



MEMORANDUM

TO: Dave Sullivan, Chair, and Members of the Planning Commission

FROM: Robert Heil
Planning and Development Review Department

DATE: January 24, 2012

RE: **C20-2010-017 Short Term Rental Postponement**

On January 12, 2012 the City Council directed the City Auditor to conduct a detailed study of the short term residential rentals in Austin. The Auditor was directed to present the results of this study to Council by its meeting on April 12, 2012.

At its last meeting on January 17, 2012, the Codes and Ordinances Committee of the Planning Commission recommended that the public hearing for the proposed code amendment C20-2010-017 regarding the short term rental of residential properties be postponed until April 24, 2012.

This postponement will allow the Planning Commission to review the results of the study but will not delay any potential action by City Council.

The recommendation for short term residential rentals from the Committee on Codes and Ordinances is attached.

If the Planning Commission does postpone this item to April 12, staff will send a new public notice to all registered community organizations and will electronically notify other stakeholders.

Planning Commission/Codes & Ordinances Sub-Committee
Short Term Rentals Workgroup – Sponsors' Recommendations

A. Definition

Short Term Rental (STR) is a new Single Family Residential Use of a single family residential structure for a period of time between one and 30 consecutive days. An STR property is inclusive of all permanent structures on a Single Family lot; i.e. a primary house and secondary apartment, or duplexes. STR does not preclude the short term extension of the rental agreement of a previously established long-term tenant. Residential use is the occupancy of living accommodations.

The short term rental of a homesteaded residence is an allowed use in any Single Family (SF) residential use zoning category. Commercial STR is a conditional use in any SF residential use zoning category.

The separate short term rental of individual rooms within a residential structure is prohibited in SF zoning with the exception of Bed and Breakfast use. The rental of STR residential property as a site for gatherings is prohibited.

Note that the STR use is addressed here only in the context of single family residential zoning and does not apply to multi-family, mixed-use or other zoning categories.

B. Registration

The City of Austin (COA) requires Registration of all Short Term Rental (STR) properties. The Registration Application requires the following information:

- the identity of the property owner or site manager
- a Tax ID number
- proof of property insurance
- a Certificate of Occupancy
- a designated Local Responsible Contact (LRC)
- a local emergency contact phone number, and
- the STR address.

The COA will provide each applicant a packet of requirements and guidelines to:

- facilitate rentals compatible with SF zoning residential uses, and
- minimize conflict with adjacent properties.

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C. General Requirements

The following requirements pertain to all STRs regardless of type:

- All property owners of STRs must pay appropriate Hotel Occupancy Taxes.
- All STRs are subject to COA Dwelling Unit Occupancy Limits (LDC 25-2-511).
- During rental periods, the Local Responsible Contact must provide Emergency Contact Information by either posting it on the property or distributing it to adjacent residences within 100 feet of the property.
- The property owner is liable for damages resulting from renters' actions.

The Local Responsible Contact must attach a packet of requirements and guidelines to STR rental agreements (provided by COA at registration) and provide such packet to renters. The packet must include applicable excerpts from City Ordinances or comparable information. Renters must comply with all requirements and guidelines regarding:

- Occupancy Limits
- Noise Restrictions applicable to SF zoning including exclusion of outdoor amplified sound
- Parking Restrictions
- Prohibition of Gatherings
- Trash Collection Schedule
- Current COA restrictions, ex: a burn ban, watering restrictions.

D. Requirements for Homesteaded STRs

Two Tiered Permit Process for Homesteaded Homes

1. Limited Rental: Annual Permit and Fee Required — \$25 Fee covers up to 15 total days per year occasional rentals
2. Periodic Rental: Annual Permit and Fee Required — \$50 Fee covers periodic or frequent STRs that exceed 15 days per year up to a maximum of 90 days.

If a primary residence is homesteaded and a secondary unit is rented out on a short term basis the homesteaded STR regulations apply. Likewise if a duplex is homesteaded and the other duplex half is rented out on a short term basis the homesteaded STR regulations apply. Homesteaded STRs allows owners to accommodate visitors who attend local festivals and events such as ACL, SXSW, and F1.

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E. Requirements for Commercial STRs

Non-Owner Occupied and Investment Rentals

1. Commercial STR requires a conditional use permit approved through the public process with the Neighborhood Planning and Development Review Department, Land Use Commission, and City Council
2. Repeat STR Commercial: Annual License and Fee Required — \$250 Fee Per Site
3. Multiple STRs per Owner/Property Manager: Annual License and Fee Required — \$250 Fee per site.

Any property that is rented for less than 30 days that is not homestead-exempted is a Commercial STR. Commercial STR properties must be dispersed at least 1000 feet apart from other STR properties and Bed and Breakfasts rentals. A Commercial STR license is granted to the owner and does not convey with the property.

In order to qualify existing STRs for grandfathered property exemptions, owners must provide documentation of:

- Hotel Occupancy Tax (HOT) filings for each of the four quarters previous to adoption of the ordinance
- On-time HOT payments according to state due dates for three of those four quarters.

Licensing Requirements:

- An initial safety inspection and one periodic inspection per subsequent three year cycle to ensure that the property meets COA/PACE code safety standards and requirements.
- Adequate on-site parking. COA single-family parking regulations apply to front yard parking unless it is specifically allowed in the neighborhood plan.
- After the issuance of a license, if three or more citations per site are issued within a year the license will be revoked with a wait period of one year before reapplication.
- The Owner/Property Manager may not have outstanding code enforcement or APD citations for violations within the past two years. Tenant citations issued against violations of code also apply if they pertain to the STR property.
- A license lapses if no Hotel Occupancy Tax is paid for one year. Documentation showing hotel taxes have been paid must be provided when the license is renewed. A three-month grace period will be allowed for licenses in good standing.
- Additional requirements per PDRD and Legal Staff recommendations.

Commercial STR owners are strongly encouraged to:

- Join rental property owners association
- Inform neighbors adjacent to and within one block proximity to STR.

