



AUSTINCODE DEPARTMENT

To: Mayor and City Council Members
From: Carl Smart, Director
Date: August 13, 2015
Subject: Recommendations for Changes to Existing Short-Term Rental Regulations

Resolution No. 20150618-78 directed the City Manager to develop a plan for better enforcement of short-term rentals (STR). This memorandum provides 13 recommendations to the STR regulations for Council consideration in response to one of four report elements of the resolution to “make recommendations on how the City can provide better enforcement for non-compliant short-term rentals.” The other three elements will be presented at the Planning and Neighborhoods Committee meeting on August 17, 2015.

Background

On June 15, 2015, Austin Code Department (ACD) presented to the Planning and Neighborhoods Committee (PNC) four recommended amendments to existing STR regulations. Staff developed recommended amendments to address some of the challenges that Austin Code has encountered in monitoring compliance of licensed STR operators and enforcement of violators. During the discussion, the PNC added a fifth amendment. These amendments are listed in the recommendation section.

After Council approved Resolution No. 20150618-78, staff subsequently solicited additional input from community and industry stakeholders. During the month of July, ACD staff evaluated the input for ordinance amendments received through emails, meetings with licensed STR operators, community and industry representatives and meetings scheduled by Councilmembers and the community.

Recommended Ordinance Amendments

The City received approximately 180 recommendations and comments from the community and STR property owners/managers. Because many suggestions were repetitive, ACD staff consolidated the 180 recommendations into a list of 101 unique recommendations. ACD staff also evaluated an additional 22 recommendations that were identified by City staff. From these

recommendations, ACD recommends 13 ordinance amendments for Council consideration that will enhance our ability to take corrective action for non-compliant STRs.

The first five of the following 13 recommendations resulted from the Council's Planning and Neighborhood Committee meeting. The remaining recommendations come from all input received from both community stakeholders and City staff.

1. Add a penalty for operating without a license for non-compliance equal to the cost of an Operating License. This would be collected in addition to the Operating License Fee.
2. Add an Occupancy Limit Statement. Effective April 1, 2016, all STR advertisements or promotions must include the following statements:
 - It is a violation of city code to allow more than six (6) unrelated adults to occupy the dwelling at one time.
 - In the interim, no more than six (6) unrelated adults may reside in a dwelling unit, except in the area defined in Subchapter F: Residential Design and Compatibility Standards Section 1.2.1
3. Add a penalty for operating with an expired license for non-compliance equal to the cost of an Operating License. This would be collected in addition to the Operating License Fee.
4. Add an inspection requirement for STRs.
5. Strike section 25-2-791(G) of the City's Land Development Code (Gauging the Public Interest or "Testing the Waters" provision).
6. Require Registry of STR Guests. As part of their license requirement, STR owners shall be required to maintain a registry of renters.
7. Establish Occupancy Limits. Related to #2 above that was discussed at PNC, Staff recommends limiting occupancy for STRs to not more than "six adults".
8. Increase Non-compliance Penalty. Related to #1 and #3 discussed at PNC, Staff recommends a higher penalty for non-compliant Type 2 and 3 STRs equal to twice the cost of an Operating License. This would be collected in addition to the Operating License Fee.
9. Require STR license holders to demonstrate that the septic system complies with all City (or other applicable regulatory) requirements. This is to insure the septic system is working properly and is adequate to meet the maximum design capacity limit set by the appropriate agency.
10. Require a local contact to reside within the Austin Metro Area. A registrant who does not reside within the Austin Metro Area must identify an individual or individuals that can respond to emergency conditions. The individual or individuals must be present within the Austin Metro Area and be available to respond within two hours after being notified by a tenant or a City employee of an emergency during any 24-hour period. If there is a

change related to the local contact(s), a registrant must update the code official in writing within three business days and provide the new local contact's information.

11. Make STRs subject to noise requirements. Require all STRs to comply with noise requirements as a condition of the license.
12. Consider amending the penalty range for administrative citations similar to the penalty range in Section 25-1-462 (*Appeal; Criminal Enforcement*), which sets a specific penalty range for a specific category of violation.
13. Add parking requirements. Staff recommends Council require STR operators to provide an additional parking space for each additional bedroom that exceeds four. ACD is meeting with the Planning and Zoning Department to finalize this recommendation.

In order to support enhanced enforcement, ACD estimates the need for four additional Code Enforcement Officers for FY16. Further evaluation by Austin Police and Fire Departments is required to determine their respective need for additional resources. Staff is prepared to provide the cost and funding options during the budget process.

Staff will make a more detailed presentation to the Planning and Neighborhoods Committee on August 17, 2015. Please contact me if you have any questions or if you need more information.

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