one of the issues that's just a huge -- that has a hugely negative impact on neighborhoods. Because not only do you have that large number of people residing at this house, you have the cars that go with that large number of people. >> Yes. >> Gallo: That are parking up and down the neighborhood, and on the yards and the driveways, wherever they are. So, how do we specifically address that? How do we do something that keeps that from happening? >> It's a combination of things, I believe, councilmember. One is that we've got to make -- and I've still got more in the presentation. I think that will address some. >> Gallo: Okay. >> It's not so much -- it is the number of people, but the activity that those people engage in is what really causes the problem. You mentioned the parking.

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If the parking is in violation, we need police to help deal with that. If it's noise, we need our noise ordinance, and to deal with that from a noise perspective. But also, being able to deal with the over-occupancy issue itself. It's a combination of things. And I think we've got to deal with all of that. This statement is just one piece, I think, of the enforcement puzzle that will help deal with this situation. I inadvertently skipped over another piece because I was looking at the penalties. But, inspections. Making sure that we have the authority to go in and do those inspections, I think, is part of it, too. And so we want to propose an amendment to the ordinance that would allow the inspection of the strs when we have a complaint and cause to go into a property. Like the example you just gave where there's beds all over the place, sleeping more folks than the property was intended to sleep. How do we prove that? We need to get in there and take a look at it. And we need to document what we see. So in order to get in, we need the authority to do those inspections. That was left out of the ordinance before, specifically because the industry did not support that kind of inspection. But I think we've found -- we've tested it. And we find that we really need it. And so we will recommend that those inspections be allowed. Inspections of hotels, motels, rooming houses, boarding houses, bed and breakfasts. All of those are allowed. We are allowed to go in and do inspections, particularly on complaints. Short-term rentals were left out. We think we ought to put that in. That would be another tool to help us deal with these

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situations. And I've got a couple of -- another item. >> Casar: And then we'll continue with questions

after that. >> Okay. I'm out of order a little bit. Let me go forward here and then I'll go back to that last slide. Stronger code enforcement, what can we do. And we have met -- as a code enforcement team, to look at what we can do to provide stronger activity. And these are some of the -- the code does give us the authority, presently, so suspend licenses and deny licenses based on code violations. And so, we are looking to make better use, increase use of that particular section of the code. Suspending and denying the licenses. And we think we have support from the industry on doing this for the bad actors. If we can show that they're in violation, then we'll use that suspension. Weekend and after-hours inspections, we've already started doing more weekend and after-hours inspections. We had a team out this weekend, a team that included police and fire with us to look at some of the bad actors. There were addresses that came out of the conference last week, and there were other addresses that we've gotten. And so we just did a routing for that team to go after hours and take a look and knock on the door and just talk to folks, how're things going. And document if there's any noise or parking issues that are going on at that time. Fortunately, this weekend was quiet. We did not get any -- we did not have any noisy parties, over-parking. We didn't have any of that this weekend, even though there was a number of activities going on

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here in Austin, as you know. >> Gallo: I appreciate you doing that. I know the neighbors were very enthusiastic about that happening. What time were those inspections made? >> They were done in the evening. >> They were done from 6:00 P.M. To 12:00 A.M. Started Friday night and ended Saturday morning. >> Gallo: Okay. Because some of the complaints from the neighbors are that these houses continue to be the party houses when the bars have closed down. So they're not doing to have much activity at 6:00 in the evening. But it sounds like most of the activity is going to be late hours. You know, after midnight to early hours in the morning. So it doesn't sound like the inspection, perhaps, addressed the timeframe that neighbors are having problems. Is there a way -- how are you intending to address that? >> We are looking at -- number 5 on there is the public assembly code enforcement team. We use it primarily for festivals, south by southwest and others. So, we are putting together a team to actually do those early-hour, early morning hours inspections, including maybe tab, tax alcohol and beverage commission officers. And we can do wee hour mornings. We can do 10:00 to 4:00 in the morning or something like that in order to check. So, that's something new that we're adding in order to get more enforcement at those times when we're usually having the problem out there -- when the neighbors are having the problems. >> Gallo: How quickly will that be in place? I can see the question coming from the neighborhoods. I would ask the same question. >> We're planning to have a team out this weekend. Another team out this weekend. We had a team out this past weekend. We just went to 12:00. But we can go beyond that. We can adjust the hours as needed to address the problem. >> Gallo: Well, I think a

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really good resource in helping you kind of determine the time would be to actually talk to the neighbors that are having the issues, because they could probably tell you very specifically the timeframes that they're having the most problems with. >> Sure. >> Gallo: I think they could be really good partners in trying to figure this out. >> I agree with you. That was our first weekend of doing the inspections. With us trying to do it really quickly, we didn't have enough time to make the proper contacts to get to ABC and possibly the health department to come with us. That's why we didn't have a more organized inspection group that included all those that you mentioned. But, that will take place quickly. >> Gallo: It's a good step. >> Yes. >> Gallo: In the right direction. So, thank you. >> You're welcome. We put city controller's office here. We've already been working with them and the state comptroller's office. We'll

look to enhance that, expand the use of those. The str's are paying their taxes. And so, but they will help with research and give us a helping hand where needed to identify. And those properties that are out there, maybe they're not paying their taxes. And so we'll work with them. And then the last item on here, the administrative hearing process. We're working now, looking at that, vetting that process to see if maybe the short-term rental violations could be added to the administrative hearing process. Right now, having to go through municipal court as I mentioned before, the burden of proof is beyond a reasonable doubt. And administrative hearing, a little bit different. The preponderance of the evidence is the burden of proof. And so, you don't have to have persons, having to have them there in person all the time to prove a case. And so, that may be a better venue for these types of violations. Right now, the a might be the administrative

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hearing is primarily for property maintenance violations. But, we're thinking that we may -- maintenance violations, but we're looking to expand it maybe to include this. If we do, we may be able to handle these cases quicker. And we may be able to get better results with these kinds of cases. So, that's one of the things that we're looking at. And the question would be, now, do we have the authority currently or do we have to change the administrative hearing ordinance in order to hear these cases. And I think the latter is true. If I might go back to next steps, I think the next step, course, councilmember Gallo is introducing a resolution. If council will consider that resolution to amend the str ordinance, and certainly, we've got some recommendations already. We are ahead of the game, I think. And so we're ready to go on some of those recommendations now. And we'll look further and step number 2, working with the city manager's office. Look and see if there's any additional recommendations that we want to make in reference to strengthening this ordinance. And then lastly, of course, the city manager to report back to council recommendations for changes. Just FYI, of course, some of these changes would be to the zoning code. And they would have to go through the planning commission for consideration before those changes are made, obviously. The section on inspections is not in the zoning code. It's in the section 13. It could go a different route. And so it just depends on the type of amendment that would come forward. But, we're committed to doing our part to help strengthen the enforcement of this ordinance. Lastly, there may be some issues of resources depending on what ordinances are approved.

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When this ordinance was initially approved, the str ordinance, it was approved with minimum staffing. And so, we may need to look at increasing that staffing. If not this year's budget, maybe next. We're going to be out there on the weekends, evening hours, those kinds of things. There's overtime projections that would have to be considered, as well as additional staffing. But, again, we're committed to working with council and working with neighborhoods, working with the industry to strengthen this ordinance and strengthen the enforcement. I'd be glad to answer any questions that Mr. Chair or the committee might have. >> Casar: Thank you. Councilmember Gallo. >> Gallo: Sorry for all the questions. So, we talked a little bit about the number of occupants, which is one of the major issues for the noncompliant str's. The other, the use that is not compatible to the residential zoning, which I assume would be wedding venues, I would assume. Come to a party. Do we have, currently, the tools to enforce those? And this would be another question about the advertising. If the advertising for the unit is advertising it as a wedding venue, is operating a wedding venue in violation of zoning for a residentially zoned property? >> Yes, it is. If they are advertising that, they're going to do commercial activity. Then we can use that as evidence to cite them for a violation of the code itself. Secondly, though, we have looked to see if we had -- in fact, we were going to add in here, we were going to add a

recommendation that we clearly specify that any use other than residential use is prohibited on

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a short-term rental. But we think the current zoning code, in talking with law -- we've had discussions with legal. The current code makes that clear. It's not intended for any commercial uses of the property. It's meant -- intended for residential uses. And so, if we can prove that it's a nonresidential use occurring, then they can be cited for that violation now without any additional amendments to the code. >> Gallo: So the advertising of the property in that way, is that the proof that you need that they're in violation of the current ordinance? >> No. The advertising is proof that they're violating that section of the ordinance that deals with advertising. It doesn't prove that they are conducting the commercial activity. That would take additional proof and documentation. >> Gallo: Okay. >> Does that make sense? >> Gallo: I want to be very clear I understand that the advertising component of the ordinance doesn't already give you the ability to claim that somebody is in violation if they're advertising a nonresidential use. >> Yeah. If they're advertising a nonresidential use, then that's a violation in and of itself. And we would cite them for advertising in violation of the code. We wouldn't cite them for doing the activity. We would have to prove the activity itself with subsequent inspections or whatever. >> Gallo: And when you cite them, what's the next step once you do that? >> Well, what is, of course, our process. We'd have to give a notice of violation. Issue a notice of violation, tell them they have to cease and desist the advertising. If they fail to do that, we issue a citation that requires them to go to court and face the judge and possible penalties. >> Gallo: That's another one of those places that the

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ordinance doesn't cause a fine to happen, or revoking the license. >> That's correct. >> Gallo: Okay, all right. Thank you. >> Casar: Councilmember Renteria. >> Renteria: Yes, I need a clarification. I have people that tell me one thing. And it's about, if a person has more than one location, is he required to register each location on a type 2? >> Yes, absolutely. The registration is for that location. Each location must be registered. >> Renteria: Okay, thank you. >> Yeah. >> That's correct. As well as multiple dwelling units on a property. If you've got an owner that has two dwelling units on the property and the primary one is owner-occupied, the second unit is a type 1 secondary as a second license for the additional dwelling unit. >> Staff has just -- the wedding party venues that are being advertised as such which are in violation of the city code for residential zoning. This is number F. It says an advertisement promoting the availability of short-term rental property in violation of city code -- denial, suspension, or revocation of a license. So, it looks like you've got the ability to use that advertising -- to use as grounds for denial, suspension, or revoking the license. But I'm hearing from you that that then becomes a court process, that you can't do that administratively? >> I stand corrected. We certainly can. The code does indicate that we can do denial, suspension, then we certainly can do that. >> Gallo: Okay.

