

Planning and Neighborhoods Committee Meeting Transcript – 08/17/2015

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[4:20 PM]

>> Casar: all right, everybody, we're just about ready to get started here.

Good afternoon.

I'm greg casar, chair of the planning and neighborhoods committee and i've got to call this meeting i'm going to call this meeting to order at 4:22 p.m. monday august 17th.

I have with me my committee members and special guest, councilmember ora houston.

Good to see down there.

To get started with housekeeping, we are going to without any objection postpone item number 7, which is a staff meeting on policy waivers relating to the distance requirement from schools for businesses selling alcohol.

So without any objection, is that all right that we postpone that item?

We'll be postponing it indefinitely.

If any committee member wants to hear that item in this committee, i'd be happy to add it back to the agenda or of course any councilmember can refer that item over to this committee, but it was referred by the mayor's office, the presentation isn't yet prepared.

I have one speaker that was interested in that item and i'll let that speaker speak during citizens communication, which is item number 2.

So without further adieu, can i hear a motion to approve the minutes from last meeting?

Moved by councilmember gallo and seconded by councilmember renteria.

All in favor say aye?

It passes unanimously.

Yet we'll move on to item number 2, this is citizen communication where we allow five speakers to speak on items not on the agenda for today for three minutes each.

So our first speaker is kirk mitchell.

>> i believe we have a second speaker, a school board trustee.

>>

>> i have her listed as not to speak.

>> she has her own comments.

>> good afternoon, i am a member of wildflower unitearist church and a leader of austin interfaith.

We are made up of 37 congregation, schools, unions and non profits.

Our membership became aware of this possibility of this item to be discussed regarding alcohol sales near schools and for that policy to be revisited.

It generated great concern among our members.

We would like for the committee to move forward with great caution on this particular item and we would like to particularly ask that the austin independent school district and other relevant stakeholders be part of the discussion.

It is our desire that it be part of the joint subcommittee with aids.

And with particular care and concern around the amount of time taken.

It's interesting in our history of dealing with alcohol variances near schools often times those cases come to council during the summer, which is curious because the parents are away and the schools not in session.

We think that waiting for sufficient time for the schools to come back into session, for parents to be notified that this is a policy discussion that is taking place and for them to begin to discuss among themselves what their concerns and interests are.

So we really think that even a briefing shouldn't take place until october so schools have an adequate time to converse.

Additionally we would like to mention that congregations are covered by the same policy, but they're treated differently.

The measurement for congregations are much more restrictive so we are measured from the door of the sanctuary from the door of the establishment.

So we have had our members had establishments next to the churches move their door to the other side of the building in order to get their license.

So we would really like for this to be really inclusive and think about congregation as well and the policy to be strengthened.

And also under the ordinance it's our understanding that academics are not covered day cares are not covered by the ordinance and we believe that should be examined.

We ask for you to take time to schools to be engaged and to be exhaustive and about who is covered by this policy.

>> casar: you know the committee system is still a work in progress and something new.

Hopefully we will move towards items that are brought up by a member that isn't a committee that they will be in a box of future items to be discussed to there's not confusion about what the committee members are interested in discussing and what they're not.

Thank you for coming either way and we'll take your recommendation seriously.

If any committee member wants to bring any of those changes to this committee they may and of course anybody on joint subcommittee can follow their procedures.

So thanks.

And so does ms. Teich want to speak as well?

>> good afternoon, councilmembers casar, renteria, tovo, houston, i appreciate the fact that item 7 is being postponed.

I'm a member of the intergovernment relations committee for the austin independent school district.

We will be are you viewing this item for our meeting this thursday, august 20th excuse me, allergies.

And we are going to discuss ramifications of the requested waiver and we would appreciate, as mr.

Caden mitchell added, that we would appreciate being part of the conversations because it is of concern to our parents, our students, our schools ut again for postponing this item.

I look forward to discussing this with you and other maintains of the council regarding other members of the council regarding this item.

Thank you.

>> casar: thank you.

Next we have susana almanza.

And on deck is sharon fino.

>> good afternoon, members of the planning and neighborhood committee.

I'm susana almanza with poder.

And the issue that i'm here to speak about is infill tools and how infill tools are being used to gentrify our communities.

When the first neighborhood plan east cesar chavez plan was put together, we were told that small lot cottage and amnesty small lot amnesty was needed in the communities and must be implemented in order for housing that were on substandard lot to get repaired.

But that wasn't really true.

What's being used for small lot cottages and small lot amnesty is to be able to put two or three or four or six townhomes or condos in our communities.

These infill tools are gentrifying us and one of the particular items i want to bring to your attention is the montopolis community.

Just recently we had a case where a gentleman had don't a property had gotten a property on montopolis drive and he was subdividing 1.20 acres of land into 12 lots.

That would have been an sf 4 zoning, but because the staff was able to use small lot cottages, we had no voice in that process.

It was it created a subdivision and it passed.

We couldn't do a valid petition.

That's another tool being used against us.

Another thing on montopolis where a man bought a standard lot 50.100 and he want put three houses on that one lot.

The people in that neighborhood gathered a valid petition only to be told you can't submit a valid petition again.

It's not a zoning case, it's subdividing a plot, it's not a subdivision, but one single land.

I come before you because these are the tools.

If you're really about affordability and you're really about sustaining affordability until austin and especially east austin where most of the low income some are still living, most have been displaced, is we have got to have a moratorium on these infill tools that are gentrifying our community in a wave that is just displacing us, causing our property taxes to go up and causing it to be impossible to rent or home a home in our community where our families have been there for generations.

So i want to present this as something that needs to be looked at.

I have gone to the planning commission and they are discussing it, but i want because this committee is looking at neighborhoods and planning, it's an important issue that we must look at and we must address because these are the tools that are being used that were pushed on all of east austin and throughout austin too as something that would make it easier for us, but in reality it has done nothing but displace us.

So thank you so much.

>> casar: thank you.

>> hi.

I'm sharon figerillo.

I live in the hill country estates, which is southwest austin off of 71.

And my hope today is to bring attention to the council about the noise problem in our southwest area.

The need to control the sound ordinance, the land issues and rein the staff interpretations of what the outdoor mass gathering and amplified music events.

We're concerned because the staff has interpreted the city regulations to allow a 1500 seat outdoor amphitheater, and it's treated as a residence for sound purposes rather than an outdoor music venue.

It's operating without use permits or live music permits as regulated by the sound ordinance.

This means without limitations and controls.

The state of the art amphitheater facility with advanced speaker systems and regularly ticketed tickets, better known as an amphitheater, clearly is not treated as a home under code.

I'll give you an example.

So there was a concert friday night just recently, and i had my grandkids over often.

The noise was so loud, had i had them that particular night in the section of the house that they usually stay in, it would have woke them up.

You could hear it in the house, which is clearly not a residential sound it's disturbing the neighborhood, not just it's going to affect south austin, it has the potential of affecting all the residences in austin.

Two years ago these permits were required, yet on behalf of the live austin a.m. amphitheater in oak hill, staff has stretched the rules in an unprecedented way.

If these are the new rules, any resident property can be a venue with unlimited number and frequent events, with unlimited time duration events, no permits would be required, outdoor mass gatherings could happen as often as the owner wants without notice to the city or the residents.

If for permits are required then this if no permits are required then this could happen to any neighborhood, not just south austin, but any neighborhood.

The it could mean if nothing is done, amplified music could be southwest events, music festivals, frat parties, it could just go on and on.

It does really affect all of us.

We feel like the neighborhood has no protection

[buzzer sounds]

Oh, okay.

>> casar: finish your thought real quick.

>> thank you.

>> casar: and next we have sorry frank goodky.

All right.

If he's not in the room, then next i will call up stewart hersh.

I'm sorry.

Stuart, you're after frank.

I'm sorry for botching your name and all right cutting you and almost cutting you off.

>> i'm hard to miss.

I'm following on the same discussion that hill country estates has brought to you.

My name is frank goodlow, i live at 6705 covered bridge drive.

I've been there for a number of years and was happily retired, still am.

We have been before the old council, and here i am now in front of you folks, dealing with an entity that plopped a full size, active, open air, permanently amplified venue right in the middle of our zoning.

And you look at what the city has done with regard to amplified music and you say, these guys have got it under control.

They're not going to let this happen.

Well, it happened.

It got built, it got occupancy, it got to the point now of, well, at least we have a fall back spot with regard to the sound ordinance, you know, that surely they have to go for a sound permit.

And then we get this egregious determination that says no, this has got to be treated treat them like the neighborhood.

It's like your neighbor is having a pool party and brings out a jam box.

It has it's simply one more straw on the camel's back that we have this kind of intrusion that has taken our quiet and peace away and the value of the neighborhood.

And it is unreasonable that staff has not only prevented this and protected the neighborhood, they have enabled and supported and greased the skids on this church taking advantage.

So we will be bringing more on that forward.

The other issue is new plans to put in a venue at senior buddy's out on 290 that has the same kind of sound bleed.

Sound has no city or county line.

We're going to be bringing the idea of some point of annexing that area so sound permits can be applied there because stubb's is now buying that property and talking about another music venue.

So thank you.

>> casar: thank you.

And after mr. Hersh, we have kristin cox.

>> chair and members of the committee, my name is stuart harry hersh and like most in austin i rent.

I'm going to talk to you tonight about several items, but first citizens communication.

Last year at this time some of us concerned about flooding risks in onion and williamson creek asked for budget amendments for 388 buyouts that the city staff had not included in its proposed budget.

Following a public hearing on a memorable friday afternoon, the council approved the buyout funding without raising drainage fees or seeking a bond election.

When the now that the buyouts are underway and when they're completed, feature austin homeowners and renters and first responders will be in harm's way and that's a very good thing.

This week's budget hearings and agenda items will allow an opportunity to discuss addressing the problems identified in the zucker report and compliance issues related to both dangerous long term rental properties as well as short term rental properties.

Please note that page five of the zucker summary highlights that the revenue estimate with permit fee increases in 2013 2014 was 17 million plus dollars, but the actual revenue generated was 28 million plus.

In 2012 2013 the estimate was 13 million plus.

The actual revenue was 21 million plus.

I was the only citizen to testify against building permit fee increases, arguing that projected revenue was an underestimate and actual revenue would be sufficient to pay for all of the requested new positions and overtimes, and it turned out according to zucker that i was right.

Comparable problems with code compliance exists where revenue in 2009 2010 budget was 49,000 and next year over 18 million.

I'm glad that the council is discussing building inspection as an enterprise fund once again and possibly making plan review, permitting inspection and code enforcement one department supported by enterprise funds.

I've included supporting budget documentation in your packet as well as a report i prepared in 1998 showing a pattern of disinvestment in permitting code enforcement inspection that were result of those departments having to compete with public safety departments for general fund resources.

I hope this committee will allow me to be a part of the conversation and that if building inspection is recreated, which is continuing to be my dream, the two divisions would be called development services and neighborhood services because both parts of the community deserve the services that the revenue being generated amply should provide.

Thank you very much.

>> good afternoon.

My name is kristin cox and i live in the covered bridge neighborhood.

I would like to quickly reiterate to you our concern regarding the live austin amphitheater.

Our neighborhoods has been escaped for a long time.

When we moved into the covered bridge neighborhood we had ranch land behind us, we had no idea that the church would be built there and we have no problem with the church being our neighbor.

The issue is with the amphitheater and the fact that it's being considered under this noise regulation as a residence.

It is a 1500 seat amphitheater.

They sell admission to the concerts and make tens of thousands of dollars in this process.

That is clearly not a residence.

That is a commercial entertainment entity and we're asking you to please consider the ramifications of the fact that they're being allowed to operate as a residence at this time.

We have grave concerns not only over our quality of life and the opportunity to have a peaceful neighborhood, but also our property values.

And we just sincerely ask you for your help in this matter.

Thank you.

>> casar: thank you.

16.

So committee members, next we will move on to item number three on our agenda, which is discussion and possible action related to accessory dwelling units.

I appreciate us being able to break this up over a couple more committee meetings.

This month we had posted on the message board that we work through four topics, that is city financing and loans, preapproved design book possibilities, short term rentals and accessory dwelling units and parking issues.

So i just wanted to start us off on city financing and loans.

I posted a memo that was provided to us by the an assistant professor at the university of texas who has done a good bit of research into this.

It seems to me that we need a little bit more research on the issue.

My preference would be for us to ask the city manager to initiate conversations with local credit unions and financial institutions for us to hear back in our own local context here in austin what barriers there may be because we're hearing about barriers from homeowners, to getting the kind of loan reverse mortgage that you would need for an accessory dwelling unit especially if you're a moderate or low income homeowner.

And perhaps the city manager could bring us back recommendations on how we could address the issue, be they regulatory or be they setting up some sort of revolving loan fund, if that's legal and feasible.

That's what i sort of got out of that memo is i want to hear a little bit more information about the local context, but i'm happy to hear ideas from you all.

I think it's timely that as we're considering code amendments to make accessory dwelling units, that we also hear about other things that went through the planning commission.

>> i think that's a good idea and i would like the city manager to bring into discussion the industry stakeholders.

I think that banks and savings and loans and the mortgage brokerage industry would be a good component of that because if there are barriers that we can remove and still allow the private sector to finance those properties i think that's what we would want to do.

So councilmember gallo, would you move to have this committee recommend to the full council that we direct the city manager to initiate those conversations with industry partners and financial institutions about what those barriers might be and to come back with potential solutions if he identified barriers, especially for those moderate income homeowners?

>> gallo: yes.

That would be my resolution.

Motion.

>> casar: all of those things.

>> gallo: all of those things.

>> casar: is there a second?

>> renteria: i'll second it.

>> casar: mayor?

>> tovo: it sounds like we're tabling this discussion.

