Short Term Rental (STR)

Staff Recommendations for changes to existing regulation

August 2015
Short Term Rental Agenda

- Definition and Types
- Active STR Licenses
  - How Many
  - Where Located
  - Census Tract
  - Complaints
- STR-PACE July Pilot Program
- Council Resolution
  - Elements 1-4
- Next Steps
What are Short Term Rentals?

**Short Term Rentals:** the rental of a residential dwelling unit or accessory building on a temporary basis for periods of less than 30 consecutive days.

**Type 1 - Owner Occupied**
- Include rental of entire dwelling unit

**Type 1A - Owner Occupied**
- Only part of the unit
- Owner is generally present during the rental

**Type 2 - Not Owner Occupied**
- Single-family or two-family properties
- Include rental of entire dwelling unit
- No more than 3% of the single-family or two-family detached residential units within the census tract

**Type 3 – Multi-family | Commercial**
- Multifamily use (apartments, condos, etc.)
- Include rental of entire dwelling unit
- Subject to 3% or 25% cap
## Active STR Licenses by Type

**Snapshot: August 1, 2015**

<table>
<thead>
<tr>
<th>License Type</th>
<th>Number Issued</th>
<th>%</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Type 1</td>
<td>636</td>
<td>54%</td>
<td>Owner occupied &amp; secondary structures on property</td>
</tr>
<tr>
<td>Type 1-A</td>
<td>55</td>
<td>5%</td>
<td>Owner occupied/one room rental</td>
</tr>
<tr>
<td>Type 2</td>
<td>358</td>
<td>31%</td>
<td>Non-owner occupied</td>
</tr>
<tr>
<td>Type 3</td>
<td>120</td>
<td>10%</td>
<td>Multifamily housing/commercial - condos, townhouses and apartments</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>1,169</strong></td>
<td><strong>100%</strong></td>
<td></td>
</tr>
</tbody>
</table>

![Bar chart showing license types and their counts](chart.png)
Active Type 2 Short-term rentals (STRs)
August 1, 2015
Active STR Licenses by Council District

Snapshot: August 1, 2015

- Short Term Rental Type 3
- Short Term Rental Type 2
- Short Term Rental Type 1-A
- Short Term Rental Type 1

Council District

1: 118
2: 10
3: 171
4: 16
5: 198
6: 9
7: 53
8: 26
9: 431
10: 107
STR Complaint Service Request from 3-1-1

October 2012 through August 2015

# of Complaints
(353 Total)

Licensed STR
Unlicensed STR

57%
(200)

43%
(153)

Unlicensed STRs
- 166 properties/200 complaints
- Avg: 1.2 complaints/property

Licensed STRs
- 118 properties/153 complaints
- Avg: 1.3 complaints/property
## Licensed STRs with Code Complaints

October 2012 through August 2015

<table>
<thead>
<tr>
<th>Type</th>
<th>Noise</th>
<th>Over Occupancy</th>
<th>Parking</th>
<th>No License</th>
<th>Alleged Illegal Activity, trash and debris, etc..</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>STR 1</td>
<td>18</td>
<td>56</td>
<td>30</td>
<td>80</td>
<td>148</td>
<td>332</td>
</tr>
<tr>
<td>STR 1-A</td>
<td>0</td>
<td>0</td>
<td>2</td>
<td>2</td>
<td>9</td>
<td>13</td>
</tr>
<tr>
<td>STR 2</td>
<td>13</td>
<td>43</td>
<td>10</td>
<td>76</td>
<td>110</td>
<td>252</td>
</tr>
<tr>
<td>STR 3</td>
<td>0</td>
<td>1</td>
<td>0</td>
<td>3</td>
<td>5</td>
<td>9</td>
</tr>
<tr>
<td>Total</td>
<td>31</td>
<td>100</td>
<td>42</td>
<td>161</td>
<td>272</td>
<td>606</td>
</tr>
</tbody>
</table>
Type 1
332 Total Complaints

Type 2
252 Total Complaints

Complaint Type

- Alleged Illegal Activity, trash and debris, etc.: 45%
- No License: 24%
- Over Occupancy: 17%
- Parking: 9%
- Noise: 5%
- Other: 5%
STR Pilot Program

STR—PACE Enhanced Enforcement
July 3-Aug. 1, 2015

• **120** total service requests received from 3-1-1
  – **19** service requests received during the weekend hours

• **249** proactive visits were made to known repeat offenders

• **146** violations were found in the following categories
  – Operating without a license **54**
  – Over-occupancy **25**
  – Excessive noise **41**
  – Parking Violations **15**
  – Trash and debris **4**
  – Alleged illegal activity **7**
STR Pilot Program

STR—PACE Enhanced Enforcement
July 3-Aug. 1, 2015

• Enforcement Actions taken
  – 18 Notices of Violations were issued for properties operating without a short term rental license
  – 2 suspensions of short term rental license

• $5,831 ACD expenditure for pilot program

• $69,970 annual estimated cost
Council Resolution

Resolution No. 20150618-078

Directs the City Manager to develop a plan for better enforcement regarding short-term rental properties, particularly those that have repeated complaints.
Resolution Element 1

1. **Examine** issues & complaints related to the City's ability to effectively enforce Code requirements for STRs, including both complaints regarding unregistered properties & other issues such as noise, occupancy, etc.