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>> We haven't done that, historically. We've been issuing notices of violation. But as I said before, we are looking to do more suspensions and denials where the code permits it. And if it permits it, then we'll certainly take advantage of that. >> Gallo: Okay. Well, that's good news for the neighbors. >> I'd like to add one more thing. For that to actually occur, the property has to be licensed as a short-term rental, also. We have a number of properties that aren't licensed at short-term rentals. For this to apply, they have to have a license so we can take action. We have properties out there that are in violation of this but they're not actually licensed short-term rentals. >> Casar: I have a followup. It sounded like it said

suspension or denial. So I guess what would be helpful to hear from y'all after perhaps y'all touching base with legal is, if you advertise illegally, and were caught doing so, could you be denied being granted a license if you applied for one? >> That's correct. Yeah. The way I'm understanding it, yes, we could deny them -- once they come in and apply, deny the application based on the fact that they've been advertising in violation of the ordinance itself. And/or if we had a penalty in place such that they would have to pay a penalty before receiving the license, that might be an appropriate way to handle the case, also. >> Casar: That makes sense. Mayor pro tem, did you have a followup question? >> Tovo: I sure did. I'd like to get back to the advertising issue, because that's one of the recommendations that you've made. You know, when the council went back and revised the short-term rental ordinance, I thought that was one of the changes that was made that advertising is no longer evidence of actual short-term rental use. And that was one of the recommendations you've made --

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you've suggested be changed in the ordinance. >> Yeah. One of the recommendations we're looking at, mayor pro tem, was to remove the section of the code that allows unlicensed short-term rentals to advertise availability of property. I mean, to advertise a property. They call it testing the waters. They just want to advertise and say, hey, I've got a place, are you interested. And then if they're interested, theoretically, they're supposed to come in and get a license before they actually enter into a contract or an agreement to rent the property. If it works that way, then it's fine. The ones that are not good actors are the ones that gauge the interest and then go forward without actually getting the license. We have stopped short -- section of the code, realizing that the real problem is not so much the advertising. The real problem is that they go forward and actually rent it without getting the license. And so we think maybe having the penalties in place will be a disincentive for them to go forward and be renting without having proper licenses. So, we decided to recommend, instead, recommend the penalties instead of recommending removing that section of the code. >> Tovo: I guess one, I would like to understand how that provision G interacts with the provision that councilmember Gallo just read. You know, if advertising is no longer -- you know, if you can advertise and it's not grounds for license denial, does that change the ability to enforce the advertising provision that you just read? But also, I guess I would -- okay. >> I can answer that question. >> Tovo: Then I have another question. >> That allowance was made so you have the section below that, G, it allows the licensee to gauge the interest. If you didn't remove the

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previous version that the council had that said advertising was evidence for taking action on someone, then they couldn't actually gauge the public interest before actually coming in to get a license. So that's why that's in there, to allow G to happen. >> Tovo: And I guess -- thank you. And I thought when you first mentioned this issue back in the fall, I believe it was in the fall in a presentation. And you identified for us a passage that has caused great difficulties, great -- obstacles. I thought the recommendation was going to be to reprove G. It seems like G has created a lot of problems. It's allowed people to advertise without getting a license. And I would say that it could happen hand in hand with the other provision you recommended, which is to have a fine for operating without a license. So, I guess, why have you switched course on -- and maybe you haven't. Maybe I'm remembering incorrectly that you were recommending removing that G. >> You're saluting right. Absolutely right, we were looking at recommending removal of that section, just taking it out of the code. We've met with industry. And we've met with a representative from home away, and one from Austin rental alliance. We've met with neighborhoods. I think the real issue turns out to be more so of the actual act of renting the property

without a license itself, versus the advertising. Now, I don't know percentage-wise how many folks who advertise do the right thing versus doing the wrong thing. But the key, I think, here, is for us to focus -- our recommendation, anyway -- is to focus on the ones that would do it wrong, do it the wrong way by representing -- renting the property without having a license. If we had penalties in place, we

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think it might be more effective to have the penalties in place than to remove that section of the code. It still -- may be a consideration. We might come back with a recommendation later on. But right now, if we can get the penalties in place, that will serve as a disincentive for properties owners to rent without licenses. But, we're not losing that. We will keep an eye on that from our perspective. We may come back in August with a recommendation. But at this time, we do not have that recommendation. >> Tovo: Well, I'll just say that I guess -- I appreciate the discussion. I've had now, multiple conversations about at the difficulty with asking you to enforce the ordinance as long as that advertising provision remains. And so I'm going to support -- as I mentioned last week, as I mentioned in our council work sessions regarding budget, I think it's important that we go back and remove that provision. Adding it in has made the work of our code compliance officers more challenging. If we're really serious about enforcing the ordinance, we need to provide you with the tools you need to do your job. As I mentioned last week in our meeting, again, I am supportive of going back to how the ordinance was originally. And I understand there are concerns about it from individuals who want to be able to test the waters, from industry professionals. The best interest, I believe, of our community. So I'm going to argue strongly that we remove that provision. >> Casar: Members, I have a couple of clarifying questions for our direct. First, a very simple clarifying question. When we talk about a commercial wedding, or a commercial party, that means that someone is advertising the property for a fee, or for some amount of payment to have that wedding. But if I wanted to have a couple of friends get married at my house, that's not a violation of

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that, right? Okay, good. Not yet. [Laughing] >> Casar: Second, on occupancy, do we enforce the occupancy limit on short-term rentals under the same code that we enforce occupancy for regular residential use, or is the six-person occupancy also in our short-term rental ordinance? My question is, our occupancy limit, is that referred to one and the same when we're enforcing occupancy at short-term rentals, or is it the same piece of city code that says you have six unrelated persons in a house? >> I think we're using the same ordinance that is part of the zoning code that deals with other residential properties that the short-term rental ordinance itself doesn't specifically set that limit. >> Casar: And so, we consider an unrelated person staying for one night in a home, residing in that location. So, if there are seven people that are staying one night, that's considered over-occupancy under our zoning code? >> Seven unrelated persons, correct, yes, sir. >> Casar: Members, that is a bit of concern to me. And perhaps something else we should take a look at. I'm not sure how -- we would have to touch base with legal. I think if we're going to enforce occupancy on a by-night basis, we may want to separate that out into the short-term rental ordinance. Because it seems to me that one consequence of this is that if you live in a duplex with a roommate, the person on the other side has a roommate, you have four unrelated persons. If we're thinking occupancy and residing in a place means staying there one night, if you have two friends come from out of town for a funeral, all of a sudden your three friends come out of town and stay at your home, you're all of a sudden in violation of city law, which seems -- >> If I might add, Mr. Chair. If you're talking duplex, that's two different units. We would look at maximum occupancy for each unit.

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>> Casar: Okay, thank you. I'm sorry. I interpreted that wrong. It might be less of an issue, but, something to look at. People come in for a night that are unrelated, oftentimes when it's not a short-term rental use. I wouldn't want to inadvertently allow people to start enforcing that kind of a rule on somebody who's just having friends stay a night or two, as opposed to someone commercially using that for their business. There may be unintended consequences, but, something for us to consider. I understand why we may want to limit the occupancy to six on a short-term rental per night. And I understand why we might want to limit a space to six when you've got year-long leases. But I think the committee knows where I'm going with this, so I'll leave it with that and perhaps come back with a recommendation. >> Could I add something to that? >> Casar: Yes, sir. >> We have the international property maintenance code that addresses occupancy limits. And that's one of the reasons we're pushing for the short-term rentals to be added to chapter 13, section 13.01 so that we can go in and investigate those complaints regarding over-occupancy. The occupancy established under the international property maintenance code is based on square footage of the dwelling unit. So even though you'd have the six unrelated people under the land development code, you can look at it from a second perspective. As long as they have the required square footage per person, it wouldn't be a violation. >> Casar: Thank you. And I have one last followup question. So if we find someone in violation of the advertising rules, does that give the department the ability to go and do a followup inspection at that location? Does that get us around the selective enforcement problem that if we find that someone has been advertising and we find them in violation of that, could you go and do the inspection based on that to find out if they are, indeed, have a

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short-term rental without license? >> We actually should be able to do an inspection of the followup to that kind of information. Just to make it clear, I think we need to make sure that we add short-term rentals in the section that allows inspections. And so, that's what we need in order to make sure that is clear. >> Casar: Thank you. Councilmember Gallo. >> Gallo: So many of these issues, we find them in short-term rentals, but they are also issues that could be present in long-term rentals or in owner-occupied properties where someone decides that they can -- they're going to leave town and, you know, anyway. So my question is, the compliance aspect for something like this, over-occupancy in a long-term rental. How is that handled? Is it administratively done, or does it have to go to court? The code issue of occupancy, number of occupants, isn't a short-term rental issue. It is a property issue citywide. And so, tell me. Help me understand. If you have a long-term rental, and, you know, the ordinance was the result of packing a lot of students into a property. So, if you have an issue on the long-term rental that there's more than six unrelated that are residing on a long-term rental, how do you handle that violation? >> Yeah. The way we handle that, councilmember, we have to actually go in and investigate. And it would take some inspections. We'd have to knock on the door, talk to the tenants there. We'd have to see if we can get information on how many people are living there. We'd probably notify the property owner, and talk to the property owner. If we could get a copy of the lease agreement, that may be helpful. Sometimes it is, sometime it's not. We can check with utilities and see if we get any additional

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information that way. It's not an easy ordinance to enforce. But if we let -- a lot of times, property

owners just don't realize that it is a violation. So the first thing is to make sure -- they understand what the code is and that it's a violation. Secondly, let them know we will investigate and do our best to determine and document if there's more people living there than should be. If it is, then we would issue a notice of violation and go through that process. Probably end up in court, unless we can get voluntary compliance without going to court. >> Gallo: The areas of town that are limited to four, not more than four -- >> Yes. >> Gallo: Does that also convey to the short-term rentals? Too? >> That's correct. That ordinance is for the same area as the mcmansion ordinance. And it does have a limitation of no more than four unrelated persons. And unless, of course, the council renews that ordinance for any reason, or if codenext is available to replace it. >> Gallo: So when your inspectors -- when you were going out to inspect str violations for the number of occupants, they know whether it's a six or four? >> Right. They have to check the location to see if it's in that area or not. Look at overlays. >> Casar: That brings it back to my question, then. Which is my understanding -- and I guess my -- I forgot about the mcmansion versus not mcmansion sections. But, in a section of town where mcmansion applies, if you have a duplex, my understanding is the occupancy limit is four. That means, if your friend is in town for a funeral, four people are staying one night, this means you are out of compliance with city code? Having one friend stay one night at your duplex?