I have to say i haven't really read closely the memo from the ut architecture professor, but it would be important for me to see if the city if it's contemplated that the city would get involved with any program for homeowners, it would be important for me that the resulting units have some kind of requirement for affordability.

>> casar: and i think your point is well taken.

My understanding of the legal framework is that if we are dedicating the city resources to a program, we have to show a community benefit for having dedicated that, but before we set up any loan fund i want to know what the barriers are.

It looks like in different cities there are different barriers and i will want to know from our local credit unions and financial institutions in the city what barriers it is that they are seeing and what limits they have for giving private loans for people to do this work, usually based on the equity of their own house. So i think your point is well taken and this would not i don't think this would even recommend to the city manager that he bring back a proposal for a city funded program, but rather just come back with information about what the barriers are that people are facing instead of us just getting anecdotal evidence in the form of lots of really good emails and testimony, but i kind of want to hear the data from the horse's mouth.

>> tovo: that makes a lot of sense to me, especially since we have some existing programs that do through the neighborhood housing it sounds like that do provide some loans for construction and there is a link to affordability.

There may not be there may not be a need to expand that program if we're all in agreement at the end of the day that the resources should be spent if there's a tie to affordability.

But i understand there should be information from our local partners.

>> casar: and i want a little bit more information and even is neighborhood housing here yet?

>> casar: could you answer a question outside outside could you answer a question for me on that?

We do have loans that go for construction of affordability.

Has the homeowner ever applied for those to build an adu with an affordability requirement?

>> no, but they have used smart housing.

>> casar: right.

Smart housing waives certainly fees, i understand that, but there's a larger grant funded program, i forget the acronym for it.

>> rhda.

>> casar: yes.

Is that usually with some sort of non profit developer, usually a larger profit.

>> yes.

>> casar: my understanding is that perhaps there's barriers to homeowners using it, perhaps not, but i think that part of the analysis might be why rhda is or isn't being used by homeowners for secondary loans.

And then with financial institutions about other options.

I heard about it and i thought there might be a good alternative, but when i heard nobody had used it i figured

>> i think it's the restrictions that we place on our funding.

>> houston: chair, can you tell us what rhda means?

>> casar: i could not.

>> houston: could someone?

>> rental housing developer advertise sense program.

assistance program.

>> casar: so i think that within what we would take back to council to direct the city manager to do would be helpful to have a conversation with neighborhood housing.

>> renteria: and basically that's all we're instructing the staff to do is come back and give a report on how we would be able to finance aud's for low income and people that want to build secondary units?

>> yes, come back and tell us what barriers there are out in the private market and if there are any recommendations on what the city can do to eliminate any of those, whether those are regulatory barriers or if they are or if it's actually that there is a certain pool of people that aren't getting loans that we could provide loans to legally.

Then i would want to hear back from staff on that.

>> renteria: when that do come back, then we'll be discussing items such as parking requirements, short term rentals, stuff like that?

That's going to be

>> casar: i think that we could for this recommendation on to council as soon as possible so the city manager has time to work on it.

The second and third reading on the adu code changes will be in september after our september planning and neighborhoods committee meeting.

So i think that this recommendation could go ahead to council as soon as the staff can post it on an agenda whereas those larger code changes we promised people we would wait until september after we had two more rounds.

>> renteria: okay, thank you.

>> casar: does that make sense to staff?

I hope.

You can come ask me later.

So all in favor of sending this recommendation along to the full council say aye?

It passes unanimously.

Next is preapproved designs.

Is mr. Gonzalez or somebody else from there we can.

So we heard a lot of conversation about preapproved design books and how they function in a few other communities and we'd love to hear back what staff had to think about that.

>> thank you for having me.

My name is carl wren, i'm assistant director and official here representing acting director rodney gonzalez.

Mr. Chair and committee members and councilmember houston, thank you for having us.

A lot of the issues that we would have in setting up preapproved designs are really policy issues and direction from council would be very necessary to do that.

The zoning issues would need to be clear.

The construction methodologies are not difficult.

We could do something like santa cruz, california did, and the city itself, contract with designers to create approved, preapproved designs that you could just put on the ground.

Or we could work with the local design community to come up with those.

There's a lot of different ways to do that.

But the first thing from our perspective is to set up where you want these, what restrictions you want on how they're placed and where they're placed.

Parking, you dealt with that.

There's another item in your backup about parking.

All those things affect my staff and whether or not we can improve them.

It does help us to have direction and we approve it and there's not enough clarity in the code to allow us to definitively approve it.

Appeals really do have a serious impact on affordability and the ability to build these types of structures. So staff is prepared to work with whatever direction we have.

It's not a difficult thing to have preapproved designs.

Habitat for humanity has preapproved designs for their houses.

Major subdivisions have preapproved designs if they go through the process appropriately.

It's not there's nothing that would from our perspective that would prevent us from doing this.

>> casar: great, thank you.

If anybody has any questions we can ask, but then i'm going to see if staff has any comment on ctr's and parking and then we'll take the public comment.

I wanted to dispense with the financing issue really quickly and then we can hear these three, which i think citizens are going to comment on.

We can ask questions of him and once we're done did with the preapproved designs and presentations of staff we'll move to on to str's and then parking and we'll take public comment.

>> gallo: so you mentioned santa cruz that i think perhaps does this.

And you mentioned contracting with architects in town.

I'm just thinking that we have the advantage of having a school of architecture at ut and this sounds like a really wonderful project that would probably be a no cost project to the city to maybe come up with some type of design competition or as part of some of the class to help do this.

You know, the problem with accessory dwelling units is that they have to fit in to a very small space in an existing lot around an existing structure and existing trees and other components that makes it more difficult to come up with a plan that fits on every single lot.

But it just seems like the first step would be if we want to pursue this would be to maybe talk to the university and see if that would be something they might have their bright students help us with.

>> i've worked with the ut architecture and in fact, the a&m architecture departments both, and yes, ma'am, they have the ability to do this kind of thing.

There are some things that are policy driven there too, though.

Subchapter f, the mcmansion ordinance required a designer in anything in the area that it governs.

So there are some things where you couldn't really use a student generated design without a licensed designer also signing off on it.

But again that's a policy decision.

It's not something that's built into the building codes.

>> casar: great.

Thank you so much.

Does staff have any comment on str's on adu's.

If not we'll have staff to come up and hear about the parking requirements on ad us.

I don't think we had anybody teed up for that.

Staff, will you come you and talk about the parking requirements and changes thereto on adus?

>> good afternoon, i'm ming chu from the planning democrat.

On that info sheet i just outlined the planning commission recommendation, which was also staff's recommendation, which was one parking space for a secondary unit throughout the city.

>> casar: great.

Any questions?

I have two, if nobody else has any.

My first question was i saw i believe i saw that the initial staff recommendation was no parking on adu's that were under 550 square feet.

Was that the original recommendation and then there was a change?

>> yes.

>> casar: what was the reasoning for that change?

>> part of the rationale behind that was there was a lot of conversation at the codes and ordinances subcommittee meetings about neighborhoods who have approved neighborhood plans being able to opt in and out of these provisions, which we didn't feel was advantageous and it was also a bit unfair because there are there are lots of parts of the city that do not have neighborhood plans and haven't had the opportunity to go through the planning process and opt in and out of the infill tools.

There are also a handful of neighborhood planning areas that are suspended or parts of town that are just even in the central core that are just not in neighborhood planning areas.

So rather than going through a longer debate about opting in and out and how that would happen or wouldn't happen, we recommended one space.

>> casar: great, thank you.

And my second question is is it codified or does staff recommend codifying grandfathering of parking requirements under this one parking spot per adu?

The question being in a home was built at an earlier time when there weren't parking spaces required and someone were to build an adu, is it recommended that we codify that will only trigger requiring building of one parking space rather than three or four parking spaces coming with the accessory dwelling unit?

>> yeah.

So the way that the chart in the ordinance is set up, it requires one space for the second unit and it requires however many spaces are required for the primary unit.

And the two units each unit's parking requirement would be evaluated independently.

So

>> casar: so effectively by pa using this it would bypassing this it would be codified that the first unit is grandfathered and continues to be grandfathered even after the construction of the second unit?

>> right, unless they did some kind of remodeling to the primary unit.

>> casar: okay, great, as long as that's clear, then i feel pretty comfortable with that.

Any other questions?

For ms. Chu?

Mayor pro tem?

>> mayor pro tem.

>> tovo: just to clarify the initial staff recommendation, the discussion about opt in/opt off.

In essence this was a compromise because you heard from some neighborhoods that were very concerned about parking and did not want to have reduced parking restrictions if it got down to zero because their areas could not accommodate it.

>> right.

>> tovo: more or less this was the compromise that the planning commission struck for that it would not be a zero parking requirement, because some areas of our city really can't accommodate that lack of parking.

>> there was a point, i think a good point made at one of the meetings that even within a neighborhood planning area, as small as it might be, a zero spaces or one spaces might work in some parts of the planning area and not in others.

So requiring the same parking space throughout the planning area might not be all that effective, either.

>> tovo: as i recall the staff's memo that was done now probably a year and a half ago, in looking at least one at least one other city that i think had waived parking requirements, the staff's memo

suggested that the idea was that if in smaller units people might not have cars or am i conflating i may be confusing it with the microunit memo.

I think the principle would still hold.

Some people who occupy an accessory dwelling unit, if it's a small one may not have a car and may not need a parking area, parking spot.

But if you require zero parking, at least some of those people likely will have cars and then will not have anyplace to put it.

>> right.

There is a study that came out of oregon, where in portland they do not require any off street parking spaces.

And so there i can't remember the exact numbers, but the number of cars parked on the street that were associated with accessory dwelling units was less than the number of cars associated with the dwelling the tenants of the accessory dwelling units.

So that suggests that even though there's zero parking spaces required, people still have cars but parking them elsewhere other than on the street.

>> tovo: interesting.

Did you want us to ask questions about short term rentals now or do you want to handle that in a second

>> casar: i wanted to have the staff presentations go first and then have the speakers come and testify sort of jump the gun on the financing because i knew we had no staff and i figured we could dispose of it quickly, i apologize for that little process glitch there.

>> tovo: that's fine.

>> casar: if we could take some comments on short term rentals if we would like, but i want to give the public a chance to talk before we talk, too.

>> tovo: i'm sorry, you had said you wanted staff to come up and talk about parking issues and short term rentals issues with regard to parking, i didn't know if there was other questions about park [multiple voices]

>> casar: right now seems like a good time to get some things out there so that the public knows what framework they should be commenting in.

>> tovo: i just want to clarify, right now if i own a house, if i own a primary dwelling in front and i live there and i build an accessory dwelling unit on my lot, either right month now or under what's or under what's been proposed, the relaxed restrictions, that unit in the back would be considered a type 1 short term rental, not a type 2?

>> right.

If you live on site.

I believe that would be a type 1.

>> tovo: right.

So and but it's also my understanding that each of those structures needs to have it's own short term rental license.

>> i think so.

>> tovo: i think we confirmed that with the planning staff.

I just want to to lay that out because as we continue with this discussion, i want to make i want to make very certain that we are not relaxing restrictions to create accessory dwelling units only to find that they are all then used as short term rentals.

I think there have been some very good comments raised [applause] very good comments raised that we want to encourage more accessory dwelling units to create more housing for people and that the hope is that it might be more affordably priced.

I think we're going to have to really think carefully about how to do that.

But in any case, if we are considering relaxing restrictions to create housing for renters, then we ought to make sure that it's restricted.

As the planning commission has suggested, that it's restricted from becoming a short term rental.

>> casar: we have a parking question from councilmember gallo.

>> could you remind me what the parking requirements are for different types of building?

So if someone had a single family residence on their property, what the parking requirements would be?

And then perhaps if it's a condo development, what the parking requirements would be, if it's a duplex, what the parking?

I'm just trying to get a sense of what the regular parking requirements are that we're working off of.

>> sure.

For a single family house, it's two off street spaces.

And currently it's two spaces for the accessory dwelling unit unless you are inside the urban core.

For duplexes, i believe it's by bedroom.

It's condominiums are a different that's do you want to do this?

>> good evening, councilmembers.

John mcdonald with residential planning review.

I apologize for my outfit, i wasn't planning on being here today.

For duplexes, the parking requirement is four.

In the urban core you are able to reduce that down to three spaces.

>> then what about condo?

>> well, exactly what type of product on the ground are you referring to when you say condo?

>> well, just a condo project that would typically be in kind of a single family type of neighborhood, not dense, not is it i guess my question is, is it based on a number or is it based on bedrooms?

>> it's based on the actual use.

If it's a single family condo, then it's still two spaces.

If it's a duplex condo, it would be four spaces.

>> gallo: if it is a condo project with multiple units.

>> right.

The parking spaces are per unit type or product type.

>> gallo: thank you.

>> chair?

>> casar: councilmember houston.

>> houston: i have a question.

I got very confused about the portland example that you gave.

If they are not parking on the street, where are they parking?

On somebody else's streets?

[laughter].

>> it's possible that whoever is developing the unit is providing parking regardless of the zero requirement.

>> houston: okay.

That helps me, because it was confusing because we know that, at least in my area, people usually come with at least one car, maybe two in those accessory dwelling units and so if the owner is providing it without being mandated to, then they park on the property.

If not, then they park on the street.

Is that your understanding?

>> i don't know exactly.

But based on the research, yeah.

Either they have a space even though it's not required or they are finding somewhere else to park.

It may be on a street.

It may be another space that's represented somewhere.

I don't know what portland's parking options are.

>> houston: thank you.

>> casar: any other questions?

Mayor pro tem?

>> tovo: just one, i want to clarify a comment that was made.

If you have zero parking now because i think you described a scenario before where there might be a zero parking requirement for a property that had been there a long time and they create an adu, they would only need one they would only need one spot total for two structures?

I think it was the response that you gave to councilmember casar that has me a little unclear about that situation.

