

# Short Term Residential Rental

presentation to the  
Community Development Commission  
July 10, 2012

## *Short Term Rental Proposal*

### Short Term Rentals – What are they?

- Any single family residential unit that is rented for less than 30 days

For this proposal:

- Does not include multi-family units (apartments or condominiums).
- Does not include hotels, motels or Bed-and-Breakfasts.

*(Source: City Auditor's Report, April 2012)*

## *Short Term Rental Proposal*

### Short Term Rentals – How Many are there?

- Estimated by the by City Auditor at 1,500
- The number is difficult to track –
  - No central registration exists
  - Hotel Occupancy taxes are not paid by some property owners.
- The number is fluid –
  - Changes by season
  - Changes based on the real estate market
  - Changes based on the desires and needs of individual property owners

*(Source: City Auditor's Report, April 2012)*

## *Short Term Rental Proposal*

### Short Term Rental – Who Owns Them?

- Most are owned by Austinites (89%)
  - 63% Owner Occupied
  - 26 % Austin Resident
- 3% - Central Texas Owner (outside of Austin)
- 3% Texas Owner
- 5% Out of State Owners

*(Source: City Auditor's Report, April 2012)*

*(Note: Owner information was not available for all short term rentals)*

## *Short Term Rental Proposal*

### Residential Units Affected this Proposal

- Residential Uses permitted in Single Family Zoning
  - Single Family Residential
  - Single Family Attached Residential
  - Duplex Residential
  - Two Family Residential
- Only Residential Properties Rented out for less than 30 days.

## *Short Term Rental Proposal*

### Residential Units ***Not*** Affected by this Proposal

- Units rented for 30 days or more
- Multi-family units, Apartments or Condominiums
- Group Residential Use

## *Short Term Rental Proposal – City Council, 1st Reading*

### Creates two new land uses

- Type 1 Short Term Rental - (Owner Occupied)
- Type 2 Short Term Rental – (Non-Owner Occupied or very frequently rented)

## Short Term Rental Proposal – City Council, 1st Reading

### Type 1 Rental (Owner Occupied)

#### Description

1. Owner-Occupied – **and** –
2. Registered Homestead – **and** –
3. Short Term leases do not exceed a cumulative total of 90 days per year.

**-OR-**

**If** a primary residential unit is

1. Owner-Occupied – **and** –
2. Registered Homestead – **and** –
3. Occupied by the owner for at least 270 days per year

**Then** a secondary residential unit on the same property may be rented on a short term basis for more than a cumulative total of 90 days per year and still be considered a Type 1 Rental.



## *Short Term Rental Proposal – City Council, 1st Reading*

### **Type 1 Rental (Owner-Occupied)**

#### Requirements

1. Pay Hotel Occupancy Tax (15% of gross receipts) (*current state law*)
2. Permitted use in single family, multi-family and mixed use zoning
3. Inspection (upon registration and then every three years) (*fee not yet established*)
4. Certificate of Registration (good for one year, and renewable) (*fee not yet established*)
5. Provide packet of information to all tenants
6. Notify all properties within 100 feet

## *Short Term Rental Proposal – City Council, 1st Reading*

### **Type 1 Rental (Owner Occupied)**

#### Prohibitions

1. No gatherings
2. May not rent out individual rooms
3. The Certificate of Registration is not transferable
4. The Certificate of Registration may become void if there are three or more valid citations against the tenants or property.

## *Short Term Rental Proposal – City Council, 1st Reading*

### **Type 2 Rental (Non-Owner Occupied)**

#### Description

Any single family residential until rented out for less than 30 days at a time, that does not qualify as a Type 1 Rental.

Specifically -

1. Not Owner Occupied, - **or** -
2. Not Homestead Exempted, - **or** -
3. Rented out on a short term basis for a cumulative total of more than 90 days.

## Short Term Rental Proposal – City Council, 1st Reading

### Type 2 Rental (Non-Owner Occupied)

#### Requirements

#### ❖ ***Bold items are different from Type 1 Rentals***

1. Pay Hotel Occupancy Tax (15% of gross receipts) (current state law)
  - Approximately \$461 for application filing and notification
  - Additional restrictions may be placed on the property with the CUP
  - Public hearing at Planning Commission
  - Planning Commission decision may be appealed to Council
2. Inspection (upon registration and then every three years) (*fee not yet established*)
3. Certificate of Registration (good for one year, and renewable) (*fee not yet established*)
4. Provide packet of information to all tenants
5. Notify all properties within 100 feet.
6. **There may not be more Type 2 Rentals than 3% of the number of detached single family structures in any one zip code.**

## *Short Term Rental Proposal – City Council, 1st Reading*

### **Type 2 Rental (Non-Owner Occupied)**

#### Prohibitions

1. No gatherings
2. May not rent out individual rooms
3. The Certificate of Registration is not transferable
4. The Certificate of Registration may become void if there are three or more valid citations against the tenants or property.

*Short Term Rental Proposal – Next Steps*

City Council will consider the item again on Thursday, August 2, 2012.

Comments and Questions are Welcome.