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>> That could be, staying in one unit. Four people living there already, maximum, then you add another one, you could be in violation. >> Casar: That sounds like a problem to me, but we'll follow up with that. >> Renteria: I have a question. >> Yes, sir. >> Renteria: The percentage of str. You have it on the website by census tracts. And y'all gave us the report here on the -- by council district. So, is there -- you know, like you said, district 3 is already -- tracts are different than the district areas, aren't they? So, next time when you print something out, can you bring me which tract already exceeded the percentage? Because I was trying to find it. I couldn't find it on your website. I know you have it advertised, the census tract, but I don't see the map. >> Okay. We'll make sure -- >> Renteria: I'd just like to see the map. >> We'll make sure you get a copy. There's two census tracts in your district that have reached the cap. We'll be glad to share that with all of the mayor and council as to which census tracts. It's a little different than council districts, of course. Census tracts have reached the cap, which ones. And also, for the committee's information, Mr. Guernsey was just reminding me duplexes are limited to no more than three unrelated persons per side. So, that would be a six total for the duplex. >> Casar: Okay. Are we ready to move on to speakers? We have about 20 minutes' worth of them. Thank you all for your presentation. >> You're welcome. Thank you. >> Casar: First is Mr. Craig

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Casper. >> Gallo: While he's coming up, I just want to thank you for your quick work on beginning this process rolling. And I look forward to the reports back from the midnight and after task force. Thank you. >> Casar: I think your mic should be on, sir. >> Hi. My name is Craig Casper and I've lived in Austin now for 20 years. I'm a celloist. There was a very famist one that once said, in music, when you perform, that that is not simply clear is either deceiving or attempting to deceive. My position is, simply and clearly, outlaw type two str. [Applause] >> You will save Austin neighborhoods. You will do a great favor to the hotel industry. These kind of things are hotels. They're boarding houses. Now, what you are talking about in terms of people coming into duplexes for a funeral -- is somebody going to charge their friend to stay with them for a funeral? [Applause] >> Anyway. At the end of April, I became a victim of an str, which I didn't even know anything about. I live right nextdoor on cat mountain drive to a house that was bought. In his advertisement, before he had a license, he claimed that his house could sleep up

to 27 people. He's put TVs, games, he has a pool. He owns other str's that he's obviously running a party house. Now, I was able to organize and meet with almost everybody on my street, and there is nobody in favor of this. Just to give you a slight sense of dynamics, on one side, there

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are three high school boys that live with the family. Across the street, there's a lady that has a 1-year-old baby. Right next to them, a couple that have been living there for 35 years. A gentleman who was a city planner. He's had a stroke. On the side next to me there is a lady that has three triplets and a young kid. So, there's a lot of family dynamics that will be subjected to all kind of behaviors. On the first rental, we've seen women brought in around midnight in cars. And the next morning, before 6:00, those cars were gone. Neighbors have described them what you can imagine what they are. Now, one thing I was going to tell you is that I am now involved in a dragged-out lawsuit that's going to cost me a lot of money. It's likely this lawsuit is going to start, if we're lucky, in August, and go probably through September, and probably through appeals. So the need for enforcement in this code is extreme for us, because we're going to be subjected to every week a new group of people. And had the city had this enforcement beforehand -- [beeping] >> We wouldn't have to be paying this money. I see my time's up. I just do want to say one thing. I have a cousin that's an attorney for the city of Santa Monica, California. They just passed a very tough ordinance. I'm willing to share his name and the name of the drafter if you want to get your lawyers in touch with him. >> Casar: That would be great. Mr. Casper, just one comment, I think, that we had a simple misunderstanding. The reason for my question about the occupancy limit and the funeral example is so that when we enforce the occupancy limit on short-term rentals, which director smart said we could

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do -- so your example of 27 people, according to Mr. Smart, would not be within code, because it would be six people over one night -- I understand that very clearly. My consideration was, perhaps, we need to bucket that into just short-term rentals occupancy being considered one-night. Because we don't want to inadvertently make it illegal for the example where your friend lets you stay to for free to be illegal. I think we're on the same page. The point being, we don't want to enforce -- so I hope that that -- >> I think this once again goes back to, it's unclear. It's confusing. And it's attempting to deceive the problem that we have. >> Casar: I understand. >> Thank you very much. [Applause] >> Casar: I think councilmember Gallo may have -- >> Gallo: Since you're here, and since they're looking like moving in the direction of actually doing inspections at the appropriate time to catch the bad behavior, do you mind visiting with them to share with them what that timeframe would be? Thank you. >> Casar: Our next speaker is Silvia Casper. >> Good afternoon, council and committee. I am Silvia Casper. I have lived in my home for about 20 years also with my my --husband who just spoke. I've been passionate about this. I've been in contact with the code enforcement, visited with the very first person who came by that house while there was a lot of work being done. And I shared with him not only

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the advertisement -- the pre-advertisement and the booking of 24 -- 27 at one point. Now he's moved it down to 24. But also became aware that the same owner owns another property right around the corner that sleeps 18. And if this is not a hotel, I don't know what is. And if it's not being used as a commercial property. Because the owner does not live there. And if you do the math, I don't know if you've seen that one, but at \$500 a night, it has the potential to have up to 27 college-age boys or

whoever at \$50 a night. Or whatever. I'm a little nervous, I can't do my math right now. But it doesn't -- you know, you know what the potential is. And the key word is potential. And the fact is, is that nobody who has good intentions and who cares about the neighborhood is going to open that kind of home and use it in that way. And I beg -- with all due respect to the gentleman that were here, saying that the fines would be towards them -- when you have several hundred thousand dollars invested, a couple of hundred dollars isn't really going to make much of a difference when you add the fines to somebody who really doesn't care and because, how in the world were permits even submitted when I gave this and called, to sleeps 27 and sleeps 18? I don't understand if that enforcement of six people, unrelated people in a unit, how a permit could've been given, especially when we called ahead of time and we had -- we were very organized and had all of our neighbors calling the city,

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the code enforcement, asking them to please not give these permits to this gentleman. And they still did. And they got back to us asking us to refrain from having the neighbors call, as well as there was not really anything they could do at this point. So it's not a matter that he just advertised to test the waters. He booked it. And he booked it for now, several months in advance. So I just want to ask why a permit was even allowed for something like this. And I got three different answers from different code enforcements. And I am very -- it's going to affect our neighborhood. It's going to affect our home, our interests. And we just need to save Austin. [Applause] >> Casar: Thank you. Our next speaker is David king. Is. >> Thank you, chair, committee members. I live in sicker neighborhood and our neighborhood -- our consensus tract were the first ones to hit the cap, very first ones, they've been at that cap almost since the very beginning of the ordinance. Almost immediately we had problem with str, the type twos. It's been an ongoing program and we've been around this almost -- I like to use the phrase this is not my first rodeo. We have been around this problem multiple times with no solution, and I think enough is enough when it comes to commercial type 2 properties. They're commercial operations. They should not be allowed in residential areas. [Applause] >> That's the bottom line. If they want to operate, then you can -- I think code amendment would be very appropriate. You're allowed to operate but you need to operate in commercially zoned areas so

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that they can continue to operate and provide the value that they express that they provide to the community. Why can't they do it in commercially zoned areas? Why number our neighborhood. Almost 400 homes you saw in the earlier slide, single family homes, are off the market primarily in central Austin neighborhood but other neighborhoods as well. It's many neighborhoods. Nevertheless that's 366 single family homes not occupied by families whose children could be living in the neighborhood no one. And so the value of that next door property begins to get negatively affected. So that's a reality. And then that property may become an str because who wants to live next to an str? Oh, another str, okay. We see clustering happening in some neighborhood. This 3% cap by consensus tract is not sufficient. We've had several areas in the city where there's several str within less than a block. You have trash, all the problems you've already heard. We need to simply outlaw them. And even the state of Texas, there was a bill in this last legislature, didn't make it out, wish it had, but even it said the commercial type 2 strss must operate in commercially descend areas. Even the state of Texas came up with that. Why can't Austin? We need to enforce the regulations, we do. I support the efforts to tighten it. I really appreciate you bringing this forward, councilmember Gallo. This is -- needed to happen. So I really applaud you. [Applause] >> I think this is just a band-aid, just a band-aid and

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we're going to continue with the problems. It really is enforceable. It's easy to say you're without a permit, you're not allowed to operate in residential area than it is to go through all the stuff we talked about earlier. I urge to you outlaw them in residential zoned areas. Thank you. [Applause] >> Casar: Next we have Mary ingall. And on deck is Kristin hultow. >> Good afternoon, I'm Mary ingall, president of the Austin neighborhoods council. As you know you received in your inbox a resolution about ads that we passed at our executive committee meeting last week. This -- the commercial use of single family property is something that has troubled anci for a long time and me personally. It is not a good use of property. Type 2 and type 3 short-term rentals remove housing from available housing stock. This exacerbates the housing shortage and potentially increases housing costs. So if we are to believe that we want to solve this problem as a community, then we need to make real steps for solution. I support director smart and Mr. Marcus, I've forgotten your first name. In your efforts to bring this stuff forward, we need to have penalties that are real because this is all about money, and I think these people understand if you have a real penalty and it's not doubling the registration costs, it's a real penalty -- if you have a real penalty it will mean something. I also think that the denial suspension of a license is good. It's not been done. We need to start doing that.

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Also, correcting the loophole for short -- for the illegal operation is good, and I would suggest also it's very important to tie this to the zoning code because occupancy is a use, and uses are described in the zoning code. So that is a good reason to tie to the zoning code. We've found that our registration -- was it rental registration ordinance? It wasn't tied to residential -- or the international code that the 13.01 is a good thing and also tying to the residential zoning code. So thank you very much. >> Casar: Thank you. >> I have three minutes? >> Casar: You do it on deck is Joyce B. >> Briefly, Kut this morning published an article on today's meeting and they also provided a match showing str per consensus tract. You asked for that a moment ago. I don't know when this snapshot was taken, I want to say April 2015 but that's for your records. >> Casar: Before you -- as you state start will you please read your name into the microphone. >> My name is Kristin [indiscernible], thank you for allowing me to address you today. Thank you very much for reviewing the ordinance. I know it's tricky and contentious. I'm here on behalf of several negatively impacted residents in the district 3, in the east Cesar Chavez and holly street neighborhoods. I may not be the best representative or the most eloquent or articulate, however, I was the one able to take off work. And unlike the folks representing the str industry, we don't have gobs of money,

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lobbyists, attorneys, et cetera to represent us. We have you and the court of public opinion, and so we're, you know, speaking to the aud -- audience that we have. We would very much like to be a part of the amendment process. As I listen to the amendments that codes -- the code office proposed, I felt that they were just not -- there was just not enough there. We will be following up to provide you all with a list of amendments, information that we've done -- or obtained via our research about what other cities have done in terms of whether they're outright banning str, commercial type 2 str, that is, or whether they're enacting additional regulation, et cetera, with real teeth. While we in Austin may have been the first to legislate commercial type 2 str I would agree in saying we are the model. I applaud the city of Austin for having gotten out of the gate first but I really think at this point cities are looking to us to kind of try to figure out where they should go moving forward because it's clear that what we've done hasn't

really worked. The current system, enforcement system relies as opposed to honor code and he that is not working. I would very much like to see -- I know one of the amendments that code has discussed has been basing occupancy per square footage on the ipmc. I want to be clear while that will help solve the issue of related versus unrelated adults and it will help residents dealing with strs in smaller properties, for those of us that are living adjacent to larger properties, that would only legalize the problem. There's one property in particular that's been very difficult, and calculating the square footage on that property via ipmc, it would actually enable nine to 11 people versus the current limit on four. That's not what we want. While I think it's, you know, it may work in some

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circumstances, that's actually really a nightmare to us, to think that this party pad could become legal by virtue of the ipmc. We also believe that code needs more resources. They've been great about talking with us, respond to go our e-mails, coming out when they can, but they have two people on weekends multiply that's just not enough. While we may have 1,000 some odd permits, websites such as -- [buzzer sounding] >> Casar: You can go on and have another 20 or 30 seconds or so. I know you were running behind. >> There's a gentleman named [indiscernible], marketing professor at Boston universities that been researching this issue. He has found a total of 8,000 strs in the Austin area alone. This test the waters business needs to go. The inside air b&b data researchers have found inside air b&b properties amount to 5,500 str properties in Austin alone. So the 1,000 that you see permit ready a drop in the bucket. It's confusing the issue, makes it hard to enforce. We have an exponential number of -- greater number of properties that are not licensed, and they're not just the problem. The permitted properties, there's no suspension, there's no revocation and I've used up my three minutes but I can send it therefore to you electronically so you have it but it's a list of -- [off mic] >> Casar: Give me one and I'll fast around. >> Information what others have done to try to address the issue. And we'll follow up with more detail. Thank you for allowing us to be part of the process. >> Casar: Thank you. [Applause] >> Good afternoon, councilmembers. I'm Joyce basiano, first vice president of aic and I live in councilmember Gallo's district, that's ten.