Where normally you would have a single family house that's required to have two parking spaces.

If you build an adu, you would need under this proposal a total of three spaces on that lot.

I think that i understood from that exchange if you currently have no parking, and you build an adu, you might end up with just a requirement of one; is that accurate?

>> mayor pro tem, greg guernsey, planning and zoning department.

I think up until we had the discussion of adus in the past year, i think we've been talking about this about a year and a couple of months now.

The staff recommendation certainly has changed i guess as ming indicated.

But there's been discussions with the development services department and the planning commission and zoning department in the last couple of months about the actual code and as it's written.

We didn't have parking requirements until i think about 1955.

In the city of austin in 1955 we ended up having one parking space required and then in about 1984, for single family home, the increased parking requirement for one space to two spaces.

The way the code is written today, as you go from one use to another and if you went from a single family home and you you added a garage apartment, granny flat, secondary apartment or whatever you want to call it, you would be required to provide the additional parking required for that use and the existing parking would be grandfathered.

So if you didn't have any parking because your house was built pre1955 or you had one parking space because it was built i guess between 5 '5and '84, what ming was saying is there was one space that would be triggered regardless, but then the existing dwelling may be actually grandfathered.

I think when we actually had this discussion before the planning and neighborhood committee i guess two months ago or three, there's been a lot of discussions i this i that have taken place between my staff and development service staff about this very issue.

I think that is why ming came forward and answered the way she did is that parking technically by the code is only triggered for that additional parking and if there was a use that was previous there, it would be grandfathered.

>> tovo: okay, i'm going to give that some thought.

I look forward to hearing from our community about situations where they think that might be the case and what the cumulative effect might be.

>> also, i want to clarify.

For a condominium residential use, i'm looking under the code, under appendix a, table of off street parking and loading requirements, it lists for condominium residents there's one 1.5 spaces required per dwelling unit for a condominium type of use.

>> tovo: sorry to belabor this parking issue.

So currently if a person came in and wanted to build an adu or were you suggesting a scenario where the front unit might be grandfathered and not required to have any parking, does that currently exist in the code?

If somebody came in right now and granted to create a granny flat in the back, would they be required to provide two spots and an additional?

Maybe we need to follow up on this after.

I think there's some differing opinions on that.

>> i hi historically the city i think historically the city has applied for a single family home, a duplex, a two family residential use, we have required it to meet current code for parking across the board.

>> tovo: okay.

>> because of the adu discussion i think that we've had over the past year and a couple of months, the way the code is written it speaks to providing parking for the use that's coming in but allowing for grandfathering for the existing units.

>> tovo: so that sounds to me like it would mark a pretty substantial change in the interpretation of the code.

Currently you would require that single family residents to come up to current parking requirements, but what is being suggested now is a change in the interpretation of that code to grandfather the single family residents from providing any parking if they don't currently have any?

>> i think the reason for that is staff has been asked, this is the plain language of the code, how would you interpret this given that we've treated, i think, residential uses differently than commercial uses in the past.

>> tovo: okay.

Thank you.

>> casar: mayor pro tem

>> let me ming wants to add one more thing to that.

>> part of splitting the two units and evaluating their parking requirements separately is because the question came up about if you if you were to build the primary unit and the secondary unit at the same time, and you are required to have two for the front and one for the rear and so you are in urban company and get the .2 reduction, you would be down to 2.4 which would be rounded to two.

So in order to not have that calculation apply to the entire site, the two are split.

>> great.

I think that it's important for me instead of relying on interpretation for us to just codify that as a council so that we know what it is that we are getting and in my view rather than looking at intent, i want to look at the outcomes, the outcomes continue to be that we aren't permitted very many adu per year, in my view asking somebody to build three parking spaces for one adu when no parking has done just fine that doesn't seem to make much sense.

So for that reason i will be supporting what staff has do we have any more questions of staff or can we move on to the citizen testimony?

All right.

Hearing none, first up is eric goth.

Good afternoon, members of the planning and neighborhood committee, my name is eric goth, in the holly and the neighborhood of ora, the booklet that's green in the report on adus and how to allow more of them all across the city.

On the items before you today, i'll be brief and be happy to answer any follow up questions.

A design booklet is a great path to lower the cost of building a new adu because if you have preapproved designs you don't have to hire an architect every time.

You might want to do that because you want something special in your back yard.

But if you are a low income homeowner and you want to avoid one of the costs you can.

It would also be great for the planning development and review development, they would know if it's on this list, a lot is above a certain size, then it's approved for that site automatically.

On the loan program, you talked about a loan fund as being something that could help low income homeowners build an adu.

Something else you might want to consider for that resolution is to look at a loan guarantee that would reduce the cost for the lender because they would be reducing their risk.

So you could explore both ways and see which way has a lower budgetary impact.

For parking, we believe that it's great that staff recommended only one unit.

The example that we just went through, there haven't been two units on that site for years, decades.

And they managed just adding the one for the new use seems appropriate.

There's also a requirement that some people in the planning development review department see which is to have a driveway serve the adu, that adds a bunch of new impervious cover.

I think that people can walk the 20 or 30 feet to the back yard if they have to.

So just adding one spot to the front seems appropriate.

We also recommend waiving parking requirements near transit oriented districts, i don't know if you want to take that up today or not.

I would be happy to answer questions on that if you do.

Finally, on str's, it's appropriate to think about what the impact is when you when those two policies are in effect.

We recommend banning type 2's.

If you do, councilmember tovo want to take a look at type 1's as well.

You might want to separate out type 1 a, the current type and 1 b which is an one of them is owner occupied, the other might be a short term rental and then you could consider whether you want the 1 b to have some sort of a cap as well.

Happy to answer any questions on that.

And i thank you for your time.

>> casar: thank you.

Next is timothy bring.

>> hello, my name is timothy, i have lived in austin most of my life.

I want to say i think making adus is a good thing for renters, homeowners trying to stay in their home, also the cultural and racial diversity of the neighborhoods.

(indiscernible) i won't repeat too much.

But i think the preapproved plans is great because then it's also making it less complicated.

Instead of people having to deal and making it complicated for staff, saying i have this plan, you approved it, i can do this.

Also the loans, with affordability, i think this really helps the low income homeowners with high property taxes, if we can make it easy for people with low income and low credit to do this instead of people that have the credit already, i think that would be great.

Also on parking i think in a lot of cases there's plenty of off street parking, especially people already using it because they live in a neighborhood that never they don't have that requirement, they are already using the off street parking, requiring three new spots for one new resident doesn't make a lot of sense.

Also, i think we should end parking, if somebody is having their grandmother move in, doesn't need that, if we have an unnecessary regulation, it's adding a burden, i don't think that that if it's a case for some places that might need it, maybe we should look at doing just those cases and not an across the board requirement when it's not always required.

It might also just be a free resident thing, i don't get a parking space, (indiscernible) maybe move into a place without a parking lot, you know. So

>> casar: great, thank you.

>> councilmember houston?

>> houston: thank you for allowing me to sit in on this.

I'm sorry i'm going to have to leave, so i need to make a couple of comments before i head out to the next thing.

>> casar: sure, would you like to make them now?

>> houston: may i.

Thank you for allowing me to make a couple of comments because i know you all have been waiting for a while.

The m station is a transit oriented development that's in district 1.

The people there are park being all over everywhere there's empty space and into the neighborhoods because there's not enough parking.

I don't know where we get the idea that people don't bring cars when they move in.

Now, some don't.

And some many of them don't.

But many people bring not only one car, but two cars.

And if you go by the m station in the afternoon, you can see how congested their parking lot is.

The other thing is that when we talk about small residential streets and you've got people parked on both sides like they do on my street, my street used to be a place where this young man could ride his bicycle with training wheels on it.

Now, there would be no way that i would allow a child to get on my street, which is in a residential area, on a bicycle.

I would not let him do that trying to learn how to ride his tricycle with training wheels because it's you cannot see, people park into the intersections.

When i hear people say that this this would this would reduce the impact on the neighborhood streets being crowded and i would like them to come by and see where i live because it's not that.

And then i think the last thing that i would like to share is that i would like some documentation that says if we build an accessory dwellings, the cost of those dwellings would be for people who are who are in the service industry, musicians and those that do the things around this city.

Because in my neighborhood, again, i live over near the university of texas, they charge market rate because they've got to pay off their loans.

So i don't see where that analogy is working in the system now and i would like to be able to know how can we affirm that somebody's elderly grandparent is going to move in there.

Then if they die, then the next person that comes there may bring two cars.

So there's a lot of things that are moving parts of this.

And so i'll be looking forward to this conversation and, again, thank you all for letting me make those comments before i have to go.

[applause]

>> great, thank you councilmember houston and we'll be bringing back the recommendations we make today and the next month to the full council likely in mid to late september.

I look forward to chatting with you about those struggles as we urbanize and figure out where to fit people and their cars affordably.

Next we have david king.

>> thank you, chair and councilmembers.

Mayor pro tem.

My name is david king, i live in the zilker neighborhood, i echo councilmember houston's comments regarding parking in the neighborhood.

The same thing is happening in my neighborhood.

Multiple residential streets.

When we talk about relaxing parking restrictions for adus that's a serious problem.

That's why it's important we don't go with a one size fits all.

Saying by right you can do this anywhere in the city.

I think it has to be reflective of the neighborhood plans, the neighborhood should have the option to opt into this instead of being required to provide this in their neighborhood.

And i also am a member of the austin neighborhood's council and we we recommend supporting the planning commission's recommendations that were passed on may 26th, 2015.

We are very it's very important that they not be used as type 2 short term rentals and that that they because type 2 short term rentals drive up the rental rates.

They take housing off the market that could be used for families that could go to our neighborhood schools and our neighborhood schools in the inner city are suffering from declining enrollment.

Because the families are leaving.

So if we are going to do this, if we're going to incentivize this we need to make sure that we are doing it in a way that encourages family with children to live in our inner city where the adus would be needed.

Pre-design, should be reflective of the neighborhoods.

It shouldn't be a cookie cutter one size fits all, here's your plan, go build it anywhere.

We need to be respectful so that design should reflect the different character of the different neighborhoods that we have in the city.

If we're going to talk about sponsoring funding for these adus then we definitely need to tie it for affordability.

Adus in my neighborhood are being used as type 2 str's renting for \$2,000 a night, that's not affordable. [applause].

That's why i think there should be a requirement, if the public is going to provide funding of this for these adus, for construction of adus that there be a direct tie or requirement that those adus being targeted at families earning 60% of the median family income and that go with the property in perpetuity forever so we can try to get more families to move into our neighborhoods in central austin.

And, you know, i do thank you for all of your good work here tonight, thank you for listening to my comments and i think it's also important that we be careful not to grandfather non compliant lots in the discussion about grandfathered them in from bringing those parking requirements up to the appropriate levels, if they're going to build an adu, i think, again, the parking issues, my neighborhood, a fire truck could not get down kinney avenue, he would have to wait and delay response.

Those are life and safety issues in our neighborhood.

And that's another factor that we have to consider, another reason why people are leaving our central austin neighborhoods, it's because they are not as liveable as they used to be.

Thank you very much.

[applause]

>> thank you, i believe councilmember gallo has a question.

>> gallo: don't leave yet.

I have a question.

Thank you for being here.

So i think that i heard you say that you would be opposed to the type 2 short term rentals being used as accessory dwelling units.

What about the type 1?

>> well, there are two flavors of type 1.

The owner occupied and non owner occupied where they have a secondary unit but they are not occupying it.

They are occupying the main house.

And so i think if we're going to allow strcs it should be restricted to owner occupied adus.

Owner occupied.

That way grandmother can occasionally go to the big house and rent the small adu, but move right back in after it's done.

Thank you.

[]

[] 5:29 6:00 pm

>> [inaudible].

>> casar: okay.

Thank you, mr. Stole.

Lucien sorry, you have cursive.

Larry gilge.

>> my name is larry gilge.

I live in hyde park.

I bought a house in 1983 with a garage apartment and we've rented that out for 33 years.

To me short term rental is less than a year, so we've had tenants one tenant for 14 years.

But i'm here to talk about a new project.

I'm so pleased with not short term rental, but adus, i'm sorry, we have an adu on my property.

And i'm putting a new one on my son's lot in east austin.

It's a 450 square foot new construction and i echo the idea about having a simplified permitting process.

Not only design plans, but the mcmansion ordinance seems to have some onerous implications.

I can look at this set of plans and tell you it's not going to tower over my neighbor's houses, but we have

to get an architect to take the set of plans that we drew up and sign it even though it meets all

impervious cover, it met the setbacks, it met the height requirements, all the things that they met.

We need an architect, which is expensive.

We need a set of cad drawings which he can then send to a civil engineer to do?

Site work.

There's a lot of cost to this besides just the set of plans.

And i hate to say we don't need architects because they need the money, but [laughter].

They do a service.

I'm a professional engineer and i seal plans for permits.

I understand where that's coming from, but when you have an adu it's a simple, straightforward project.

We made it as simple as possible to keep the costs down and it's going to turn out permitting is going to be about 10% of the cost of the project.

Thank you.

[applause].

>> casar: roger caven.

And after mr. Caven, suzanne moffett.

>> thank you, councilmembers and mayor pro tem tovo.

My name is roger caven.

I live in the downtown neighborhood and i am also here to represent friends of austin neighborhoods or fan.

We consider ourselves an inclusive voice for homeowners, renters, students, small business owners, visitors and people who aspire to live in our neighborhoods.

As interim president of the organization I wanted to inform you that our membership voted to oppose restrictions on adus and to support relaxing the restrictions that stand in the way of abundant and diverse housing.

Specifically our members voted for removing on site parking requirements, removing the minimum lot size requirement, lowering the building separation requirement, allowing submetering and that the changes should be citywide and not opt in or opt out.

Our membership also has directed the organization in a separate resolution to express support for the use of adus as type 2 str.

