



## **COUNCIL COMMITTEE REPORT**

### **Planning and Neighborhoods Committee**

**Date:** June 15, 2015

#### **Agenda Item #5**

**Agenda Item:** Consider and develop recommendations on Short-Term Rental regulations and enforcement

**Vote:** No action taken

#### **Sponsors/Department:**

Carl Smart, Director, Austin Code Department

Marcus Elliot, Austin Code Department

#### **Summary of Discussion**

Staff provided a review of the Short-Term Rental program, inception of the program, elements of the program, licensing fee, annual renewal fee, notification requirements, density caps and shared proposed changes to the current Short-Term Rental ordinance.

#### **Public Comments**

Craig Casper asked that the type 2 Short-term rentals are outlawed, by doing this you will save Austin neighborhoods do and a great favor to the hotel industry.

Sylvia Casper has spoken with Austin Code, shared the advertisement with them and the pre-advertisement and the booking of 24-27 people at one point. No one who has good intentions and who cares about the neighborhood is going to open that kind of home and use it in that way. Please do not give permits to these types of people.

David King lives in Zilker Neighborhood which was one of the first neighborhoods to hit the cap and been that way since the beginning of the ordinance. The Short-Term Rental issue has been discussed numerous times and enough is enough when it comes to commercial type 2 properties. These are commercial operations and should not be allowed in residential areas. I urge you to outlaw these types in residential zoned areas.

Mary Ingle, President of The Austin Neighborhoods Council, state Short-Term Rentals type 2 and 3 remove housing from available housing stock and potentially increase housing cost. In support of Mr. Smart and Mr. Elliot's efforts for bringing the presentation forward that we need to have penalties that are real because this is all about money and the denial of suspension of license is good.

Kristen Hotopp, here on behalf of District 3 in the East Cesar Chavez and Holly Street Neighborhoods. We do not have a lot of money, lobbyists, attorneys to represent us, but would like to be part of the amendment process for the commercial type 2 processes.

Joyce Basciano, Vice President of Austin Neighborhoods Council, a homeowner wants assurance that residentially zoned properties will not be used for commercial purposes. Type 2 non-homestead Short-Term Rentals are a commercial use of residential properties.

Stuart Hirsch, stated building and standards commission is the key to solving this problem. We only have five licensed bed and breakfasts which should tell you we have the same problem in bed and breakfasts as short-term rentals.

Malcom Yeatts, Chairman of East Riverside Oltorf Combined Planning Residential Neighborhood, stated the short-term rentals are not owner occupied and should not be allowed in residential neighborhoods. So besides degrading residential neighborhoods, these commercial properties make Austin less affordable because investors will pay more for a house than a family can afford.

### **Direction**

Council Member Gallo provided an overview as to why the STR item was brought forward as a Resolution for the City Council to take action on. Over the last 3 to 4 months her office has received numerous calls on issues with Short-Term Rentals that are in non-compliance from the standpoint of being operated as venues for parties, weddings and also appear to be in non-compliance with Austin's city Code that restricts the number of unrelated occupants to a maximum of six.

Mayor Pro Tem Tovo requested in moving forward with the Resolution, that we add a passage directing the City manager to initiate the necessary amendments to effect the recommendations included on pages 7-9 of the PowerPoint and making changes to page 7 to "add a penalty for operating without a license, the noncompliance penalty, the penalty for operating with an expired license, the inspection requirement, occupancy limit statement".

### **Recommendation:**

The committee unanimously approved the motion that:

At the August 13, 2015, City Council meeting, Full Council will review the recommendations with the changes to Section G and code amendments, with further discussion and possible action taking place on August 20, 2015.