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The city's land development code is a covenant between the property owners and the city. A homeowner wants some assurance that adjacent residentially zoned properties will not be use Ford commercial purposes. Type 2 non-homesteaded short-term rentals are a commercial use of residential properties. They are motels and party venues. Commercial short-term rentals remove neighbors and permanent long-term now, our neighborhoods. In some neighborhoods commercial short-term rentals are clustered, creating a dead zone in the neighborhood. There are no long-term residents there. Otherwise known as neighbors. Just a stream of strangers coming and going. This is of special concern to people or neighborhoods who are raising children. Our residential neighborhoods are communities, not commodities. The short-term rental ordinance needs to be amended to prohibit commercial short-term rentals and stiff fines need to be assessed against violators. The city's covenant with homeowners was broken. Please fix it. Thank you. [Applause] >> Casar: Next is Betsy Greenberg. Ms. Greenberg here? Stewart Hirsch. And then our last speaker is Mr. Malcolm Yates after Mr. Hirsch. >> Chair, members of the committee I was going to wait until Thursday to tackle this one but I can't sit silent anymore. Building and standards commission is the key to solving this problem and it wasn't provided during your testimony. We've been licensing hotels, motels, rooming houses, boarding houses and bed and breakfasts, by the way we only have five licensed bed and breakfasts which should tell you we have the same problem in b&bs as short-term rentals.

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They have the power to issue orders to vacate, \$5,000 a day fines, we've used that tool in the past when people took their single family houses and either violated Doke ordinances or the bedroom occupancy. There's a misconception [indiscernible] That you can have a number -- the number of bedrooms you have determines how many adults you can have in that house and it sounds like there's massive violations of that, and the property maintenance code is pretty clear about how you calculate the size of a bedroom to figure out how many adults you have. So there's lots of excuses coming to you about why we're not solving the problem. Somebody throws a party on the day before the superbowl in my neighborhood, an owner. His spouse will not allow him and his friends to smoke in the house so they go on the front yard, rent the biggest wide screen TV you can imagine and turn up the volume because they didn't want it to conflict with their music and blume out of my bedroom -- blume out of my bedroom at 3:00 in the morning. That is not a short-term rental issue. That is a nuisance issue. I've tried at the planning commission and building standards to convince them that some of the nuance language to address this and some of the additional parking language that we need to address these kinds of nuances and garbage receptacles needs to be put in the property maintenance code in a way that it doesn't exist currently. Then we have the power with the -- with vacation orders, with occupancy reduction orders, with thousand dollars a day fine, \$30,000 a month, that changes somebody's bottom line. So far the staff has been unwilling to put that on the table before you, and I watch them not do it again today. So my suggestion is part of

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this is a code issue and part of this is a lack of using expanded resources. The document I gave you earlier today showed there used to be nine of us in code enforcement in the last century. And we didn't get the kind of complaints we do now. Last I checked, they've got a budget in excess of \$10 million and they can't figure out how to do this. When a guy in my neighborhood in the '80s put ten students in a single family house, some of us went in with wires and caught them and we tried to these are to add. [Buzzer sounding] >> -- One of our kids to the lease. There are creative ways to -- [lapse in audio] >> Gallo: I wanted to say thank you for bringing this forward, and my staff person is right behind you, Taylor, if you could touch base with him. We would love to have you as part of the conversation. I think the more advice and recommendations on how we can do the enforcement in a way that stops the noncomplying properties from being able to continue to be in business, it's a goal I think we all have. So thank you. >> Thank you. >> Casar: Welcome, Mr. Yates. You've got three minutes and the last word. >> My name is Malcolm Yates. I'm the chair of the east Riverside role Dorf combined planning neighborhood area contact team. The strs that are not owner occupied should not be allowed in residential neighborhoods. These are commercial Bryce that's degrade residential neighborhoods. I personally don't understand why we need any more new laws since, as Stewart Hirsch mentioned, there plenty of laws on the books -- in residential neighborhoods. So besides degrading residential neighborhoods, these commercial properties

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make Austin less affordable because investors will pay more for a house than a family can afford. Another way that this -- these properties make Austin less affordable is that they will raise the appraisal of surrounding properties. So we need to stop these commercial ventures in residential neighborhoods. Thank you. [Applause] >> Casar: Thank you. Committee members, I was going to ask councilmember

Gallo what -- how she would like to proceed on this item. She had to step off the dais for a moment. Is there we'll wait to her her ideas after y'all have had a chance to speak. Mayor pro tem? >> Tovo: Sure. Though I'm aware I'll need to repeat myself when councilmember Gallo gets back. But as I mentioned earlier, I am interested -- maybe she's coming back. She's coming back. Okay. We were stalling for time. I'll -- >> Casar: Defer your time. >> Tovo: Yeah, I'll make my comments in a second. >> Casar: Councilmember Gallo, since you requested this item I wanted to hear from you what the next steps should be in your view. >> Gallo: Thank you. And may I -- I have something from Joel. Five [indiscernible] From Austin residential license. He was not able to stay as this meeting kind of ended up being a little lengthier so he asked me if I could read that into the minutes. >> Casar: Absolutely disagreeing that's okay with you I'd like to do that. He was also present at the press conference along with the wonderful neighbors that took their time to participate and the other councilmembers that were cosponsoring this ordinance. And so let me read this. Chair and committee members the Austin rental alliance supports councilmember Gallo

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and cosponsors' resolution directing the city manager to investigate issues and citizen complaints related to the city's ability to properly enforce city code as it relates to the operations of short-term rentals. There are 1,247 licensed registered and tax-paying short-term rentals in Austin and unfortunately a small fraction are operating outside of compliance. We believe an empowered code enforcement office will be able to easily remove the registrations of these few operators, solving any ongoing issues. The Austin rental alliance is a coalition of owners, manager, and stakeholder of vacation rentals and traditional short-term rentals in Austin. We include the housekeepers, landscapers, accountants and beefs of the traditional short-term rental market in our ownership. The Austin str program has been highlighted by the U.S. Conference of mayors. The national league of cities and the national conference of state slaughters. The Austin ordinance has the highest rate of compliance in the United States with 1247 registered properties. City staff has said they believe we are at or near 100% compliance from traditional short-term rentals known as type 2. We believe success of this compliance is partially due to the strong relationship between the city code enforcement office and local owners and managers represented by the Austin rental alliance. Traditional short-term rentals do our economy a huge benefit. It is estimated that traditional short-term rentals bring \$165 million a year in economic contact to Austin and over 15 million a year in hotel occupancy taxes. These hotel occupancy taxes help fund many Austin organizations including the Austin convention and visitors bureau and Austin convention center. The taxes also fund cultural arts funding program, including ballet Austin, Austin symphony, Austin art alliance, Austin film society,

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Austin Latino music association, hispanic alliance [lapse in audio] Economic impact studies conducted in 2014 show an overall economic impact by the traditional short-term rental activity in Myrtle Beach, Susan kaderka, at 200.7 million and 25 -- 2,587 jobs in overall economic impact to St. Joseph -- sorry, this is long. 24 million and 300 jobs, the overall economic impact to New Orleans of 174.8 million and 2200 jobs and the California communities of 272 million. The units conference of mayors also stated the traditional short-term rental of homes can provide a flexible housing option that allows family and business travelers spending longer periods of time in a community a safe accommodation while contributing to the local economy and that onerous regulations of short-term rentals can drive the industry jumped ground those abating local hotel dispatches a fair regulation of short-term rentals ensures greater compliance and greater receipt of local hotel taxes. Traditional short-term rentals are a

violate piece of the Austin economy, house neighbors during a remodel, visiting family members from out of town, job seekers, home buyers, visiting professionals. Traditional short-term rentals have provided disaster relief during the fires and recent floods. Perhaps more importantly we often house those with special needs for whom a hotel simply isn't an option. Austin code compliance has done an exceptional job at maintaining short-term rental enforcement and while we feel the office currently has the authority to remove [indiscernible] Operating inappropriately we hope this process will end with code enforcement being empowered to implement the use of the

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penalty. For an effort like this to be effective, all of the industry stakeholders should be present and we look forward to being a part of the positive and transparent process. On behalf of the 1,247 licensed registered and tax-paying short-term rentals in the Austin rental alliance we'll continue to lead the conversation based on data and facts with the goal of achieving the highest rate of compliance. Signed by Joel [indiscernible], president of the Austin rental alliance. Then you needed increasing me, sorry, that was such a long letter. >> Casar: I didn't -- >> Gallo: Sorry about that. We presented a resolution which has had a few [indiscernible] Changes from the resolution that was passed out on last Thursday, the press conference. And one of the changes was recommended by councilmember kitchen's office. And the other change was a small change councilmember Renteria's office. So I would propose that we take this ordinance and recommend passage by the city council on Thursday. >> Casar: Is there a second? >> Tovo: I'll be happy to second it for purposes of discussion, but just to be clear, you are moving the resolution on yellow? >> Gallo: Yes. >> Tovo: Okay, thank you. >> Casar: Do you happen to have another copy of that one? Councilmember Renteria gave me one that's white. Okay. Okay, moved and seconded. Any admission. Any discussion?