The resolution members adopted calls for a welcoming approach to the visitors and temporary residents who rent these dwellings.

Thank you.

[cheers and applause]

>> hi, I'm Susan Moffett I'm speaking on behalf of Liveable City.

You should have already received the Liveable City paper on behalf of our chair.

I'll quickly recap our recommendations.

First the city council clearly stated the goal in re-examining regulations for adus was to increase the supply, affordability and diversity of housing for Austin residents.

The current recommendations will give expanded development rights to some landowners so we need to be sure that the city gains its stated public benefit in return, in this case more housing.

With that goal in mind, Liveable City supports the following six actions for adus.

First, direct city law to close the loophole in the current proposal to ensure that any new adu is built under the relaxed regs will provide housing for Austin residents, not be taken off the market as short term rentals.

[applause].

Once that loophole is closed, we support enacting planning commission's adus recommendations as soon as possible.

Three, to reduce construction cost for adus, direct staff to allow submetering where feasible, to develop a variety of architectural designs and to work with local affordable housing experts and lenders to identify financial tools that will help low to moderate income homeowners finance adu construction if they wish.

Four, any additional proposed adu changes beyond planning commission's current recommendations should be addressed through the IdC rewrite process to allow appropriate consideration of Austin's wide variety of topography, infrastructure, traffic, flooding and other critical factors.

Five, according to staff, the current recommendations will now apply only to areas where adus are already allowed.

If you're really interested in creating more housing you may want to examine the existing barriers in other areas and eliminate those where feasible while of course retaining appropriate regulations to protect neighborhood character, nearby residents and public safety.

Six, any substantial changes in adu regs beyond planning commission's recommendation should be shamed at producing units that are affordable for renters making at or below 50 to 60 percent mfi.

As we heard at planning commission, the financial realities are that any new rental adus built under the current recommendations will be market rate rents, so we all need to just be really clear on that.

This isn't going to produce affordable housing.

And we don't want to give away any more development rights beyond this unless we're sure that those resulting units actually will be affordable to musicians, service workers, hospitality workers and others making under 32,000, which by the way includes more than 1500 city of Austin employees.

Finally, it's ironic that we're here to remove regs for adus while we continue to let type 2 strs take away our housing, so i hope that we can get all of our policies marching in the same direction from here on. And thank you for your time.

[cheers and applause]

>> casar: heidi gearbrock, and frank herron is up after heidi.

>> good afternoon, councilmembers.

Thank you for the opportunity to speak to you this afternoon.

My name is heidi gearbrock and i'm here on behalf of the over 1700 members of the real estate council of austin.

I think it's really important to note that very, very few of our members actually build adus.

I'm not here for their business interests.

I'm here because building more adus is the right thing to do for affordability in austin.

It opens up the promise of high opportunity neighborhoods with better schools and better transit to folks who may not be able to be there right now.

I'm also really pleased to hear that we apparently agree with some of our friends we don't usually agree with on those issues so i'm really happy about that.

We've reviewed the recommendations that ora has put forward, auara, and we support them.

We applaud you for considering low interest loan programs for developing adus and the other proactive items that are on your agenda.

On parking we feel that aura's well reasoned recommendation for waiving all additional parking requirements within half a mile of a current or future core transit corridor requiring only one space for anything not this those areas and requiring rather than requiring to adding additional parking is a good idea.

And i want to note i'm a little disappointed that my councilmember was here and she's had to leave.

And my street is one that has park along both sides of it and it's a narrow street.

And i'm hesitant to go off my script here, but i do want to say that i've noticed in the time that i've lived there that that parking situation has changed.

There didn't used to be people parking on the street when i moved in.

But what i've noticed is that my street has significantly slowed down in traffic.

Folks are moving a lot slower on my street because there's parking on both sides so they can't just race down my street anymore.

I just think that that's an important note.

I don't necessarily think that any of us are saying folks don't move with their cars, but it's not always a bad idea to park on the street.

Thank you for your public service and your time today.

>> casar: thank you.

[applause].

>> good afternoon, councilmembers, mayor pro tem, mr. Chairman.

I'm frank herron.

I am a member of the downtown austin neighborhood association.

And we are members of both of austin neighborhoods council and the friends of austin neighborhoods.

I want to tell you some things i believe about the big picture.

One is not original with me, but terri mitchell who is a well known home builder has probably built more homes in austin across a wider variety of price points than anybody else.

He has something that he says publicly very often, and that is that he's only got two tools to impact affordability and those are density and square footage.

There's no other option, no other way to get there.

So if you do support affordability you must support significant additional density.

You may not like it and you may not want it, but you must support it if you're to have an impact on affordability.

What you have before you is a series of three charts that show the change in median prices in austin. The first chart is for the city as a whole.

In 42 months or median price has gone up 55%, from 225,000 to 350,000.

The second chart is a chart of those neighborhoods that surround downtown. '02 2005.

And in that same time period the median price has risen by 95%, up to \$565,000.

You've also got a map in there, the u.s. census bureau map that shows those areas have not been allowed to densify over the last decade.

That's been the result in affordability.

The third graph is 7871, where we have allowed a great deal of supply to be added to the market.

The median price over that same time period has remained flat.

It's not theory.

That's what's happened in practice.

That's what happens when you allow additional density within the city.

Secondly, i want to say something you don't hear often, and that is that when you make land use decisions, you are required by state law and by the city of austin charter to determine first and foremost whether that decision complies with imagine austin.

The local government code says that all of our development regulations must be in accordance with the comprehensive plan.

We haven't been doing that for years.

You don't have the option of simply voting how you would like to see things turn out.

You have an actual legal obligation to know what's in imagine austin and to make sure that your decisions comply with it.

Even if your constituency doesn't like it.

[applause].

I'm sorry, the last page of that packet has a chicago neighborhood and an austin neighborhood.

The chicago neighborhood is six times as dense and it has not ruined the neighborhood or taken away its character.

It's actually a very esthetic, very pleasing place to be.

Thank you.

[applause].

>> casar: thank you.

Brennan griffen.

Followed by mary ingle.

>> thank you for the opportunity to speak on this.

My name a brennan griffen, i'm a board member with aura.

And i wanted to put a little bit of perspective.

Also i have time donated from kimbrow gray if that matters.

There is adus are actually naturally affordable housing, but you don't get it if you add a lot of extra restrictions on it.

And this comes directly from dr. Wegman's research.

I've read several of his papers now.

And his conclusions were the more restrictions you put, like if you require it to be regulated, below market affordable housing, people won't build it, homeowners won't build it.

If you require setbacks, if you require extra parking, all this stuff means that fewer and fewer units get built.

And so but when you do build them, different cities have different experiences, but between 15 and 30% of those are rented either at virtually nothing or nothing to friends and relatives.

So we don't get a better deal from that.

With no additional subsidies, affordable housing, it's multigenerational housing, it's families, it's friends.

And that's a really important perspective to keep.

The things you're considering today really make a package that is a great package to put together.

You have design standards.

if you implement all of this.

Design standards to really walk people through an easy way to build them.

Loan packages that will help people build them.

And then you get and then reducing these kinds of restrictions that often don't make a lot of sense.

So there is a really great and there's been experiences with cities that have put together similar packages, maybe not with the financing, but often reducing fees and they've seen five to 10 times the number of these types of units being built within a couple of years of making these changes.

On affordability, these are also naturally affordable in that even newly built adus at their market rate are affordable for 80% are below of median income and often less than that.

We examine the mls listings for austin and found the few adus that are being built right now, those new adus are renting out affordably for low income families.

But again, you put a bunch of restrictions on it, people will build even fewer than they do right now and you will be stuck with the same problem.

We want to applaud.

>> mayor adler: and the other mayor adler and the other city council people who have set these 100,000 or more units of housing to really start to address our affordability crisis.

And i think that's probably a floor, not a ceiling.

And we think that employing these kind of changes along with the other changes that are in our report that you could actually see getting up to 500 units based on the experience of other cities.

So i have donated time from kimbro gray, a couple other points to make.

Is that okay?

>> casar: just finish your thought.

>> renteria: just finish your thought.

>> i wanted to address onstreet parking for a minute.

When you look at the accidents that occur with pedestrians and bicyclists, which is what everyone is concerned about, vision zero is really getting started and doing a great job.

You see that all those accidents are over virtually all of them are occurring on major corridors.

Very few of them are happening in neighborhoods.

And the neighborhoods where they are occurring is happening where there's not a lot of onstreet parking because cars are going faster and that causes a lot more injury to pedestrians and bicyclists than the chances of injury and death are much higher when you get up to past 25 miles per hour.

So anyway, that's my thoughts.

Happy to take any questions.

>> renteria: i'm sorry, i just noted that you had some donated time if you would to get and finish here.

>> okay, finish.

I kept on going.

I think i'm pretty much done.

Thank you for your service and thank you for the opportunity to speak.

And if anyone has any questions i'm happy to take it.

>> renteria: any questions?

[applause].

Mary Ingle.

>> good afternoon, councilmembers.

My name is Mary Ingle and I'm the president of the Austin neighborhood's council and that's different from the Friends of Austin Neighborhoods, very different.

[laughter].

[applause].

I just wanted to say one comment before I begin, just creating density does not equal affordability.

That is a false argument.

[applause].

And so when we talk about ADUs, I have to say that I'm generally supportive of ADUs and they do actually provide some income to property owners which is useful.

They provide housing for people.

And the affordable issue—the affordability issue for ADUs is still out there to be determined.

One unforeseen consequence of building an ADU is that your property taxes increase significantly.

So you really have to think about that before building one.

I'm not supportive of removing the parking requirements and I do think that properties do need to come in compliance, not be grandfathered.

If you get this extra entitlement to build an ADU you need to come in to compliance with parking.

I ride a bicycle most of the time.

I can't stand talking about cars or talking, but we have cars.

They're not phantoms.

We have a lot of cars in that parking garage today.

So parking is an issue and it's particularly a ditch in certain areas.

And in my part of town, which is next to the University of Texas, we are the overflow parking lot for the university.

And parking requirements are significant.

We must keep those.

Austin Neighborhoods Council did pass a resolution supporting ADUs, but we support them with an opt in and opt out process, and hopefully in a real—I guess in an imaginary world we would hope that the city would go back to these neighborhoods that have neighborhood plans and ask them to consider the infill tools for creating ADUs if they're appropriate.

All neighborhoods aren't created equal.

Some areas have deed restrictions or ADUs would be possible to accommodate.

It depends on if you're land locked or if you might access something or if you have a new more modern structure on the property, it would be very difficult.

I think that's all that I have to say.

I just wish that funding were available for ADUs.

It re—refinancing your home and taking out a home equity loan is not a really viable option for most property owners.

[buzzer sounds]

So we can be creative as we communicated and I hope I can find some solutions to that.

Thank you.

[applause].

>> Casar: thank you.

Susana Almanza.

And after Ms. Almanza is Thomas Yates.

>> I'm Susana Almanza, a native of East Austin in various ways and also the director of Poder.

And i don't want the adus being sold for affordability.
I think we really need to be honest here.
In the past, like i said, small lot cottage, small lot amnesty was used.
If you wanted to be able to repair your homes.
Now it's being used to gentrify our communities.
And this is another one, the adus.
The cost of doing an adu, you're looking at at least \$100,000.
How many low income families, at least in east austin, in my neighborhood i mean, the ones that have been there for generations.
How many of them can fake take out a 100,000 dollar loan to build an adu in their backyard?
And then you talk about renting it.
The rent the loan price will exceed what you're going to be renting that unit for, especially if you're saying it's going to be affordable.
It will not be affordable.
It would be at market rate or above.
I think this is just another tool.
I know as we look if we don't tie it to affordability that if you're not tying it to the whole issue of affordability and if you want to build a new adu, i can just tell you what i've been seeing in east austin, zip code 78702 being the second most gentrified community in the whole united states.
We will probably be number one because this is what is happening to us.
We are talking about being used as an adu and that \$100,000 to build one doesn't even include the utility hookups.
That's a separate cost.
It also doesn't include the cost of your property taxes because you know only one property is going to be homestead, not the not the secondary unit.
And that's already been told by the tax appraisal, that that second unit would not be homestead.
So we know that this is not for the poor or the working poor.
These are not for the people who have been in east austin for generations or south austin and other places.
This is really about the new influx of people coming in here and people coming in with a lot of spendable money.
People who don't find it difficult to buy a property at \$300,000 or buy a commercial building at a million or two million, who don't find that to be very costly.
And so i just want to put on the record that we should not be promoting this as affordability unless there is the money there.
And i could tell you the city is not going to provide a 100,000 dollar loan or forgivable loan, we've had issues with the holly mitigation fund where we were able to up it from 15,000 to \$50,000, and that of course was having the family member live there.
And for repairs from 58,000 to 15,000.
We asked you to look at that and not saying it's an affordability way.
Thank you.
[applause].
>> casar: thomas yates.
Pete gillkres.
And on deck is john laycock.
>> hi, committee members, if it's okay, pete donated his time to me.
I couldn't get here until after the hearing had already started.

My name is ricky hennessey, i'm a residents of hyde park and last month just became a homeowner there.

I'm a member of friends of hyde park, as as you will hear about from other another, hyde park actually held a vote to our membership of 150 members about how they felt about adu regulations and the basic question is are you in favor of relaxed regulations for adus and the overwhelming response was yes. I don't remember the exact number.

It's about 70% in favor.

In addition, friends of hyde park also performed a parking count study on two separate occasions. One on a sunday morning when many people are at home eating breakfast and others are in the neighborhood parked to go to church.

And we drove around the neighborhood, counted cars on every single block.

And what we found is that overwhelmingly every single block was less than half full.

Worst case scenario you live right across the street from the church and you have to park half a block away, but other than that there was an abundance of onstreet parking.

