ORDINANCE NO. __________________

AN ORDINANCE AMENDING CHAPTERS 25-2 (ZONING) OF THE CITY CODE RELATING TO SHORT-TERM RENTALS.

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

PART 1. City Code Section 25-2-491 (Permitted, Conditional, and Prohibited Uses) is amended to amend the chart in Subsection (C) as follows:

Short-term rental uses regulated under Section 25-2-788 (Short-term Rental (Type 1) Regulations) and Section 25-2-790 (Short-term Rental (Type 3) Regulations) are a permitted use in the following base districts:

- Lake Austin residence (LA)
- rural residence (RR)
- single-family residence large lot (SF-1)
- single-family residence standard lot (SF-2)
- family residence (SF-3)
- single-family residence small lot (SF-4A)
- single-family residence condominium site (SF-4B)
- urban family residence (SF-5)
- townhouse and condominium residence (SF-6)
- multifamily residence limited density (MF-1)
- multifamily residence low density (MF-2)
- multifamily residence medium density (MF-3)
- multifamily residence moderate-high density (MF-4)
- multifamily residence high density (MF-5)
- multifamily residence highest density (MF-6)
- central business (CBD)
- downtown mixed use (DMU)
- planned unit development (PUD)
- general-retail – mixed use (GR-MU)
commercial services – mixed use (CS-MU)
commercial services – vertical mixed use (CS-V)
general retail – vertical mixed use (GR-V)

Short-term rental use regulated under Section 25-2-789 (*Short-Term Rental (Type 2) Regulations*) is a permitted use in the following base districts:

- central business (CBD)
- downtown mixed use (DMU)
- planned unit development (PUD)
- general retail – mixed use (GR-MU)
- commercial services – mixed use (CS-MU)
- commercial services – vertical mixed use (CS-V)
- general retail – vertical mixed use (GR-V).

**PART 2.** City Code Section 25-2-791 (*License Requirements*) is amended to amend Subsection (C) and add a new Subsection (H) and a new Subsection (I) to read as follows:

**§25-2-791 LICENSE REQUIREMENTS.**

(C) Except as provided in subsection (H), the director shall issue a license under this section if:

1. the application includes all information required under Subsection (B) of this section;
2. the proposed short-term rental use complies with the requirements of Section 25-2-788 (*Short-Term Rental (Type 1) Regulations*), Section 25-2-789 (*Short-Term Rental (Type 2) Regulations*), or Section 25-2-790 (*Short-Term Rental (Type 3) Regulations*);
3. for a short-term rental use regulated under Section 25-2-789 (*Short-Term Rental (Type 2) Regulations*), no more than 3% of the single-family, detached residential units within the census tract of the property are short-term rental (Type 2) uses as determined by the Director under Section 25-2-793 (*Determination of Short-Term Rental Density*); and
   
   (a) the structure has a valid certificate of occupancy or compliance, as required by Chapter 25-1, Article 9 (*Certificates of Compliance and Occupancy*); or
(b) the structure has been determined by the building official not to pose a hazard to life, health, or public safety, based on a minimum life-safety inspection;

(4) for a short-term rental use regulated under Section 25-2-790 (Short-Term Rental (Type 3) Regulations), located in a non-commercial zoning district, no more than 3% of the total number of dwelling units at the property and no more than 3% of the total number of dwelling units located within any building or detached structure at the property are short-term rental (Type 3) uses as determined by the Director under Section 25-2-793 (Determination of Short-Term Rental Density); and

(a) the structure and the dwelling unit at issue have a valid certificate of occupancy or compliance, as required by Chapter 25-1, Article 9 (Certificates of Compliance and Occupancy); or

(b) the structure and the dwelling unit at issue have been determined by the building official not to pose a hazard to life, health, or public safety, based on a minimum life-safety inspection.

(5) For a short-term rental use regulated under Section 25-2-790 (Short-Term Rental (Type 3) Regulations), located in a commercial zoning district, no more than 25% of the total number of dwelling units at the property and no more than 25% of the total number of dwelling units located within any building or detached structure at the property are short-term rental (Type 3) uses as determined by the Director under Section 25-2-793 (Determination of Short-Term Rental Density); and

(a) the structure and the dwelling unit at issue have a valid certificate of occupancy or compliance, as required by Chapter 25-1, Article 9 (Certificates of Compliance and Occupancy); or

(b) the structure and the dwelling unit at issue have been determined by the building official not to pose a hazard to life, health, or public safety, based on a minimum life-safety inspection.

(H) After November 23, 2015, the director may not issue a license to operate short-term rental use as described in Section 25-2-789 (Short-Term Rental (Type 2) Regulations) located in the following base districts:

(1) Lake Austin residence (LA);

(2) rural residence (RR);

(3) single-family residence large lot (SF-1);

(4) single-family residence standard lot (SF-2);

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(5) family residence (SF-3);
(6) single-family residence small lot (SF-4A);
(7) single-family residence condominium site (SF-4B);
(8) urban family residence (SF-5);
(9) townhouse and condominium residence (SF-6);
(10) multifamily residence limited density (MF-1);
(11) multifamily residence low density (MF-2);
(12) multifamily residence medium density (MF-3);
(13) multifamily residence moderate-high density (MF-4);
(14) multifamily residence high density (MF-5); and
(15) multifamily residence highest density (MF-6).

(I) The limitation in subsection (H) does not apply to an annual renewal authorized in subsection (E).

PART 3. Council directs the City Manager to set a public hearing on or before December 31, 2016, that allows the Council to consider the effectiveness of this ordinance and to consider revisions.

PART 4. This ordinance takes effect on ____________, 2015.

PASSED AND APPROVED

___________________________, 2015

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Steve Adler
Mayor

APPROVED: ____________________________  ATTEST: ____________________________
Anne L. Morgan                      Jannette S. Goodall
Interim City Attorney                City Clerk

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