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>> Renteria: Yes, I'm really having a really hard problem with this issue because, you know, I would like to really -- the type 2s are really causing a lot of problems. And, you know, I look at the money that the code people are getting off of these type 2s and it's only adding up -- 86,000 for renewal a year and \$104,000 a year when you file your initial fee, and now we're talking about adding more persons now, which is going to increase our budget. And is it really worth it for us to keep on investing type 2 housing? You know, I think -- I mean rentals. I think it's time, you know, we -- we tried it, and it's really been a failure. You know, it's causing a lot of -- or my community heartaches. I mean, it's just -- what these poor people have to go through weekend after weekend after weekend, it's not fair to them to have to put up with these type of poor players. I just don't see it going away. I really don't. I think that these people are going to find another way of continuing doing the same thing. And the most disgusting thing is what they're doing to my neighborhood, is coming in and buying our affordable housing and tearing them down and building two big old duplex so they can have people coming over. I'm not talking about for family vacation rentals. These things are hotel renters. [Applause] >> Renteria: I mean, that's what they are. We might as well admit the

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fact what have they really are. There are many hotels that are bringing in more than what they agreed on 37, I mean, they've had -- they know that we're out there, we've been complaining over years about these kind of issues going on, and they keep doing it. I mean, what's -- what is this little resolution? What is it going to stop? You know, if it goes on, I really think if it doesn't fix any of these problems with

-- my neighbors and the neighbors here in abundance are -- are having, we really need to start seriously looking that the issue and start thinking about doing away with type 2s. [Applause] >> Casar: Other comments? Councilmember Gallo? >> Gallo: Yes. The -- there was a -- there was a memo passed out on the dais. Was that something that you wanted to address to include as part of this other -- I'm a little confused that the point. >> Renteria: Yeah. This one here, we thought maybe if we had a little bit more specific to the staff of telling them what we really want to see accomplished, and, you know, this isn't -- not only including str's that are registered by also unregistered str's. We really need to focus also on that, and if we don't put it in the language what I feel like is staff of it just going to come back and give us, you know, what we asked for. And it's just -- it doesn't include unregistered properties that are using [lapse in audio] That's -- I

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feel like, you know, the last time around, when I -- in the comprise, we didn't put anything in there to really address, you know, how we're going to enforce all this and if we did they're not abiding unless we're really specific on what we want code to do. And, I mean, we have the last ordinance has items in it that they should be able to enforce. Maybe we should take Stewart Hirsch's advice and maybe look into whether -- include, you know, having them look into -- having it so they can look into this issue of str violations and have them, you know, put that thousand dollars fine on them if they're violating it. But we need to really look. I'm willing to sit down and, you know, work it out with [indiscernible]. So I have no problem. I'm just -- I brought this up and if that doesn't -- it doesn't have to be -- I mean, I'm going to really make sure that when we pass this resolution, that it has instructions of how we're going to deal with these type 2 structures that are registered and unregistered. >> Casar: So, councilmember Renteria, would you like to discuss these amendments to councilmember Gallo's resolution? I mean, I know that you have referenced them now -- >> Renteria: I would love to sit down and see if we can get - >> Gallo: We've actually already been talking about them so I'm happy to include them as part of this, if we want to do that now. >> Casar: Right. So we'll -- >> Gallo: This amendment or we can do it for Thursday. >> Casar: Without any objection, it doesn't seem like there's any on the dais, we could have your motion be for the amended version that councilmember Renteria handed out? Any further discussion?

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Mayor pro tem? >> Tovo: Yeah, I appreciate the resolution that's come forward, and I want to acknowledge the work that the staff has done and I just want to point out, again, that they -- some of these recommendations they have been talking about for months. Again, I heard some San Francisco these -- I heard some of these recommendations last fall. I would propose -- I would bring to your attention I think we're ready to move forward on some of these but we know -- the staff has already done the work, in looking at some of the changes to the ordinance that ought to be made, and I would propose that we -- in moving forward with this resolution, that we add a passage directing the city manager to initiate the necessary amendments to affect the recommendations included on pages 7-9 of this powerpoint and I want to make one change to page 7. So these would be the recommendations to add a penalty for operating without a license, the noncompliance penalty, the penalty for operating with an expired license, the inspection requirement, occupancy limit statement, and, you know, again, we asked -- we've been asking staff for a long time to look at the ordinance and to make some recommendations. And it's not just that they have gotten ahead of it. They have been talking about some of these changes for a long time. And I don't think we need to wait until August to move those forward. As you heard, you know, initiating code amendments can be a lengthy process. It's got to go

through boards and commissions and what not. I don't see any reason to delicious wait, have you come back in August repeating some of the same recommendations. I would rather that we ask our symptom take a look at some of the other things identified in the resolution, but that they move forward and initiate these changes. The one change I would make is on page 7, I would go back to the staff's initial recommendation, instead of

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addressing the gauge being the public interest advertising profession, I would suggest we -- provision, I would suggest we add a penalty for operating without a license, as staff have suggested, and remove section 25271 of the land development code. I'd like to make that as a friendly amendment, again, we add a passage directing system to initiate necessary code amendments to affect the recommendation that's staff have included on pages 7-9 of the powerpoint presentation with the additional change that I just articulated on page 7. >> Casar: Asking if. >> Gallo: I appreciate those comments, and I think that is the direction that we're moving in. Given that we have just gotten the information from staff and it may have been discussed for a long time but we've been asking for it for a bit of time and this is the first opportunity that we've had to look at the recommendations, you know, what -- what my purpose in this is, is that I've listened to the neighbors that have come forward and said we have a problem that needs to be addressed. We have enforcement issues that need to be addressed. And I want to make sure that we are moving forward in the direction that that happens. That begins to happen. And so I felt like this the time period for the city manager to come back to us by the middle of August was the time period that gave other councilmembers a chance to become involved with this discussion and that we have a chance for all the stakeholders to be involved in this discussion before we start over the next couple of days instructing city manager to start changing the code. And I just would be more of a proponent for a thoughtful dialogue that brings all of the parties in so that when we get to the middle of August and that's our first zoning meeting for the council in

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August, from this period of time, that we do have the recommendations. We've been able to continue to hear back from the neighborhoods. We see what code compliance has indicated to us that they're already changing their procedure and see how that's actually working or things that we're still not thinking about that we need to address. So I'm really reluctant at this point to change this to instruct the beginning of code changes until we get to the middle of August and can hear the full report and the full explanation and actually see how some of these changes in code compliance working. Trust me, I will be in full conversation the neighborhoods to see how the process is working. But I would just be more comfortable to stay on the schedule that the original resolution proposed, which was having this dialogue for any changes to the ordinance be in the middle of August. And -- instead of immediately. >> Casar: So council councilmember Gallo, I will take that as saying that mayor pro tem tovo's amendment is not friendly so we'll have to have a vote to add that. >> Gallo: That's also to say. >> Casar: Into the she's not friendly. >> Gallo: No no, she's very friendly. I think she has good valid points we need to talk about and to include in our dialogue of changes that we want to propose and to why, but I would just rather stay on the timetable so that we have -- let this process work and let the other councilmembers get up to speed and do this discussion of these in August, mid-august. >> Casar: Committee members, I'll hear your comments first, mayor pro tem, and then I'd like to propose some way I think we can achieve both of your goals. >> Tovo: Sure. And I appreciate that, and I can understand your position. I guess I would just say I'm -- having heard about these issues for as long as we have, I am uncomfortable

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somewhat uncomfortable asking staff to go forward and consider the barriers to enforcement -- to identify the barriers to enforcement when they frankly have already identified five or six of them. And, you know, there is considerable public input involved in a code, in a consideration of a code amendment and, you know, again for me it is a time -- it is a time issue. We have members of the community who have asked for a more direct response for a long time. So I would -- I'm very comfortable moving forward with these recommendations were there to be a will of the committee to do so. If not, we can talk about it again on Thursday. I will also say that I think we should reconsider type 2 commercial short-term rentals. [Applause] >> Tovo: I would be very supportive of looking at that and the way in which it's impacted our community. As I look at district 9 and this isn't a surprise to me because I hear about it a. >> Deal out in the community, but just thinking back to the discussion we had a little earlier in our meeting and the need for housing and the need to consider code changes to encourage more accessory dwelling units to provide opportunities for more people to live in our neighborhoods, you have on the books an ordinance that has removed 415 housing units from district 9. So, you know, if we are -- as we're -- on the one hand we're trying to look at code changes that will encourage more housing, on the other hand we have an ordinance on the books that converting housing into mini hotels. And so, you know, it's of real interest to me to make sure that we are addressing this holistically and as assertively as possible. So . . . [Applause] Jot again I'll propose. If not, we can address it on Thursday. But do I appreciate the sponsor for moving this forward and directing additional study. I think that's very important.

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>> Casar: Nu mayor -- mayor pro tem I'd be willing to support those code maze being recommended by this committee and being brought forward as a recommendation from the committee to the council tore voted on by the full council if we give it a bit of stagger of time and for it to not be something that, you know -- councilmember Gallo had a very particular purpose and reason behind her resolution, and I would not want to -- for this right now for this committee to alter that intent. So instead of voting on -- initiating those code changes this Thursday, I would be supportive and comfortable moving forward, saying that this committee recommends councilmember Gallo's resolution, perhaps here with some slight amendment because staff has already done some of this work, and I'll get to that pat in a moment. The point about initiating the code changes on the recommendations that staff already has thought through, if we could have those code changes and that recommendation come before us for, say, our August 13 meeting of the council rather than this coming Thursday, so that there's time for us to have that conversation, to have that consideration that isn't -- you know, whatever -- I always forget what day of the week it is, but three days from now. You y'all know what I mean, right? And so this -- I would be supportive of this committee recommending that we initiate the code changes as recommended by staff, but for that to come before the council when we get back from break in August rather than us voting on that recommendation on -- for Thursday because I think what councilmember Gallo contemplated on Thursday was more information gathering before we launch into action. >> Gallo: You know, and I would say in addition to that -- and I thank you, Mr. Hirsch, for bringing these items to us, that my -- our

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resolution doesn't just talk about code compliance. It says that these issues are related to department

resources and policies and efficiencies within the city code. It sounds like we have other opportunities within the city departments with other city departments and perhaps boards and commissions to address some of these enforcement -- lack of enforcement issues by bringing in other tools that we have within the city. So I think that although code compliance has brought together and brought forward to us their recommendations, it sounds like to me that there are possibly other departments that need to be pulled into this process so that what we're getting [indiscernible] Goal in giving us a bit of time to work through this process, is it gives some of these other departments, as Mr. Hirsch mentioned to us, may have some really good enforcement capabilities that we're not currently using at this point in time, to be able to come to the council and share those with us too. >> Casar: One more suggestion that I may have is that this also may be something helpful for the city auditor's office to take a look at. Oftentimes when we're talking about performance measures for our own city departments and city staff it's -- it can put people in complicated positions and that's part of why I think the city auditor's office has been such a great resource for this council and for past councils. So that would be one other item I would put out there for consideration, if we want to go -- because one of my concerns about Thursday's resolution is are we -- what are we asking for in addition besides what we have already received? I know you answered that question partially. But, you know, my hope is for us to get a full picture and it seems like the department has already done some work. So if you can focus between