We shared these results with with the planning commission and have detailed spreadsheets in a map showing this.

So there's been a lot of talk about preservation of austin.

And i want to talk about preservation too.

To me the true character of austin is opportunity.

Since its funding, the population of austin has doubled every 25 years.

So it shouldn't be a mystery that people are moving here.

And it really goes to show that the true character of austin is providing opportunity for people looking for a better life.

But unfortunately as we've tried to preserve the physical characteristics of our city we've started to destroy the true character of opportunity.

More and more newcomers are forced to the outskirts of the city, far away from their jobs and friends. They add to the sprawl eating into our virgin hill country and add to the pollution that's clogging our streets.

So i think that's why it's extremely important and it's really a low hanging fruit to add more density to the inner core that's affordable that we make it easier for people to build adus.

Thank you.

[applause].

>> casar: thank you.

Mr. Laycock?

And mike gore is after mr. Laycock, if you could walk on up so we could keep this thing running quick.

>> thank you.

My name is john laycock.

I am a member of aura and i'm a lifelong austinite and i am here to talk about why it makes sense to waive the parking recommendation for accessory dwelling units within a half mile adus within a half mile of a core transit corridor or cap metro's new frequent bus route.

These were created by the city and by cap metro to enable a life style that lives car free.

It's a life style that's affordable and doesn't have a whole lot of it reduces air pollution, which, you know, ricky just mentioned.

And then we add car to go and zip car and bike share, we get something that's becoming more feasible, if you're living in a core transit corridor.

And also something that millennials are expressing an interest for and that aging baby boomers will get forced into as the city matures.

And I think if cars are necessary we've had a talk about street parking, but there's nothing wrong with street parking.

It slows down cars and that makes it better for the kids who are playing or riding their bike.

And that's also something that neighborhoods will pay 50,000, \$100,000 to get speed bumps.

And you get that for free.

So that's not that bad.

Thank you.

[applause].

>> Thank you, council, mayor pro tem, I'm Mike Gorse, a representative of Brentwood, a member of the council. I think it's good we're talking about loans and designs. I think that will, both of those things have the potential to make it easier for people who -- for people who build houses to -- to build these things. For one thing I want to say I don't believe it makes sense -- to require -- a house that currently doesn't have parking, but to build two parking spaces for the main unit and one for the Adu just because they're building an Adu, so I support the staff recommendation in that regard. If the house doesn't have a parking space already, then building an Adu isn't likely to bring in three more cars, so I don't think it's necessary to tell people that they need to pave over their front yard to build three parking spaces because they want to build an Adu. I also support the recommendation to waive the parking requirements for a transit oriented development or for a place that's near a mainly transit corridor. There's a lot of factors that go into a person's decision, whether to buy a car or two cars. As opposed to just one car. If you live near bus line that runs fairly frequently, that might move you towards buying one car rather than two, this will allow more people to do that. So it will potentially mean fewer cars. When I was in Massachusetts, I had a row house that -- that didn't have any parking and there wasn't -- there wasn't on street parking, either.

[6:00:20 PM]

There was a parking lot, like 75 yards down the road that people could park in usually if they wanted to. I think that was one of the reasons it was affordable. I remember reading somewhere it was twice lower than something like 97% of the units in -- in that community. There were several reasons for that. One of -- it's old, it was a row house as opposed to single family, it was small by today's standards, but the parking is one of the reasons. My point is that if you don't have a car, then you don't care if you have a parking space or not. That can potentially make your unit more affordable. Some are kind of at odds with each other to some extent. We talk about wanting affordability and parking, but parking is expensive to build. If you have to pay for a parking space, whether you want one or not, then that is going to cost you. And those are things that we should be aware of when making these decisions. So I think that's all I wanted to say, thank you.

>> Casar: Thank you.

[Applause] Next is Todd Gerlock and then Meghan.

>> Hello, I just wanted to say I'm all for reducing the regulations on the ads. From personal experience, we have a design that meets all of the current zoning requirements for an Adu, except for the fact that our lot size is only 6300 square feet. So I would -- I don't know if that's going to be a subject for your next meeting. But I would like to see that the minimum lot size be re-evaluated. And as far as parking, I would -- I would also like to see fewer restrictions -- to see fewer restrictions, would not like to build more parking spaces for an Adu.

[6:02:35 PM]

For example, we live next door to a rental property that has five bedrooms and one garage apartment and each of the bedrooms is rented by the room, so there's five individuals there. And one person in the garage apartment and they have one parking space for that property and our neighborhood streets handle this six cars that is our part of that property very well. And I understand that some neighborhood streets maybe can't handle that, but I think the vast majority of neighborhood streets can. So that's all that I have.

>> Casar: Thank you, sir, we will be discussing the minimum lot size at our September meeting of this committee.

>> Okay.

>> I'm Meghan.

(Indiscernible).

>> Casar: Sorry, we're going to try to get you on. I promise it's not me.

>> There. Hi, I'm Meghan

(indiscernible). Thank you for your service to the community and councilmembers and committee members I appreciate you listening. I think that ads should have a parking space, it just took five new neighbors to move into my neighborhood for two streets to get twice as much parking on them, just filled up right away. And the other thing, if you can show the design, sometimes when we talk about these accessory dwelling units and granny flats, we think of something, could you put that up, well, anyway, something really cute, a little garage apartment in the back. Some of them end up being rather full of building and they have an impervious cover that is not good for the flooding and we have that in our neighborhood. So I would suggest -- this is the kind of cute one. You can go to the next one. Some of them will be tall like this next one he's going to show. And then some of them will be like the third one.

[6:04:36 PM]

[Laughter]. This one seems to be rather full of buildings and potentially flooding the property on the right. Thank you for your time.

>> Casar: Thank you, next is Sarah schoenfinder. After her, our last speaker on this issue, Scott Haynes.

>> Hi. I won't elaborate on something that I'm not incredibly well versed on. I will say in terms of comprehensive plan and the changing fabric of our neighborhoods, I think that our city is an organic thing and I was grifted to actually purchase my property from a woman who lived in the home for 44 years and she had an accessory dwelling before we even had a term for it. She actually had two tenants and was able to sustain herself through widow -- sorry, widowhood because she was actually able to have income on that property. So when I purchased it as a single person and lived there on my own, I also as a single woman was actually to actually live in a neighborhood that traditionally was affordable but is increasingly less affordable, Travis heights. I think it's interesting to kind of constitutes of topic of parking because when I first purchased this house, obviously, this is a more car centric neighborhood now. But when she bought it, there used to actually once be a street car that ran down Travis heights boulevard. I think one of the larger issues isn't just parking, but a lot of us don't really want to discuss how committed we really are to public transportation. The fact is during the time that I've owned my property, the bus route on my street went away, that's a major issue. That probably affects the parking situation for the person in my ancillary dwelling, even more than whether or not I have an extra unit for parking. So I just ask --

[applause] -- I know that city council isn't alone in addressing our issues with density and also with declining quality of life related to traffic.

[6:06:39 PM]

But I think that it is a more complicated issue than just requiring more additional parking of these extra units. So thanks so much.

>> Casar: Thank you.

>> Stuart Hirsch's name ended up on the short-term rental page but should --

>> Should be there, too. I'm still Stewart Harry Hirsch, I still can't afford to live in the big house. This is not an accessory dwelling unit issue. This is about two houses on one lot. Which for most of Austin history was an entitlement to everyone in the single family neighborhood, in the year of Jim Crow we got rid of it. In the era of after the fair housing act was passed, we and a lot of other community as you will see on the HBO series that just started last night, started restricting housing affordability even more. We started imposing prohibitions for a number of years for accessory dwelling units on a trad lots, whereas in traditional neighborhoods we allowed it. I'm glad the staff finally changed one thing, which is to say that when you put a new Adu, a new second house on the lot, that you must provide one parking space. It's what I recommended, it hasn't been in the staff recommendation previously. But it is now. The second thing that I would say is that the requirement for two parking meters was -- for two water meters was adopted without an affordability impact, which has been required by city resolution or code since April 20th, 2000. I don't think the water utility has the legal authority to do what they're doing and they should go back and obey the law because the thing that frustrates both neighbors and applicants that I talk to and have worked with on this and the short-term rental issue that you are about to take up is when the city behaves one in two ways.

[6:08:48 PM]

They tell people they can't do something that the code actually allows them to do. And the second way, which is equally as egregious, they tell us we can do something and then somebody else finally points out to us says well we can't. I helped build affordable housing, and that in my world is 350 square foot efficiencies for \$350 a month and some -- and in partnership would not no profits, two bedroom houses for single moms who are paying \$250 a month. That's affordable to me. I earned a dollar 90 an hour when I came to Austin. When I first joined the city workforce I made 3.50 an hour. Housing affordability is not a new issue in this town. It's been an issue for us for a long time. Some of us had to put box fans in our windows and turn off our ac and go to free swimming pools so we and our kids could afford to do the things in life that others had sufficient disposable income to do. I'm hoping that you are going to increase the supply. I don't think it will be affordable housing the way I defined it. That's okay with it. Because if the supply doesn't increase, the renting up. And most of us are still renters. We're not moving to home ownership. Especially us old farts, please help us out, thank you.

[Applause]

>> Casar: Thank you, our very last speaker signed up is Theresa Griffin.

>> Good afternoon, chairman Casar, mayor pro tem and councilmembers, thank you for allowing us to speak tonight on this issue. I'm a board member of the friends of Hyde park and Ricky Hennessy addressed this a few minutes ago so I'll be brief.

[6:10:51 PM]

We had a vote early in the spring before some of the details came out in terms of proposals from staff, et cetera. So our vote, I wanted to just read the words: In order to increase housing and provide more flexibility for property owners, we support easing restrictions on adus. So we had a 5 to 3 margin on this. It is a controversial issue. It wasn't, you know, a unanimous decision at all. But definitely something that the neighborhood is in favor of. So I think that that wording does support the three issues that you're talking about tonight, the

parking issues, the design issues and loans. All of those provide more flexibility. I want to talk a little bit about the parking and some of the comments that we've had earlier tonight. We did the parking survey where there's plenty of parking in Hyde park. Sometimes you perceive that there's not because maybe you don't have as much parking as you used to, but most of Hyde park was built before the 1950s when the requirements for parking were put in place for new houses. So in our neighborhood, we have plenty of parking, even though many, many, many of the houses do not have a driveway. So if I were to build an adu, I would really -- an Adu I would really hate it if you said I had to put three parking spaces on my lot when I've lived there for 23 years with no parking and ...

>> Thank you very much, good night.

[Applause]

>> All right. Committee members. I think that since we've already dispossessed with the city financing and loans issue, it would be appropriate for us to take up the short-term rentals debate amongst ourselves first and then we can move on to talk about preapproved designs and parking thereafter. So I'm happy to hear your comments or hear a motion on the changes we're making to the accessory dwelling units ordinances and regulations as they apply to short-term rentals.

[6:13:04 PM]

Mayor pro tem?

>> Tovo: Thank you. So as I indicated earlier, I support the planning commission recommendation to prohibit short-term rental use of ads that take advantage of the proposed relaxed restrictions and as I also indicated, when we get to the discussion about short-term rentals, I'm going to propose that we consider all accessory dwelling units as type 2 rentals because when they are used 100% of the time as short-term rentals, they really function -- function to take that house off the market for long-term renters. I think they should be included within the 3% cap. If we're concerned about housing and as one of the speakers indicated earlier, the mayor has indicated support for creating 100,000 new units, many others in the community have -- have indicated that they believe there's a real housing shortage, so if we're looking at ways to encourage more housing to be constructed, we need to be sure that that housing is going to be available for renters and not for visitors. So I would propose, one, that we support --

[applause] -- The planning commission's recommendation that we prohibit units taking advantage of these provisions to be used as short-term rentals. And then, again, when we get to the short-term rental discussion, I'm going to propose that we do the same for existing ads that we regard those as type 2's.

>> Casar: Councilmember Gallo.

>> Gallo: I see in our backup notes the planning commission recommendation on the parking, but I'm not finding their discussion on the short-term rental question. Do you have something that you can share with us on that?

>> Casar: I believe their recommendation was to ban str, type 2 sds.

[6:15:16 PM]

I think my question is how that would be codified from the accessory dwelling unit portion of the land development code or whether it would be in or short-term rental ordinance. If staff could be brave enough to help me with that.

(Indiscernible).

>> There is a line in the ordinance that prohibits type two str, however staff does think that it makes more sense to have that regulation in the short-term rental ordinance itself.

>> Casar: So perhaps we can make that motion and make those sorts of amendments during our -- during item no. 6, our discussion of item no. 6, changes to the str enforcement and regulations?

>> I think it does come down to the code enforcement aspect of it.

>> So let me just -- I'm trying to wrap my arms around this. What you're saying is that in the Adu ordinance, it already bans the type 2 short-term rentals; is that what I heard you just say.

>> In the proposed ordinance.

>> Gallo: Yes. So we would not need to do anything different from that if that's what we wanted to move forward; is that what I'm hearing?

>> Casar: My understanding is that the planning commission's recommendation bans type 2 short-term rentals out of -- and accessory dwelling units, that recommendation could be passed as part of the -- could be (indiscernible) In the land development code or it could be codified in the ordinance governing short-term rentals. And what I'm hearing from staff is that it may be cleaner to put it in the short ordinance so we don't have something hiding in the land development code that usually has to do with building heights and --

>> Yeah.

>> Casar: And rather in the short-term rental ordinance so that all of our short related regulations live in one place.

[6:17:19 PM]

>>> Right, correct.

>> Casar: Mayor pro tem?