   Conducted stakeholder meetings with:
   - Council Member Gallo and neighborhood residents
   - **Industry leaders**
     - Home Away
     - Austin Apartment Association
     - Austin Rental Alliance
     - Others
   - Other City Departments

   • Reviewed case history from the AMANDA database

   • Analyzed complaints received from Austin 3-1-1
Community Input

- Received nearly 180 recommendations and feedback from residents and external stakeholders during June and July.

- After eliminating duplicates, City Staff evaluated 101 unique recommendations that were divided into the following 16 categories:

<table>
<thead>
<tr>
<th>Category</th>
<th>Number of Recommendations</th>
</tr>
</thead>
<tbody>
<tr>
<td>Type 1</td>
<td>3</td>
</tr>
<tr>
<td>Type 2</td>
<td>9</td>
</tr>
<tr>
<td>Over Occupancy</td>
<td>7</td>
</tr>
<tr>
<td>Repeat Offenders</td>
<td>3</td>
</tr>
<tr>
<td>Advertising</td>
<td>6</td>
</tr>
<tr>
<td>Enforcement</td>
<td>11</td>
</tr>
<tr>
<td>Penalty</td>
<td>6</td>
</tr>
<tr>
<td>Application requirement</td>
<td>4</td>
</tr>
<tr>
<td>Licensing</td>
<td>16</td>
</tr>
<tr>
<td>License Appeal Process</td>
<td>5</td>
</tr>
<tr>
<td>Nuisance Concerns</td>
<td>3</td>
</tr>
<tr>
<td>Austin Code Department</td>
<td>7</td>
</tr>
<tr>
<td>Austin Code and other City Department Inspections</td>
<td>4</td>
</tr>
<tr>
<td>Process for responding to residents complaints</td>
<td>4</td>
</tr>
<tr>
<td>Community Comments &amp; Questions</td>
<td>5</td>
</tr>
<tr>
<td>STR Industry Representatives Comments &amp; Questions</td>
<td>7</td>
</tr>
</tbody>
</table>
2. **Determine** if these issues are related to ACD resources/policies and/or deficiencies within City Code or the existing STR regulations that require Council action. Identify barriers to enforcement including those in the legal framework or in ACD operating procedures.

**Identified several changes to be made to existing policies and procedures**
- Registry requirement
- Local contact requirement
- Revise application

**What are the barriers?**
- Degree of evidence needed for court
- Difficulty proving over-occupancy
  - Related v. Unrelated

**Any changes to legal framework?**
- Ordinance changes
- Move to administrative hearing process
Resolution Element 3

3. **Identify** additional performance measures to capture data on complaints about STRs, hotel occupancy taxes received from STRs, and other useful information to inform an ongoing assessment of short-term rental activity.

- **Monitor 3-1-1 Complaints**
  - Number of 3-1-1 STR complaints received/year

- **Enforcement Efforts**
  - Number of weekend STR-PACE Team enforcement efforts/year
  - Number of STR cases assigned to the Building Standards Commission, Administrative Hearings and Courts
  - Number of STR advertisement violations enforced/year
  - Number of unlicensed STRs cases enforced/year
  - Number of STR licenses not issued, revoked or suspended/year for non-HOT payment

- **Fiscal**
  - Program revenues collected/year
  - Program expenditures/year
  - Program revenue to expenditure ratio per year
Resolution Element 4

4. **Make** recommendations on how the City can provide better enforcement for non-compliant short-term rentals.

1. Add a penalty for operating without a license for non-compliance equal to the cost of an Operating License

2. Add an Occupancy Limit Statement: It is a violation of city code to allow more than six (6) unrelated adults to occupy the dwelling at one time

3. Add a penalty for operating with an expired license for non-compliance equal to the cost of an Operating License

4. Add an inspection requirement

5. Strike “Testing the Waters” provision (added by PNC)
Resolution Element 4

4. **Make** recommendations on how the City can provide better enforcement for non-compliant short-term rentals.

6. Require Registry of STR Guests

7. Establish Occupancy Limits

8. Increase Non-compliance Penalty

9. Require STR license holders to demonstrate that the septic system complies with all City (or other applicable regulatory) requirements

10. Require a local contact to reside within the Austin Metro Area

11. Make STRs subject to noise requirements as a condition of the license

12. Consider amending the penalty range for administrative citations

13. Add parking requirements
Next Steps

• City Manager present Resolution to Council August 20

• Austin Code submit ordinance amendments for Council approval

• Austin Code implements changes to administrative processes and procedures

• Implement evening and weekend enforcement of STR regulations
  • Pending resource availability
Contact Us

To report a possible code violation in your neighborhood, call 3-1-1, download the mobile app by searching Austin 311, or visit our website: www.austintexas.gov/department/code/services

Remember, you can always report a violation anonymously.

View the 8.17.15 Planning and Neighborhood Committee meeting.

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