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now and Thursday what we're expecting from the city manager's office that is in addition to this work, I think that would be very helpful. But anyway, that -- besides that I would leave it up to you if you want to include any additional language between now and Thursday about the auditor's office, nag could potentially clarify what additional work we expect and what has been already certified with the current recommendations. Finally to mayor pro tem's amendment, I hope that helps us meet in the middle, where some of councilmember Gallo's requested information can come in time, but this does not have to come to the planning and neighborhoods committee to be discuss the again before going to council on the code changes, we can just get those code changes -- or the recommendation furnishings nishiation of a code change to happen mid-august. So we can take all the information we get from councilmember Gallo's request if it passes on Thursday, take all of that at once in August because I imagine our colleagues on the council are expecting only to vote on councilmember Gallo's resolution and not expecting to vote on initiating particular code changes. >> Gallo: I can look into that -- how to move forward too. The more departments we have involved I think the more eyes we have on this, the more brains we have working on. It's obvious we have a problem. You know, the neighborhoods have been very clear with the problem that we're having. And how we can find that solution and best find that solution to get that enforcement component resolved. I think the more people in departments and players we have involved in this dialogue the better we're going to end up with a product that enforces bad behavior and properties that are not complying to the ordinance. So thank you for that suggestion. >> Casar: Mayor pro tem? >> Tovo: I think I need to understand better this suggestion because, as I understand the resolution, it

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would direct the city manager to go forward, do the findings reports and bring those back to the council on the same date you've suggested. So I appreciate the reality of the situation here, but I would need three votes to get the amendment and it sounds like they aren't here. I guess -- >> Casar: Let me -- >> Tovo: Were there to be no further action from council, yes, considering those code amendments in mid-august would be fine, and I think that that's kind of the timetable that councilmember Gallo has

outlined. And I'll keep that in mind and consider some other options for maybe getting this moving, getting those moving faster. But I really do appreciate the suggestion that there be some language in here about the work that code has already done. I think it's always -- that's always just presents a fuller picture. >> Casar: And I think that I got the dates mixed up. Then I would say my intention was the Thursday after we would get the report back, and I think that my understanding of the new information was that I would hope that that new information could just come to this committee if we wanted it to as well. But my hope was let's take up the potential for initiating a code amendment after the July break. We don't have very many -- we have only the Austin energy special called meeting between now and then. And somewhat just a little bit of time after we receive the report back so that we can take all of that in consideration as we initiate any potential code amendment. So I would be very happy to support councilmember Gallo's resolution with the caveat that we get some information about what we need additionally from code and a new recommendation that we put on the council agenda initiating the code amendments to satisfy these recommendations one week after we get that report back. So, I guess, I mentioned to you the 18th. So instead it would be -- sorry, I think -- what did I tell -- what date did I say? I would say, you know, the

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week afterwards. What do you have in here? So instead of August 13, August the 20th. >> Renteria: Chair, you know, I have -- I don't have any problem with including some of this language that the code department put together because by doing that it would also give immediate relief for the people that, you know, are having to deal with all this, you know? The people that -- especially now it's summertime and everybody is going to want to have these big hotel -- or vacation rentals of -- I call them bachelor or bachelorette party that they're having, so why not give them the ability to start enforcing these immediately and then -- then come back with our recommendation so they can come back and give us a report on all this. But I would love to see something that we can start doing, you know, immediately that is going to be able to, you know -- I mean, I -- I just saw the recommendations today, I mean, but to me that he look like we should give them a chance while we're giving -- we're going through our resolution, going through, you know -- and while we wait for the report in August. But, yeah, anything we can do right washing I -- right away, I would love to see that happen. >> Casar: Councilmember Renteria, I feel comfortable initiating those code changes myself. My thought was since what we were posted for and expecting was more directed towards councilmember Gallo's resolution, that for the interests of the other members on council, they -- to give them some time. Of course they could always ask for that time on Thursday if they don't feel comfortable

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vote to go initiate those code changes this Thursday. Councilmember Gallo, did you have your hand up? >> Gallo: Just to address Pio's concern, I think what we heard from code compliance is they're already not being able to show up after 6:00 in the evening. So -- and if we're talking about discussing particular changes to the ordinance before the August 15, you know, I wanted an across the board evaluation, code compliance, if we want to bring the audit department in as kind of a separate view of this. Mr. Hirsch gave us some suggestions in things that are already in place now that are perhaps not being implemented or used that could effectively be used to address some of these violations. I mean, I think we have lots of different places that we need to get recommendations from, and I'm just -- I'm concerned about moving forward until we get all of those recommendations combined to us. And particularly since we basically don't have meetings in July to be able to continue the process. And that's why, had we had meetings July, I would have come up with a faster time schedule for this. Since we

don't and since the August meeting was our first zoning meeting, it just kind of happened that it was that type of timetable. So that's my sense at this point. I just would like to hear from -- excuse me -- from all the different entities that might be able to help us figure out a way to address this effectively. >> Casar: Mayor pro tem. >> Tovo: Yeah, I don't want to necessarily belabor this. I know we have another agenda item. I would -- to start getting back to the first question I

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asked of staff, when I saw this on the agenda it wasn't clear to me whether we were actually -- posted to take action on the resolution that had been brought forward or whether we were posted to take action on the staff's recommendations. Because I believe even in advance of the agenda posting on Friday, we had had a discussion at last week's -- on Monday about short-term rental recommendations, and I've known now for a long time that they were coming forward with recommendations. And so another option would be to take them up separately, to vote on the resolution, and then as a separate matter to have a motion on whether or not to initiate code amendments related to this. We do only have one more council meeting so the whole thing may be a moot point. If there's sufficient interest on this committee, we are -- we are posted, as I see it, to -- rather broadly so we could take action on the resolution and then we could make a separate -- have a separate action on whether or not in general that took an action that this committee would support moving forward with code amendments on those issues. And that would allow -- that would allow for, were there to be a resolution coming forward directing those changes, that would allow for there to be some kind of reporting from the committee. But, again, you know, there's been a diversity of opinions expressed here. I'm happy to think through various options on how we might address it. >> Casar: Mayor pro tem, let me see if this works. I will support voting in support of councilmember Gallo's resolution with the suggestions that I've made, and I'll also vote in support of a recommendation coming out of this committee. Which will be posted for on Thursday's agenda, that we initiate these code changes but on Thursday I will express that I would prefer -- and I

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think many other councilmembers might prefer -- that we not vote, we only received this report from staff today. While on first glance it does seem to be very reasonable, I may not be able to support voting on it immediately on Thursday and perhaps postponing it to the next meeting or two. And, councilmember Gallo, at the same time on Thursday you can mention what -- if you think that your resolution can work in harmony with -- work in harmony with initiation of a code change if we postpone it to August. This way I feel like councilmember Renteria is comfortable with initiating these code changes. I just don't know if I feel comfortable kicking that off three days from now. >> Tovo: Sure. >> Casar: So I'll divide the question then. First we'll vote on councilmember Gallo's resolution as amended by councilmember Renteria. All in favor of recommending that, raise -- and -- indicate by raising your hand. And then also a vote on recommending to the full council that we initiate code changes to address the recommendations as laid out by the code compliance department in today's presentation on pages 7, 5, - with a change except the first recommendation on page 7 regarding penalties for operating without a license, that the recommendation for the code change that would be initiated would be removal of section 252791g. So all those in favor of that, considering also that you can -- if you'd like support me in expressing some reservation about voting on that on Thursday, but you could also express haste. All in favor -- >> Tovo: And I'm happy to say that we would -- we could post it as a backup with the understanding that it would be for discussion purposes and a vote at the subsequent meeting. >> Casar: Great. >> Tovo: I'm happy to provide that additional time. >> Gallo: So

just before we vote on this, my concern is that the resolution and the

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direction that we've talked about for the last couple of weeks with this resolution and what we talked about at last Thursday's press conference what we've made available to other stakeholders who may or may not be here today is that we are directing city manager to evaluate and figure out why this is not working and why the enforcement is not working and come back to us with recommendations the middle of August. I think moving forward something that is the answer -- or possibly some of his recommendations from the middle of August at this point, this is not coming from the city manager as a recommendation. This is coming from the department as a recommendation, and I think it just -- it's not the direction that we intended for this resolution to go, which is for whatever reason it sound like from a lot of these neighborhoods, they've been having issues with properties for two or three years, we stepped up in our office to address it, and to take the forefront of moving us in the direction that we hold feet to the fire here and figure out why these problems are not getting enforced. But I want it to be a thoughtful process as we do this. And I want -- that's why we asked for the time line and, once again, a lot of the departments are not fully staffed in July, and I think that doing something prior to the August that we have given the public the impression that that this is going to happen within, I'm just not real comfortable with. It's not to say that I don't support all of these pieces, but I just think that what we want is a process that involves everyone and involves all the departments, not just code compliance, and that when we get to the middle of August and have the report from the city to -- manager/or auditor department with the recommendations we have an earlier environment and picture that includes all of the dialogue and conversation. I just am really uncomfortable with pushing a piece of this that is only coming from one department and may not include

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all of the potential changes that need to be done that possibly could be suggested by other departments, the audit department and the city manager's. So . . . -- Once that is not to say I won't vote for these recommendations, I just want at the process to be allowed to take place so that everyone that's involved in this dialogue and this communication can be a part of it. >> Casar: Mayor pro tem, right before we vote on this section, help me think through the logistics for a moment. I understand that for today we're posted to consider recommendations regarding short-term rentals. But, on Thursday, we are posted to approve a resolution regarding short-term rentals that is the text set out by councilmember Gallo. So, is is your intention on Thursday to amend councilmember Gallo's resolution to include the initiation of these code changes? >> Tovo: Well as I mentioned earlier, that was my initial intention. If that makes my colleagues very concerned, including the maker -- the sponsor of the resolution, I'm happy to bring that forward separately. >> Casar: And so, the -- you would bring that forward either at our special called meeting of Austin energy, which I don't know if we can do. It sounds like the chair is saying that that would be tricky. And so, it could potentially come forward as just an item recommended from this committee to the council agenda. To the next available council agenda. >> Tovo: Which would, too, though, speed up the process considerably. Because it would mean that we're not waiting until August 13th for these recommendations to come back to us, in addition to the others. You know, I expect there will be

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additional work based on this resolution that staff will prepare. But we already have some

recommendations. And so that would allow us -- I'm just looking to see what our first meeting is in August. If it can't -- if we really stick to our discussion about not adding anything to the June 25th agenda, then it couldn't come forward. But it could on August 6th. >> Casar: I'm comfortable with that. >> Can I ask a question? You know, part of the reason -- and once again, these are great recommendations. And more than likely I'll support all of them. Them. Please do not think I'm not in support of recommendations that improve the enforcement of the misbehaving noncompliant short-term rentals. But, part of our committee structure is so that we can vet components that address certain items. And so, what was brought to be presented here was the resolution to say that we've got a problem, we need to figure out where the enforcement issues are. We want the city manager and the appropriate departments to figure that out and come back to us with recommendations, whether it's how the departments are operating, what tools we currently have that are not being utilized for enforcement, is and if there are changes that are needed to the ordinance. That will be part of the report that the city manager comes back in August. We have not let stakeholders -- this is the first time I have seen these proposed changes. And I just don't think it's in the public's best interest to talk about voting on something that is a potential change to an ordinance when other stakeholders don't realize that's what we were going to be talking about doing. What was out in the community was this resolution to say, let's move forward in a direction of figuring out what's going on. And then in the mid-august we