>> Tovo: I think what doesn't make a whole lot of sense to me at this point -- as I understood the planning commission's intent, they didn't want to see these new units coming on line that are taking advantage of the relaxed restrictions to be used at short-term rentals. The ordinance talks about them they may not be used as a type 2 short-term rental. However, if there's a property owner living in front, those would never be classified as a type 2 short-term rental, they would be classified as a type 1. So that -- I don't -- I don't regard the revised ordinance as really capturing the planning commission's concerns. But I think that's neither here nor there in terms of where we -- in -- I think it would be appropriate and so I'll stand by my motion that we take some action today on whether or not we want to see these new units be used as short-term rentals and whether we're comfortable with the planning commission's recommendations that they not be. But I think we need staff's help at figuring out how to codify that. It would seem to me the way it's done in the ordinance we've already passed doesn't quite capture that. It just says, you know, bans type 2's, if somebody buildings an accessory dwelling unit, it's my understanding it would be classified as a type 1. If my amendment later passes, I think we're covered.

>> Casar: I guess my question is if a type 2 short-term rental and an accessory dwelling unit would mean that the accessory dwelling unit was purchased by somebody other than the person who owns the house? And therefore rents that out entirely on its own as its own short-term rental investment property? I'm just trying to capture what the current language would do. And maybe staff can answer that for me. I think my understanding is the same as the mayor pro mayor pro tem's. Do you know what banning a type 2 short-term rental would mean in an accessory dwelling unit if currently my understanding is that accessory dwelling unit is considered a type 1 if the homeowner occupies the front structure?

[6:19:31 PM]

>> So my understanding and I -- this is what I believe planning commission and the codes and ordinances subcommittee to have meant when they banned type 2 short-term rentals from accessory dwelling unit, was if the accessory dwelling unit and the main house are owned by the same property owner, that the type -- that the accessory dwelling unit, if it were represented short term and a property owner lived in the main house, that the -- it would be a type 1 because there's a property owner on site. Not in the actual -- unit.

>> Casar: In which case would it be considered a type 2 accessory dwelling unit?

>> If an owner did not live on site. So if both units were rented.

>> Casar: We are saying if the front unit was represented that they would not be -- if the front unit is rented and has a short-term rental license they would not be allowed to build an accessory dwelling unit?

>> They would not be able to represent it as a short term rental type 2.

>> Casar: So if someone owns a type 2 str or a rental property, if somebody owns a rental property and they build an accessory dwelling unit, it must be rented for longer than a short-term rental? It cannot be rented as a short-term rental if you own a rental property you can't build an Adu and rent it out as a short-term rental in the back.

>> Yes.

>> Casar: Okay. I think I understand now then. Thank you.

>> Let me just say there was a part of her comments that talked about the ownership of the property being different for the accessory dwelling unit in the front house. That would not ever happen because it's the same lot that somebody is building on, so just to make that clear. It would always be the same owner, the question as you summarized if the front house is owner occupied, then the back house granny flats, accessory dwelling, whatever we ends up calling these, they would be a type 1.

[6:21:39 PM]

They could be -- they could get a license for a type 1. But in the ordinance that's being proposed, which I think also the planning commission supports, that if the front house is not owner occupied, then the back house could never get a license for short-term rental because it would be considered a type 2.

>> Casar: Understood. Any more discussion? Or motion on this?

>> Professor: Sure. I may have --

>> Tovo: Sure, I may have already made one but I'll make one again. That we -- that we prohibit accessory dwelling units that are taking advantage of this provision from being used as short-term rentals. Again, I think we'll clarify it later if we then adopt an amendment, which I'm prepared to make, that regards accessory dwelling units as type 2's, rather than as they are now, some of them as type 1's, some of them as type 2's, depending on the ownership of the front house. As I started to say earlier, when we were having discussion about short-term rentals, there were various concerns raised. Some were about -- about how a particular short-term rental operates and the thought was that if a property owner is on site, the guests are -- it's likely to be better managed or it could be better managed than if it's just one pun% of the time a -- 100% of the time a short-term rental. But then again if we are interested in adopting -- to provide for more housing, we ought to ensure that is going to provide for housing and not for hotel/motel use.

[Applause] So I believe -- I believe that the accessory dwelling unit should count toward the 3% total that we set for type 2 short-term rentals so that we can track it and make sure that those accessory dwelling units are being used by renters and not having too much impact on our housing stock.

[6:23:49 PM]

>> Casar: Mayor pro tem, could you detail for us the change specifically that you would want to make, either to staff's recommendation or the planning commission recommendation? So we know what we're voting on.

>> Tovo: Sure. I can. Except I'll say again that part of it has to happen in the short-term rental -- part of is what we categorize as a short-term rental. Again, when we talk about short-term rentals, I have an amendment prepared that will thence force, categorize them as type 2 --

>> Casar: But for this.

>> Tovo: Right now the ordinance that we passed on first reading talks about it as not to be used as a type 2 short-term rental, so if we adopt -- this is a little bit of a chicken and egg problem. If we adopt my later amendment, then what we have in the current ordinance suffices. So without -- if we -- since we're not having that discussion, I guess right now, I would -- it might be appropriate to -- I mean if you would like to, we could table this discussion or this particular point. I guess that I would say I would like to -- I would like to -- [multiple voices]

>> Casar: Let me see if I understand your intent and carve a path forward. On an item later down on the agenda you are going to propose that we categorize all short-term rental licensed accessory dwelling units as type 2.

>> Tovo: Correct.

>> Casar: In such a case, if the loaded says that you cannot issue a type 2 -- you cannot have a type 2 short-term rental in an accessory dwelling unit, you would essentially say, no, there would be no short-term rentals allowed in accessory dwelling units. But I understood from your intent, though, was that the accessory dwelling units be -- be apply towards the count of 3% cap.

[6:25:58 PM]

Not that they would be zero. Correct?

>> Tovo: For the -- yes, for the relaxed provisions. So maybe the best way to proceed at this point is to move forward with our short-term rental discussion, talk about the type 2's and then either come back to this issue at the end or in our next meeting. I think that's probably -- let me just state this not as a motion but rather intent that the new units that come online should not be used as short-term rentals.

>> And that's what the -- I always thought that was the whole discussion here. While any new secondary units that we allow to get built under this ordinance that we're considering, cannot be used as a short-term rental. They have to be --

[applause] -- They have to be rented out long term, right? Because it's the affordability thing that we're talking about, we're not talking about -- basically what we'll probably end up doing is -- unless we do away with short-term rentals all together, we're basically just grandfathering the process -- [applause] -- The people that already have secondary units that they could use. But any new development cannot be used as str.

>> Casar: So that's one pathway forward on this issue. I think that the -- that it seems that what is suggested then is that we would hold on to some of the more stringent Adu regulations, have the loosened ones in that you could opt into the older ones or loosened ones. I think that starts getting pretty complicated but I'm willing to hear it out and hear y'all's thoughts on it. My recommendation may be that we allow -- that we say that new adus count toward the 3% cap in neighborhoods, but in that we ban type 2 short-term rentals and new adus in the way that councilmember Gallo suggested in that house that's don't have a homeowner in the front cannot get an S tr license for the accessory dwelling unit in the back.

[6:28:17 PM]

If you are a homeowner and you want to rent out your Adu for a short period of time between leases, we maintain that 3% that add to that short-term rental stock that goes towards it is 3% cap which would make sure that a large number of these ads, if not the vast, vast majority of these audiences go on to be housing stock, but we don't wind up with two versions of our Adu regulations, one for short-term rentals and one for not which sounds pretty complicated but maybe I can get my head wrapped around it between now and 11:00 P.M. That's where I'm at. We should make sure the ads are for housing and our short-term rental regulations, make sure that 97% of housing stays housing and these ads should be part of that. Okay. Any other comments here on adus and is there any motion to amend what it is that planning commission and staff has already sent to us. Because if not I would love to just hear a motion to follow planning commission's, which was to follow the recommendation for ads. Unless wants to keep it in the short-term rental and strike it from the Idc, which staff, at least Ms. Chu, thought it was, and I trust her a good deal.

>> Gallo: I think what you're looking for is a motion to suggest that we pass on to council the planning commission recommendation which would disallow short-term rental to type 2's in non-owner occupied properties, and owner occupied properties would still be able to get a short-term rental license, but it would be the short-term rental type 1. So it would be taking -- moving forward to council the planning commission recommendation which would be to ban short-term rentals 2's in accessory dwelling units.

[6:30:31 PM]

>> Casar: And that's a motion?

>> Gallo: That would be a motion.

>> Casar: Mayor pro tem?

>> Tovo: I'm happy to second that, but I would like to clarify, councilmember Gallo, you are suggesting that we pass -- that we're recommending to council that it pass on second reading exactly the ordinance we passed on first, which includes a prohibition against type 2 short-term rentals and ads.

>> Gallo: Yes.

>> Tovo: Okay.

>> Casar: And to further clarify that I think we are passing on recommendations for second and third reading because both second and third reading will occur in September. So our recommendations are for both of those votes. Any further discussion? I think she seconded. So the last thing that I will bring up for discussion and I'll leave it up to my committee members whether we want to is if we want to address the issues that the mayor pro tem brought up as part of this vote or if we want to wait for item number 6 to address the issues that mayor pro tem brought up, which is under this framework homeowners could rent out ads as short-term rentals in unlimited number per census track. And what the mayor pro tem has suggested is limiting the number of homeowners per census track that could rent out ads as a short-term rental. So I'm happy to discuss that as part of the next item, but since we're on the Adu topic now and I think a lot of the people who came and testified here are interested in adus and are wearing t-shirts depicting them, we could discuss that now or discuss it at whatever time you guys -- when we start getting tired at the end of the night.

[6:32:40 PM]

>> Gallo: You know, I think it's worth discussing. I don't know that I'm ready to -- because this component of it has just come up for discussion I think I would prefer since we're talking about some of the other Adu issues at our next meeting, I think I'd rather have a little bit of time to be able to research that and think about it before we talk.

>> Casar: I think discussing it at next month's meeting makes some sense to me because we will perhaps have had a chance to discuss this in relation to str tonight, so we can come back -- this solves some of your chicken and egg problem perhaps? I'm trying to solve your problems. And it gives you another month to think it through. So I'm happy to pass this recommendation on second and third reading, but contingent upon us discussing it next month if we haven't made it moot by midnight. Mayor pro tem?

>> Gallo: Midnight? It went from 11 to midnight?

>> Tovo: The only issue I have, and we actually have -- I tried to introduce this conversation as we've talked about accessory dwelling units in the past and short-term rentals for that matter, and it's certainly something we've heard from the community and I think it's consistent with some of the -- some of the input we've received. The challenge I think in not addressing it this evening is we're about to take action on a short-term rental -- some short-term rental ordinance changes on Thursday. And it's clearly related. But I'm happy to see where we get to this evening and talk about it again on Thursday and then if we need to revisit it next month. But I do think it's important to consider how we regard the intersection of these two issues because they are very clearly related.

>> Casar: Any other discussion on this? Councilmember?

[6:34:40 PM]

>> Renteria: So what is going to be the action that -- the vote that we're about to take?

>> Casar: Right now the motion on the table is to move forward the planning commission's recommendation regarding str, type 2 str and ads, which would enact in the land development code that you cannot have a type 2 str in an accessory dwelling unit. I'll vote in favor of this and I just want to let the public and my colleagues on the committee know that my inclination right now is to make sure that we still have opportunities for type 1, that is homeowner occupied short-term rental use and accessory dwelling units, but having some control and limits on that so that new accessory dwelling units provide affordable housing and I would be able to support it next month depending on what that middle ground is. Any more discussion? All in favor of recommending this say aye? It passes unanimously.

[Applause].

>> Gallo: David lost his chair back there in the corner. He's having to stand tonight.

[Laughter].

>> Casar: In relation to the preapproved designs idea, I'm happy to entertain motions, but I think that this is an issue that our staff is working hard on making our permitting more streamlined on making our systems work better for everyone. So I would prefer to do welcome with members of this committee on an item with council that would direct staff to investigate this further and come back with resourcing needs so that we can make a better informed judgment about what preapproved designs would really take from us, how much additional staff and what sort of resources it would take for us to do this because it does sound pretty complicated, but it also has worked in other communities.

[6:36:45 PM]

So unless there is some objection or need for more discussion, I'd be very happy to hear from you all if you would be interested in helping me with that item from council, just to take it directly to council, because I don't think there's that much left for us to discuss here until we have a little bit more information about what it would take. >>

>> Gallo: About the plan book idea? And there's a justice in the back getting ready to leave and it sounds like he would be a really good resource to bring into that conversation, the gentleman in the straw hat.

>> Casar: If you wouldn't mind shooting an email to myself and councilmember Gallo, I would be happy to work with both of you for an ommateum to bring to council to get the ball rolling on this issue.

>> Gallo: Terrific, thank you.

>> Tovo: And somebody suggested that the university might be able to offer some assistance. This sounds like an interesting prospect for one of the architecture studios. I would want to know too how you take one of those designs and then adapt it to different sites. As you said, councilmember Gallo, whether there's a tree, but it's still true that some homeowners might find that to be a helpful jump ahead in the process. But I certainly support getting more information from staff about what the cost would be if we allocated any staff time and resources to this, what that would look like from a financial perspective.

>> Gallo: And just an idea popped in my head as you were saying this. As we have organizations like legal aid that step in from the industry community that then help do things at low cost for people, perhaps the architectural and engineering community could do something like that also. So I think there's lots of opportunities for good creative hopefully low cost ways to make this move forward.

>> Casar: I'll touch base with members of the committee to put together something for staff to bring forward for information, we'll put that together for council level, but I don't think we're ready to put that together here on the dais.

[6:38:55 PM]

The cursory research I've done it usually takes atom ever couple of years and there are different designs to work with the different neighborhoods to make it not so cookie cutter, but make it easy. Any other discussion on this? Great. So the last topic of discussion for the evening on adus is parking. So any discussion or motion on this item?

>> Renteria: I move that we accept the staff recommendation.

>> Casar: And the staff recommendation, Ms. Chu, just a nod from you will suffice on this, is the staff recommendation the same as the planning commission recommendation on this? It is? Motion from councilmember Renteria to approve or recommend the staff recommendation to the full council on parking. Is there a second? Seconded by councilmember Gallo. Discussion? Mayor pro tem?

>> Tovo: I'll just say that I heard something I hadn't heard before this evening. So I'm not prepared to support this at this point. And that was that staff is really changing how it interprets and applies our current parking requirements. And so -- or what we're doing, I think the suggestion was that what we would be doing in passing this is codifying a changed interpretation, whereas to this point as I understood the discussion here today, whereas to this point if somebody is constructing a new dwelling in the back of their -- on the back of their lot they would be required to bring the whole property up to code in terms of current parking restrictions. They have decided on a different interpretation, which is going to mean that the property in the front is in essence grandfathered. And that's just -- that's a very -- that's a pretty different scenario than I thought we were considering.

[6:40:58 PM]

As I said, I have to give that some more thought. I'm not prepared to support that changed interpretation today without more discussion with community members about how that might impact. I'll just say I represent district 9. There are a lot of older neighborhoods within district 9. Many of them have parking challenges. Many of the structures don't have -- or at least some of them in some of our areas don't have driveways. And, you know, while there's some assertions tonight that those structures have clearly learned to operate without parking, as councilmember Houston and others have said, that's

not always the case. Sometimes it really creates pressures on those streets and neighborhoods. Again, I'll have to reserve judgment and think a little more about that.

>> Casar: Councilmember Gallo.

>> Gallo: Thank you for saying that because one of the conversations that I had as part of a development on Enfield was from the Enfield neighbors that were concerned because of our urban core reducing parking requirements, it then means that the parking on site is diminished and reduced. So people will cars end up parking on the street and in neighborhoods. So I think your comments bring in to the fact that I think there probably ought to be some consideration and die dialogue about the urban core requirements and how that's impacting the neighborhoods because I do think it does. And particularly as councilmember Houston was saying, as you have people parking on both sides of the street, the streets become -- they're narrow to begin with, they then allow just one car and then if you have people walking there's no sidewalks and they're walking or biking in the streets, it becomes very dangerous. So it's really the discussion is not just accessory dwelling units but I think that whole concept of reduced parking in some of our -- in older neighborhoods. And it actually expands, the urban core is much broader than I would have ever thought it to be just from the name of it. It actually includes parts of northwest hills. So it expands pretty broadly.

[6:43:00 PM]

[Applause].

>> Casar: Councilmember?

>> Renteria: You know, the way I look at it is we have all these -- especially in Cesar Chavez neighborhood, we have all these cs-1's on Cesar Chavez. We're allowing all these food trailers to operate and they don't provide any parking. Our streets are full of cars all day and all afternoon, all night. And now we're saying that, you know, we want to -- we want them to build free parking space and a house for one unit in the front house because they don't have parking, but we allow these food trailers to come in and don't provide any parking at all. And we don't have any parking in our neighborhood. We have all these construction sites. So -- [laughter]. That's all we have. So I don't understand. We're allowing at least one parking space for this Adu. Are you proposing that we're forcing the older neighborhoods to -- the older homes that don't have parking spaces to allow them to park or to build parking space?

>> Tovo: Councilmember, I appreciate the question. What I heard from staff this evening is that is their current practice. If people are constructing new units on their site, they currently require hem to bring the whole site up to code because, you know, in the time since those -- if they're not required -- if they don't have parking now and they were clearly built before the code that required parking, so as with many other changes, if you're doing construction, it's typical to ask people to comply with current code, and that's what their practice has been. What staff explained tonight is that they are prepared to change their interpretation so that they're no longer going to require those structures to come up to current code so you've got a property that doesn't provide the required parking that is going to add a structure, but not be required to bring the whole site up to current regulations.

[6:45:11 PM]

And as I said, I'm not prepared to support that without some more thought and some more discussion. You know, again, we require -- with other kinds of construction, if you're doing enough work on your house, you're required to bring it up to code in other areas where it may have been in noncompliance. To me this is kind of the same thing. And it's dealing with an issue that could impact -- could impact your neighbors. So that's my thinking at this point. If staff were going to really change the way they're

interpreting the code, you know, it requires a little more thought on my part. And I will say I have, you know, some concerns about whether that's really in the best interest, but I'm happy to hear a variety of viewpoints on it.

>> Casar: I'm going to support codifying not just the planning commission's recommendation, but also the grandfathering of the homes that don't have parking. And I think that this is part of a broader conversation about tough choices that we have to make as a community and as a council. The data that I've seen over the last few years averaged out is we're not permitting more than 40 accessory dwelling units in a given year, and considering the amount of demand that there is no living closer to the central city, there's clearly a problem there. I told a friend recently I could probably pick through my phone and find 40 people who would live in an accessory dwelling unit downtown compared to where they live now. So to me it has less to do with our intent and more with what to do with what the outcomes are. And even if our intent is to get as many cars and parking spaces as we can, the outcomes is there are too many barriers to building these accessory dwelling units and the stakeholders identify parking as one of them. So I think a good compromise of getting one parking spot on the ground, especially when you aren't near transit, makes some sense, but asking somebody to build three parking spots I just don't see someone doing that.

[6:47:21 PM]

Even if we might want them to, we have to write our regulations with the expectation of what people will likely do. And so I would prefer for this to not just be the interpretation by staff, but codified that the accessory dwelling unit will require one parking space, and that's -- and that you are grandfathered if you currently have fewer than that, you just have to build one parking space for the Adu. That would be the recommendation that I would feel comfortable sending forward to council. And it sounds like from staff that that's what this recommendation would do.

[Applause]. Any further comments? All right. All in favor? Raise your hand? Opposed? That passes 3-1.

[Applause]. I did want to bring up as part of the conversation the potential for eliminating the parking requirement in tod's within a quarter mile of a core transit corridor, perhaps a rapid bus line and wherein the smart housing program -- and within the smart housing program, but my staff has informed me that we have about 200 speakers signed up for the short-term rental item and we also still have speakers signed up for the intervening items between this item and that item. So I am going to move that conversation on to next month because I feel like y'all will be grouchy while we have that conversation if I don't move it.

[Laughter]. I know, my committee members well. So we'll move that conversation along to the next month's agenda. And just to inform everyone, next month we will be discussing the water utility issues that several of the speakers brought up. We will bring up lot size and structure size, which was brought up by some speakers, may want opt in, opt out -- neighborhood opt in, opt out affordability requirements and also these issues relating to smart housing and tod's and core transit corridors.

[6:49:32 PM]

I will move us along then to the next item --

>> Gallo: Are the items between now and the short-term rental discussion time sensitive that we need to hear them this evening? I don't have a sense of --

>> Casar: Both of these items were put on the agenda by the mayor pro tem so I will let her speak to that.

>> Tovo: So items -- I would say item 5 I really just have a couple of quick questions for staff. So I'm happy to do that rapidly. Item number 4 is time sensitive in that I have a resolution prepared. It's on the

message board for those of you in the audience who want to review it. I also have copies here. We've had a couple of presentations at this committee about the density bonus program and so it is of interest to me to kind of get that moving through a process if we can. I don't know if we have a lot of speakers on it or where we would go. I would say that it is really beginning a conversation, nothing we would recommend to council would be a final action on any of the items. It would just be -- it is a resolution asking -- asking for the city manager to prepare us with some information and to be prepared to bring forward a code amendment that we would then have an opportunity to discuss. There would be various things if we initiate them that would work their way through the various boards and commissions process.

>> Casar: We do have a number of speakers listed on that density bonus item, at least half a dozen. So I will leave it to the will of my committee members on how to proceed, but we would move -- start now to begin public comment on item number 4 unless there were a motion to do otherwise.

>> Renteria: That's fine with me.

>> Casar: Okay. Mayor pro tem, would you like to lay out your resolution on item 4 or would you like to take up speakers first?

>> Tovo: I'd be glad to just give a little bit of background and then maybe the speakers will raise some questions that I need to answer.

[6:51:39 PM]

Again, I would say that the draft resolution, I just want to emphasize the draft resolution lays out some major -- really sets forward some processes to achieve some major actions. It would ask the council to contemplate considering changing what are now density bonus programs that permit a fee in lieu, changing those to on-site requirements. We have really an affordable housing crisis in this community and I believe that it's incumbent upon us to use every tool at our disposal and one of them that we have, and we are limited by state law on what we can do to encourage and require affordable housing, but we can impose requirements when we are -- when developers are using a density bonus program. So if we are serious about creating affordable housing in all parts of town, I believe we need to really look carefully at our density bonus programs and consider whether those wouldn't be more appropriate for units constructed on site. And I would say much of the evidence to date suggests that our fees in lieu are set in such a rate that it's almost always, if not 100% of the time, cheaper for developers to opt out and to pay the fee in lieu rather than construct that unit, those units on-site. So consequently we're not getting those units in areas where we really need them. So there are I would say four major parts. One would ask that the city manager come back with some data on our existing density bonus programs. Each one is a little different. They have different requirements, they have different -- they set different rates for fees in lieu. It would direct the city manager -- again, we've had an opportunity, I believe, to see some of that data in our last couple of planning and neighborhoods meetings. I believe the housing committee has also looked at some of that data. So it's not going to be onerous for the city manager to compile that. There are just a few additional pieces of information that I know councilmember Casar and maybe others would like to see. We would consider at the same time as that report and information comes back we would consider whether or not to initiate a code amendment process for some of these density bonus programs to change the requirements to on-site.

[6:53:50 PM]

We would initiate the -- looking at the downtown development bonus which currently sets the provisions for office -- it includes a density bonus program for commercial as well as residential, but for office and hotel and other commercial uses, it sets the fee in lieu at zero. So it would consider changing -

- initiating a code amendment to change that. Again, it would consider initiating any action we recommend to the council wouldn't actually initiate that. And then four would close the mf-6 loophole to avoid -- to prevent projects that are coming forward and proposing mf-6 zoning instead of going through the vertical mixed use program. We've had a couple of cases before council recently and it speaks to the timing issues, we've had a couple of projects come forward that proposed multi-family 6 zoning, they have an option of doing vmu, which requires affordability, on-site affordability. And so that is really a loophole that exists in our code that I think we should be proactive in closing. It and that's it. Again, today would -- were we to Remy resolution to council -- to recommend my resolution to council, I would either seek sponsors or rely on the committee's recommendation. We would have an opportunity at council to discuss it and take action on it and then that would kick off the city manager's collection of data, the returning to us, and then a subsequent discussion about code amendments, with the exception of the mf-6. I believe we've had enough discussion at council to actually take action to initiate that code amendment.

>> Renteria: I would like to second that or be a sponsor on that.

>> Tovo: Super. I appreciate that, councilmember Renteria.

>> Casar: So committee members, we have about 10 people signed up to speak. I think that if anybody wants to say anything now or ask any questions of the mayor pro tem, we could do so, otherwise I'll just start calling speakers up.

[6:55:57 PM]

Excuse me while I shuffle some papers here. Our first speaker on this item is Eric Goff. Our next speaker is David king.

>> Good evening, members of the committee, chairman, mayor pro tem. I wanted to speak briefly about the purpose of a density bonus. I'm not sure that if you asked 10 members of the city of Austin staff or developers or what have you, what the purpose of a density bonus is, if you wouldn't get seven or eight different answers. They're for raising fund for affordable housing, they're for granting additional allowances for new types of construction. They have different requirements in different areas, depending on what the code might be in that area, for instance, Rainey and downtown have different ones. You are aware of that. So I think a good first step in this and maybe a part of this is to also seek input from a stakeholder group made up of all the different people that are affected by the density bonus policy. And asking the stakeholder group to kind of take a first step. What is the purpose of a density bonus. So, for example, if the purpose is to maximize the funds available to construct affordable housing, then you could ask for policies that could achieve those ends. And it may be that the way to maximize that is to take the steps that the mayor pro tem suggested. There may be other methodologies. And I think taking feedback from the people that are in this day in and day out would be a great first step in determining what is a density bonus, what is it for and how do we best meet those objectives?

[6:58:07 PM]

Thank you.

>> Thank you, chair and mayor pro tem. I'm here to speak in support of mayor pro tem's recommendations here. And just to make the point that the fee in lieu option should be eliminated from our density bonus programs. If we're going to allow it at all, it should require a super majority vote. [Applause]. If we're going to allow it at all, it should require a super majority vote at a minimum, the goal is provide housing in geographically dispersed areas, not one part or another. That's a top priority. And the requirement, the affordability requirement should be based on families earning 50%, and tied in

perhe constitute, so the housing will remain on site for the long term. And we should also audit the programs, the density bonus programs and see if they're producing the results -- and achieving the goals that they were set out to achieve. The -- closing the loophole on multifamily is important, that's a big one. And if the density bonus -- the developer receiving the density bonus entitlement doesn't follow through on it, are there any clawback procedures we have to get back the entitlements of the value. [Clearing throat] Excuse me. It's only fair with any program we have that the public get a clear statement of the value of the increased entitlements the developer is receiving from this program, and here's the value of the amenities the public is going to get. There should be a clear, simple statement for the public to see. And, there should be no approval of variances from the waterfront overlay, critical environmental features, scenic roadways, heartage trees, impervious cover, and compatibility setbacks if they're going to participate in these programs.

[7:00:14 PM]

It's not fair to get the density and then get all these other variances, as well. We have flooding in our central Austin neighborhoods and some areas that's really important that we look at, and not increase the impervious cover in those areas through this density bonus program.

[Applause]

>> And the goals of the program should be consistent with the goals of imagine Austin, particularly those regarding preserving neighborhood character and respecting neighborhood plans. If we're going to give a density bonus, then the traffic -- that project should mitigate all the traffic impact. That should be another part of the requirement of the density bonus program, that's tied to the developer mitigating all of the traffic impact from that development. Thank you very much.