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will take action and start discussing the potential solutions to this enforcement issue. And so I'm just -- I'm really -- changes without the public being aware that that was what we were going to talk about today. Once again, a lot of these have credibility and are good potential solutions to the enforcement. I just would like it to be part of the process that when we start having the dialogue in August. But I would say that the discussion of whatever proposed changes -- or the city manager's report, I would think that that is going to come back to our committee first for us to be able to start talking about and vetting before it goes to the council for a vote. That seems like the Normal process we're trying to take within committees. Chair, if you could help me understand. >> Casar: Councilmember Gallo, the reason that I'll support voting is, this is going to come back as a recommendation on August the 6th. It sounds like a potential alternative is an amendment on Thursday to your resolution. And I would prefer that not be the case. My preference would be that the -- during the July break, stakeholders can discuss these possible code amendments. We won't be slowing it down or talking through these amendments now. If on the 6th you want to make a case for postponement to the 20th so we can hear it on our 17th planning and neighborhoods committee meeting, I would be very open to that. But, I think that showing some goodwill that we are serious about addressing enforcement issues, showing that we are chugging along, is important. And this way we don't have to discuss these code changes on Thursday's council meeting with a three-day turnaround. This way, we have a six-week period to discuss them. If on August the 6th, the

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council is not ready to initiate those changes, perhaps we could entertain a two-week delay to discuss it at committee again. It's also very possible, I think, that at least in taking a look at these proposed code changes, they're simple enough the stakeholders may agree to them in the month of July and we may be ready to move forward on August 6th. It gives us flexibility. I may not be supportive of voting on August 6th, but it's a better alternative than discussing it on Thursday. I'm supportive of getting this -- >> Gallo: Could we talk about doing that -- what would be our next -- >> Casar: Our next scheduled committee

would be on the 17th. Of course, our staff could try to see if we would like to have a meeting earlier. I'm happy to call a meeting if three of the members are available to be present. >> Gallo: So, I'm just looking at the resolution. We've directed the city manager manager -- to come back no later than August 15th, our zoning meeting, is that right? I think that's right. Then if we have those present -- if we have that presentation at that meeting, and then we took up that presentation plus potential changes that would be recommended at that presentation, on our August 17th meeting, at our committee, then we could report -- we could make a recommendation to the next council meeting. Would that -- >> Casar: That is why my initial preference was around August 20th. I got my dates jumbled up. My continued preference is to vote and proceed on August the 20th. The mayor pro tem expressed some concerns with that. So I said I'm happy to do it on the 6th, and then very likely ask the council to wait until the 20th. >> Gallo: Going back with dates, I'm sorry, I was getting confused with August. I would support what you recommended because it sounds like we're giving instructions to the city manager to come back to the full council on the 13th

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with their recommendation. Our committee meeting on the 17th, and then the committee could talk and have public dialogue and open discussion with all the stakeholders, and then make a recommendation to the next council meeting. I mean, that sounds reasonable. >> Casar: So it sounds like there's two ways to skin this. Either we have this recommendation go to our August the 6th meeting, or we have this recommendation go to the August the 20th meeting. I've been told recently that as chair, I'm not supposed to be making motions. I'm waiting to see what y'all would like to do. So, option a is that this comes back as a recommended item to initiate the code changes for the August 6th meeting of the city council. And option B is that we recommend these code changes be initiated and that that be up for consideration on the August 20th meeting of the city council. The reason for the 20th being a good date, it is after the date listed in councilmember Gallo's resolution, and it is after our next scheduled planning and neighborhoods committee meeting. >> Tovo: That would be fine with me. >> Casar: All in favor of recommending to the city council that we initiate code changes as I laid out just a few minutes ago, and that that be placed on the August 20th city council agenda. All in favor, please say aye. >> Aye. >> Casar: Opposed? Okay. I think that passed unanimously on the dais. Councilmember Renteria abstains? Councilmember Gallo abstains. Then it doesn't pass. >> Let me just ask you a question. My understanding was that we -- I am uncomfortable voting to propose these amendments. I am absolutely comfortable with voting on to carry these

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recommendations forward to be discussed. And so, I'm just kind of getting -- >> Casar: Would you like to make a motion as to how to proceed? >> Renteria: I would like to see it discussed in the next council meeting, but that's just my feeling. I don't . . . >> Casar: Councilmember Renteria, should I take that as a motion? So, councilmember Renteria moves that we recommend these code changes at the council meeting coming on Thursday with the change to section G. >> Renteria: Correct. >> Casar: As the mayor pro tem suggested. [Applause] >> Casar: So there is a motion that these be -- councilmember Renteria actually, let me make sure I understand your motion. We can't recommend these changes and get it posted on Thursday's agenda because of posting requirements. If we wanted to discuss it on Thursday, I apologize. The recommendation, I think, would be to amend councilmember Gallo's resolution with language initiating this code change. Do you feel comfortable with that? >> Renteria: Well, I really don't. I mean, I -- if they're willing to accept it as a friendly amendment. >> Casar: I think councilmember Gallo has expressed she will not. >> Renteria: Our next council meeting, we're not going to have one in June

for some reason? >> Casar: There's going to be an Austin energy oversight committee meeting on June 25th. Councilmember Gallo has also expressed her hesitance to add more items to that agenda. Or we can blame it on the mayor, too. >> Gallo: I think the mayor has requested that because -- he's requested that not any more agenda items be added to the

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special called meeting, is my understanding. You could clarify that with him. >> Casar: The meetings after that would be June the 6th, and June the 20th, which is the discussion we were having earlier. Excuse me, August the 6th and August the 20th. >> Renteria: Then I would like to see it on the August 6th. >> Casar: Okay. So a motion from councilmember that we recommend the code changes as we described them and review them on the August 6th council agenda. Seconded by mayor pro tem. Any additional discussion? >> Gallo: I have discussion. So, doing this would put this discussion prior to the report and evaluation that we're asking the city manager to come back to our council meeting August 13th. >> Casar: Yes. And I feel comfortable putting it on the August 6th agenda, because if in the next month these changes prove relatively noncontroversial among stakeholders, we may feel comfortable passing them on the 6th. If there is more detail and issues with it, then I think that the council may very well entertain a motion to postpone it to August the 20th. >> Gallo: Let me make a suggestion. I'm just trying to get the timeline to match up so that this makes sense from a schedule. Perhaps, then, we should change the resolution to say August 6th instead of August 13th. It seems strange we would ask the city manager to evaluate and come back to us with recommendations. And then we're going to put changes on the meeting the week prior to that without having heard his recommendations. It just is kind of the cart before the horse. >> Casar: I would say you could either amend to the 6th, or you could choose to not have abstained from the vote that moved it to the 20th, and it would've fallen in line with the timeline. The abstention you made in the vote to move this to the August 20th agenda --

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>> Gallo: Are you trying to confuse me here? You're doing it well. [Laughing] >> Casar: That's what happened, we both voted to move to August 20th. Because of the two abstentions, now we're at the vote. >> Gallo: I will remove my abstention from that. I think it makes sense that both the city manager's recommendation and our discussion on what we're going to do end up at the same time, or the recommendation comes first and then we discuss what we're going to do. >> Casar: Mayor pro tem. >> Tovo: If I could comment, I just think that I like the idea of bumping back the timeline a little bit. In my mind, they're not running counter to each other. You're asking the staff to go forward and do some research and analysis. Some of it's already complete. And so, as I see it, you know, considering reviewing the recommendations and -- that come back as a result of your resolution, and considering the other recommendations at the same time makes sense. And so, I certainly would support moving the date to August 6th and dealing with it all then. >> Gallo: And the only -- to complicate things even more, that is not a zoning meeting. And that's why we picked the 13th, because it was a council zoning meeting. So there's been conversation about having zoning code change meetings on the zoning council meeting versus other meetings, is the only reason the 13th was picked. >> Casar: Councilmember Gallo, did you discuss with the city manager's office, code enforcement, or other departments the August date you set in your resolution? >> Gallo: It was set based on the fact that that was our council zoning meeting, and it was most appropriate for that meeting. >> Casar: Considering that, mayor pro tem, I know you have expressed the fact that you like the idea of moving it to the 6th. But would you all, committee, so

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we can move on, please just consider having this on the August 20th agenda and not abstaining from the vote and then having the report on the 13th in the zoning meeting and we can just call it -- you know, a two-week difference is painful, I know it's two more weekend, but, initiating a code change takes months. If this all lines up with our timeline, I think that having it on the 20th would be good. But I cannot call for a reconsideration of the vote because I was on the losing end of that vote. >> Tovo: That's true. >> Gallo: So you need a motion? >> Casar: Right now we have a motion from councilmember Renteria to do it on the 6th. >> Renteria: Considering the time, and not having been able to meet in the next month, I'd be willing to -- >> Casar: On the 20th? Mayor pro tem, you seconded that. Are you all right with that? >> Tovo: If we're withdrawing that motion, yes. >> Casar: Great. And so, is there a motion -- >> Gallo: Could you restate the motion at this point? >> Casar: Well, the motion has been withdrawn. >> Gallo: Thank you. >> Casar: So, I would actually -- I believe those that abstained, since there was no winning or losing side to that motion -- >> Renteria: I just believe, you know, that what the staff is going to come back is what's already included in this. So there's no need to make another resolution or amendment, because I'm sure that the city staff is going to come back. And a lot of what we have already asked for, it's in this document that we have here in front of us. >> Casar: I think that this will be a lot of the work, but councilmember Gallo is going to work between now and Thursday to find out what additional information she needs. And she'll consider talking with the city auditor, which might bring back different results like utilization of the building

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standards commission. So, councilmember Gallo, could I just understand that you are considering not abstaining from the vote, which may have changed the result of the vote, which means we can have the motion again? >> Gallo: Yes. >> Casar: And so the motion which I would entertain from someone is to recommend councilmember Gallo's resolution as amended, and for the August the 20th city council meeting have up for discussion and possible action a recommendation to initiate code amendments as we already described them. >> Gallo: And any others. >> Casar: And potentially -- >> Gallo: Any others that come from the 13th. We don't want to just limit it. There may be other ones recommended. >> Casar: I wouldn't want to recommend changes we haven't seen. How about we recommend these, and on the 17th, we can recommend others. >> Gallo: As stated. Great. >> Casar: Councilmember Gallo moves as stated. There a second? >> Renteria: I'll second it. >> Casar: There's a second from councilmember Renteria. All in favor? Passes unanimously on the dais. And if anybody that was watching -- [applause] >> Casar: Is confused, I no know you guys are clapping, but we're not done with the item. >> Gallo: If one can summarize what we just did, I'm impressed. [Laughing] >> Casar: To summarize for the record, on the 20th, we will see these recommendations with the change to section G as noted by the mayor pro tem. Okay. So, our last item of the day, I believe, was also requested by councilmember Gallo, which is a staff briefing on the urban core. >> Afternoon, chair and committee members. My name is George Adams. I'm one of the assistant directors in the development services department, and I'm here today to provide a very quick briefing on the definition of urban core and parking

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regulations. So, just real quickly, wanted to give you an overview of the presentation. We'll review the current urban core boundary, get into a little bit of detail on what parking reductions are allowed, and limitations that are also applied. Cover a brief history of parking reductions in our code. Look at changes in the boundary in which these parking reductions are allowed. And then review some of the bases or

rationale for reduced parking requirements. So, very quickly, the definition of the urban core boundary and the associated parking reductions are defined in the land development code in section 25-6-478. And I'll walk through the boundary just very quickly in general terms. So, kind of beginning in the upper left-hand corner, roughly, of the map, kind of halfway in that area, the boundary goes from mopac over to burnet road, then south to 183. It follows 183 around the eastern edge of the central city all the way down -- airport. From that point, it heads west along 71 and reconnects with mopac south in the lower left-hand corner of the map. It then follows mopac up to lake Austin boulevard, west over to exposition, and then jogs a number of times to 38th street, back to mopac, 2222, spicewood springs, Mesa, 3360 great hills trail, and then connects back up

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with mopac once again in the upper left-hand corner of the map. So, within that urban core boundary, the parking reductions that are allowed -- the requirement is 80% of the parking otherwise required by the code. Or put in another way, there is a 20% reduction in the parking requirements. In addition to that kind of baseline reduction, there are additional reductions available for providing on-site shower facilities for commercial or retail development. Credits for on-street parking. Credits for preservation of significant stands of protected trees. And potentially, credits for car-sharing services. When you take that 27% baseline reduction and all of these other reductions, those cumulatively cannot exceed 40% of required parking. And then it's important to note that these reductions don't apply to a number of areas within that urban core boundary. Some of those are shown on the map. So it does not apply to cbd and dmu zoning within downtown. It doesn't apply to the three transit-oriented districts, plaza, mlk, and crestview station. It does not apply to uno or north burnaget way area. And I'll talk a little bit more about those in a minute. So, very quickly, there were -- I know there were questions about how the parking reductions have changed over time, so we

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want provide a brief history of parking reductions in our code. So, prior to 2003, there was an 80% reduction in parking allowed within what is known as the downtown core. And that area was defined by Lamar boulevard on the west, mlk junior boulevard on the north, I-35 on the east, and lady bird lake on the south. Also, within the area, the canning district. There was up to a 20% district in parking allowed. And that basically includes downtown and a number of corridors that extend east of downtown, for example, east 11th, 12th, and 7th streets. In late 2003, council significantly expanded the area in which the 20% reduction was available to something along the lines of the current urban core boundary. Then in mid-2006, the council adopted subchapter E. And subchapter E did a couple of things of significance related to the parking reductions. It defined a separate boundary for the purposes of identifying urban roadways. One subchapter E, they don't directly relate to the amount of required parking. But what they did do was they aligned that boundary with the former urban core boundary. And that ended up with some changes in where the boundary was drawn. And I'll go through those in just a minute. In addition, it did add some of the options for parking reductions that I mentioned previously. So, for example, the car sharing, the option for on-site

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shower facilities, which was included in the code to encourage bike and pedestrian commuting. So, very quickly, a couple of additional significant items related to the parking reductions. Between late 2008 and mid-2013, council adopted a number of master plans and associated parking requirements. And those

were areas that I was mentioning earlier on the map. The three tod areas, and the east Riverside corridor master plans. These plans, they all have similar parking reductions, but they vary slightly. The overall goal is the same, but the way they're achieved differs somewhat. And then finally, parking required for cbd and dmz zoning. So, as I mentioned, in 2006 when subchapter E was adopted, there was this urban roadway boundary line that was drawn. And so what this map does is it compares the original 2003 urban core boundary shown in blue with the 2006 urban roadway boundary that was part of subchapter E of the land development code. And, in essence, what that did was it -- in the area adjacent to lake Austin, it moved the boundary to the east. So it removed a fairly large area of primarily single family residential use out of that urban core definition. And then as you'll see up in the

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upper left-hand corner of the map, it expanded the boundary to include some residential areas, but also significant retail and commercial development at the intersection of mopac and 360 and 183. So, just very quickly, I wanted to give a little bit of background on some of the basis or rationale for reduced parking. And I think there's kind of two or three broad categories. The first is -- involves areas -- development. So we all recognize that large areas of the central city look and feel different than more recent suburban areas. Part of the reason for that is that up until about the mid-1950s, city regulations did not even speak to parking requirements. So we have a substantial portion of the central city that was built without parking requirements. I mean, many of those projects would provide parking, but it was not something that was enforced by the code. It was more of a practical or a functional issue. And then somewhat related to that is to allow reuse and revitalization of older areas and corridors. And if you think back to when this was first put in place in 2003, Austin was -- parts of Austin were very different than they are today. You had corridors even such as south congress that had challenges in filling retail or commercial space, partially due to parking requirements.

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The other, kind of, major rationale for reduced parking is focused on, you know, the availability of alternate modes of transportation. There's a much higher availability in the central city than some of our suburban areas. It's to encourage use of those modes of transportation. And finally, it's one piece of the affordability equation. Not a silver bullet, but one piece. And I highlight one example here, estimated cost of a parking space in a parking garage is anywhere between 15 to \$20,000. Obviously, surface parking is substantially less than that. But it does take up a lot of area on a site. It's additional impervious cover, and then if you couple with the cost of -- owning and operating an automobile, this can be a significant affordability benefit. That concludes my presentation. I'd be glad to try to answer any questions. We also have transportation staff from both the development services department and the transportation department if there's questions that I can't answer. >> Casar: Committee members, any questions? Councilmember Gallo. >> Gallo: I just want to tell you thank you for the presentation. You know, the dilemma we always have -- I know there's some neighborhood people here -- as we reduce the parking requirements for the construction of, for example, multifamily in an older neighborhood, it kind of throws -- until people learn to live without their cars, it throws those cars on the street and then impacts other neighbors. And so, it just -- it's a dilemma. And so that's why I wanted to begin the process of learning about this. And maybe at some point we revisit it, just to see if neighborhoods have recommendations on how they

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would suggest, if we continue to handle it like this, if there are areas that we need to address, you know, making sure we have adequate parking on-site so that we're not impacting the neighborhoods in a negative way. So I appreciate you bringing this to us and kind of helping to educate us -- [chuckling] -- In this particular aspect. So, thank you. >> Sure. And I would mention that certainly as part of codenext they'll be looking at parking regulations. They'll undoubtedly be one of many major topics that will be discussed. >> Casar: Any other questions? I do have -- what areas would be best for being considered in the urban core. >> Well, as I mentioned, you know, part of it is really about the physical character of the city. Some of it is about the availability of transit in related facilities or improvements. Some of it, frankly, I think with, you know, the example I cited up in the northwest corner of the map, some of it is to focus on potentially redeveloped areas that have significant commercial or retail uses currently. And then finally, some of it is, frankly, I would say, a convenient boundary. An example of that was in the earlier map, lake Austin being included for a portion of the western boundary. And it's a convenient geographic feature that you can draw the boundary line along. >> Casar: Thank you. That is helpful, just because just north of 183, up I-35 is a very dense urban space with a lot of transsit-ridership, but, I understand there are more suburban development patterns

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that lay the foundation for that area. As we move forward with codenext, it sounds like an important conversation. Some of that pattern is outdated based on the way that people are living there now. And so, thanks for bringing it forward. And so in your judgment, is this something -- maybe this is a better question for councilmember Gallo, since you asked about it. Is this something that you would, perhaps, want to discuss about altering any of these boundaries, potentially, or is that something we're just learning about as we get informed about the codenext process? I won't finish my question, I think you got the gist of it. >> Gallo: Yeah, absolutely. As we all struggle to increase our knowledge about the bits and pieces that are components to trying to make sure that we do everything appropriately in neighborhoods, particularly in neighborhood projects, it seems like that with codenext this will be part of the discussion. So I just appreciate being able to learn a little bit more. So, thank you. >> Casar: Are there any other questions? Well, thank you so much for the presentation. >> Thank you. Appreciate it. >> Casar: Before we move into the future agenda items piece, my staff just identified to me that there is some confusion about exactly what it is we voted on on short-term rentals. I will state it slowly what I think we voted on. If there's any disagreement, we'll discuss it. The open meetings act is being complied with, because, we didn't come to any agreement about what was going to happen. So. My understanding of the motion is that we are recommending the resolution posted on Thursday's agenda by councilmember Gallo with the amendments suggested by councilmember Renteria. And we recommended that for the August 20th agenda of the Austin

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city council, there be a recommendation that we initiate code changes that would address the recommendations put forth in the Austin code department set of recommendations on pages 7, 8, and 9 with only one change. And that change being that the -- that section 25-2-791g of the city's land development code be removed. In order to address the gauging public interest advertising provision. Sh is that right? >> Can you say it again? >> Casar: Which part, just the -- >> Gallo: The second, about what we're doing. So we're recommending for the August 20th meeting? >> Casar: We're recommending that -- we recommended as a committee that the council vote on code changes. And we recommended those code changes that would address the recommendations brought forth by the Austin code department in their presentation, which include a noncompliance penalty, a penalty for operating with

an expired license, an inspection requirement for strs, an occupancy limit statement. The only changes, instead of adding a penalty for those operating without a license to address the gauging public interest provision, instead, we recommended the council visit initiating a code change -- the provision that allows -- in my recollection, a provision that allows people to advertise strs without a license. Is that accurate? >> Gallo: Mmhmm. >> Casar: Mayor pro tem? >> Tovo: Yeah, thank you. I think you articulated it very well. And the language that you used when you were -- when you

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further articulated noted that we would be -- we would have something on our agenda that would initiate the code amendments. I just want to make sure that the staff get that. We won't be voting on the code changes. We will be voting on the initiation of the code changes. >> Casar: That's correct. We have a process for initiating code changes. We would not leapfrog that process with this recommendation. Is that -- okay, I hope that's clear. All right. Our last item on our agenda is to discuss future items. I think we've discussed at least one future item more than anything else. Is there anything else that we would like to have on our future committee agendas right now? We will be having accessory dwelling units. We will -- please do submit -- I'll post on the message board what we'll be discussing, which sections of ads we'll discuss in August. We'll have the short-term rental item back up, informed by what code enforcement has reported back along with the city manager. We potentially will have recommendations to change the density bonus program, and possibly recommendations from me. Anything else? You can always email me. All right. Well, with that, I will happily adjourn the planning and neighborhoods committee meeting for the day. And thank you all so much for your work and patience. >> Thank you.