[Applause]

>> Casar: Our next speaker is Ann Howard. After Ms. Howard is Thomas Yates.

>> Good evening, I'm the executive director of echo, ending community homelessness coalition, and I cut my teeth on the downtown density bonus here in this chamber. And we certainly appreciate the support that mayor pro tem tovo has given to permit support of housing. And we know she's a partner and an ally with us on that. I want to call to your attention that currently the downtown density bonus program is dedicated to housing first, permanent support of housing. We have yet to see the money from that development. A couple of developments that are under construction. And we look forward to that money. We're counting on it to help provide either support services to individuals now who have housing for the first time in a very long time, or to actually help construct some new units.

[7:02:18 PM]

So, I would just ask you as you move forward to consider that we need to identify funding streams for ending homelessness, and that's how we will make progress. And so, we're happy to be a resource, and good luck in your deliberations. Thank you.

[Applause] A.

>> Casar: Thank you, Ms. Howard. If Thomas is not here, then next is jerry fry.

>> Good evening, thank y'all very much. I'm jerry fry, chair of the board of directors for downtown Austin alliance, here to speak on their behalf. So, today I'd like to ask that you not make changes to the downtown density bonus program, which has only been in place for the past 18 months. We think, perhaps, there hasn't been enough time of the density bonus project to fully evaluate whether we got it right back in 2014. If you give this program a little more time before making some major changes, we'll have more information to evaluate, and hopefully, more funding to have our citizens with the greatest need. We do understand that there are those that would like to eliminate the fee in lieu option and

require affordable housing requirements to be made on site. I acknowledge there's benefits to either approach. You can get more units, we think, and serve more citizens if the affordable housing units are built in low- or mid-rise buildings in places with access to downtown. But if the priority is to create affordable units in all neighborhoods, the tradeoff, we think, is that you serve fewer people because of the high cost of high-rise construction. So, you know, we think it's a valid policy issue to weigh. And, you know, our elected officials, we want you to make those policy decisions.

[7:04:23 PM]

We ask that you not make any changes without the benefit of additional professional economic modeling, city staff have pretty much always approached this program with the principle that the benefits of additional density should be shared between the community and the project. The current program was created after a consultant carefully evaluated what the market could bear. If the requirements were set too high, we see a danger that a new project doesn't even get built at all, or is built only within its existing entitlements, which means less square footage and tax base into perpetuity. Downtown density is good for the entire city. It generates tax dollars to fund programs and improvements that trickle down to every neighborhood. We ask that you be careful as you consider changes to the program. If you do decide to make adjustments, do so only after new economic modeling is conducted. This could result in no affordable units, no new affordable housing dollars, and less downtown tax base to produce funding year after year. So, thank you very much for your consideration.

>> Casar: Thank you. Next is Jameal. And after Mr. Ollum is Heidi.

>> Good evening, council. Thank you for allowing me the opportunity to speak. A couple of comments I was going to make have been touched on already by Eric and Jerry. I do think this all starts with the need to identify what the goal is of the density bonus. Is the goal to add or encourage density? For its tax base, is the goal to provide on-site affordable housing? Is it to maximize the number of affordable housing units, which I would argue is better accomplished with a fee in lieu.

[7:06:28 PM]

What is the real goal? I think it has to start there. I think we can all agree, we've got a significant affordable housing problem. I think 45,000 units at last count and I'm sure growing rapidly. We should not be surprised that the two or three projects in downtown have used fee in lieu instead of on-site affordability. It's pretty easy math. What I think is not talked about enough is the fact that we've got, I think, we've had 45 projects that have filed for site development permits since the downtown density bonus plan has been approved. Approximately 25 of those have been ground-up construction, others have been bridges and things like that. Only two or three have chosen to participate in the downtown density bonus. The fact that those two or three have elected to pay fee in lieu matters, but what about the 22 or 23 that chose not to avail themselves of the additional density? Why is that? As Jerry mentioned a minute ago, because it's really, really expensive, and if you mess up on calibrating the math properly, you can create a disincentive. To me, the case study in downtown Austin is the millennium rainy street project that's being developed. That was a 2.2-acre site, almost 100,000 square feet of land. They could build 1.2 million square feet of improvements by right. Sutton designed high-rise towers plus an office building, maxed out the site, couldn't get the deal to pencil, sold the site to a group out of Houston, building an eight-story multifamily project at a 3.5 to 1 FAR, they had 12 to 1 by right, and it doesn't make economic sense. They could pay a tremendous amount of money for the land and de-densify the project.

[7:08:29 PM]

Please, please make sure this is a data-driven, fact-based study. Pay particular attention to high-rise costs, and please, if you can, try to identify what the real goals and objectives are of the density bonus. Thank you.

[Applause]

>> Good evening again, councilmembers. Thank you for your time. I'm Heidi, representing the real estate council of Austin. I'm repeating that because I watched channel 6 way too long to know that you have to say who you are every time you come up here. We're supportive of the recommendations put forward by staff. I didn't know until I arrived here there was another proposal on the message board from the mayor pro tem. We'd like a little more time to look at those. So, most of my comments are related to affordability and density bonuses in puds, which I understood to be the conversation. On-site affordability is worth striving for. It's challenging to do. The density developers are offered something that is not sufficient to offset the cost of the affordable units, especially when some of us would argue density itself in the right places is its own benefit to the community. Puds are currently the only tool the city has to allow flexibility for amazing development that offers cutting-edge benefits like design features, public spaces, and water retention and treatment. And in a community like Austin that faces flooding issues, we think that's a pretty important benefit. Affordable housing is one of the many community benefits provided by developers of puds. We're working with our members on some solutions to the efforts that -- basically, there are pragmatic barriers that remain to providing on-site affordability.

[7:10:36 PM]

And we're trying to work through some of those issues with our members to help do that more frequently. We do appreciate that the city has worked some with us to overcome those barriers. In any case, the fee in lieu option should -- should remain available for times when on-site is not available. We can provide units. Fee in lieu is not a losing proposition in our mind. Thank you for your time and service.

>> Casar: Thank you. Our next speaker is Frank Harrin. That's all right. We'll forgive you this time. And, Stewart Hirsch.

>> My name is Stewart Harry Hirsch. Apparently, I go last.

[Laughing]

>> I want to start the density bonus conversation before this committee with what we've been trying to get a public hearing on in front of the planning commission for more than a year, which is why does rainy affordability not work in university neighborhood? Overlay does. University neighborhood overlay according to the last open records request produced 3944 smart housing units. Rainy produced 0. University neighborhood overlay produced 495 affordable units either at an 80% median family income or below, or in some cases, 50% median family income or below. University neighborhood overlay requires 10% of the apartments to be accessible. Rainy only requires the 2% required by the building code. Rainy has generated 0 fee in lieu, because it's not an option. University neighborhood overlay has generated in excess of \$1.6 million, all from developers.

[7:12:45 PM]

Rainy has one day of affordability, until the new ordinance passed, which nobody is taking advantage of. And now, university neighborhood overlay, now has four years of affordability for the new stuff. So, there are some lessons learned. All the stakeholders in west campus got together and suggested massive changes to university neighborhood overlay. It took us five years to get here, to get the changes enacted, but they finally happened. And we think we can do a comparable thing to get the kind of

housing we want, either in rainy or in the neighborhoods nearby with some creative approaches related to homestead preservation districts and whatnot. And we've been unable to get a hearing for more than a year. That's outrageous in this town. It should be a priority, and we ask that you somehow facilitate that comparison to occur in conjunction with your overall discussion of density bonuses. Thank you very much. Thank you. And Mr. Hirsch, when you go last, we get to remember what you said, so.

[Laughing]

>> Casar: All right, committee members. That's everybody that I have testifying, except Mary who I must have missed. If anybody signed up and would like to speak, I'm sure it's my mistake.

>> Not to worry. I just want to briefly say, I think that mayor pro tem's resolution is sensible, and I applaud this effort. One thing I wanted to just say is some of our fee in lieu programs have actually generated a problem where the fee in lieu doesn't keep up with inflation. For example -- and this is not part of this, but the sidewalk fee in lieu, most people choose that because they don't want to put in a sidewalk.

[7:14:49 PM]

And that may be applicable to the affordable housing component here. But that fee in lieu program has not kept up with inflation, and so that fee in lieu is inadequate for providing any sidewalks of major proportion. So, I just wanted to put that out there for you about inflation and whatever. Thank you.

>> Casar: Thank you.

>> Hi, I'm Megan, and I just wanted to -- say I think it's important when we look at density bonuses to respect the downtown Austin plan that had so many hours, so much money put into it. I have a map of the excluded area if you'd like it.

>> Casar: Thank you. Any other speakers that I may have missed in our shuffle of papers up here? Okay. Now, committee members, feel free to kick off the conversation.

>> Chair.

>> Casar: Yes.

>> Tovo: In the interest of time, I know we've got a lot of folks waiting to speak on other items, I'll make a motion to approve the resolution a. I believe there's a very good change that you may make, but I'll just move the resolution that we have in front of us. Again, it really begins a discussion that would proceed on to council, and then in many cases, also proceed through -- well in every case, for that matter, proceed through boards and commissions. So there would be lots of opportunity for stakeholder input. I appreciate the point that Ms. Howard of echo raised, that currently, the fee in lieu downtown is allocated toward a very important community need, which is permanent support of housing. That, too, should be part of the consideration. Perhaps it's a matter of looking at that fee in lieu and making sure that it's set at a rate that is equivalent to what on-site affordable housing would cost were it to be built downtown, or other considerations.

[7:16:49 PM]

And also, I hope that she and other downtown stakeholders will be part of that discussion about whether commercial property should also become part of the density bonus program -- well, they are part of the density bonus program, but whether that fee in lieu should be set at a higher rate. So, again, without further ado, I'll just move approval on that item.

>> Renteria: I guess I'll second it. The reason why I'm -- we need to really look at the rainy street district and come up with a solution to that area. So, you know, Stewart is right that we haven't had any affordable housing built there on these new developments. So, I think that there's a lot of potential for us to get that right. So. And we really need to look at the fee in lieu section of it. I just want to echo my

colleague, mayor pro tem tovo on that. You know, we're a new city council. There's ten new people on board. And we need to really find out exactly all the details that goes into this fee in lieu. Because I've seen and heard so many different versions of it. So I really want to get down and find out exactly what's going on.

>> Casar: Councilmember Gallo.

>> Gallo: Thank you, and thank you to all the speakers. I think all of you brought up really good things for us to be considering. Some of my concern with this at this point is one of the purposes for the committee structure was so that we as a portion of the council could really deep dive into issues and talk about and think about.

[7:18:55 PM]

And my concern with this -- I think there's a lot of pieces within this that are important that we need to carry forward, but, I'm a little concerned with having this discussion with having just received this resolution, and really not having time to process it, because we're in the midst of all of these other huge agenda items for today's meeting. I certainly support affordable housing, and the question as you have heard from many of the speakers here, how do we best fund that? By building as much as we can in the most economical areas of town to build in, and so we provide as much possible affordable housing as we can, units as we can? But if we do that, and we don't require it on-site, then we also remove the options for people who are looking and needing affordable housing to be able to live citywide. So, it really becomes a balancing act that I think there's really no right answer to. But, it is a balancing act. So, I'm just uncomfortable moving forward in a resolution, because we haven't had a chance to have that discussion. Like I said, this just came to us. I haven't spent much time on it, because we have such major issues. I do think the stakeholders need to be involved. I do think the first part of this, which is the data report from the city manager, I would support that. But I'm really uncomfortable with the other items at this point, just because I haven't had a chance to process all of this. The one thing I would say is I would support really looking at the amount, the dollar amount of the fee in lieu, because it does seem like in some of the areas of Austin, it is much less expensive for a developer to pay the fee in lieu instead of build on site. And so possibly, that amount should vary around areas of town and be more reflective of the cost to actually build on site, or get closer to the site to build on site. And then that would provide more money into that fund. So, anyway, just throwing out some ideas.

[7:20:56 PM]

I'm really uncomfortable pushing this forward at this point without much time to really consider all the pieces.

>> Casar: And, councilmember, I share many of your concerns about the timing on this and being able to vet it appropriately. And so I spoke with the mayor pro tem about some potential amendments so that we could hopefully get some consensus on moving this issue forward, because we've received staff briefings, but I don't think we've had as much deliberation and substantive deliberation on this committee as I would've liked. Considering there's substantial interest, I'd love to lay out some amendments, and then we'd love to hear from the mayor pro tem and also councilmemberree who seconded it, if they would be acceptable. So, first, I would like to see a motion to amend the first section about the information that we're getting back for staff to really provide for us what it is that we are getting for our fee in lieu. So, considering the construction costs nearby these projects that are receiving density bonuses, what is the fee in lieu buying us in terms of affordable housing. And then second, some analysis of who is and is not taking advantage of the density bonus programs. As we heard some testimony today, if we want to maximize affordable housing, then we want to incentivize use of the

density bonus program. And so I would want to know of the buildings built, how many folks are taking advantage of the bonus as we calibrate. I didn't discuss this with mayor pro tem, because it was a good idea brought up here in testifying. I think that we would want the city manager's recommendation as we wrote down here, as to what the fee in lieu might be. Or if we should eliminate fee in lieu. But, that proper calibration should -- if the city manager was to bring back what the proper calibration is, in the city manager's opinion, that should have an eye towards maximizing the number of affordable housing bedrooms, not just units, but the number of affordable housing bedrooms in high-opportunity areas and in rapidly gentrifying areas with consideration of permanent funding.

[7:23:23 PM]

That gives clarity to our goal, which is what I think the entire committee has voiced. We want to maximize affordable housing not just in whatever end of town, but, with an eye towards dispersion, rapidly gentrifying areas, and needs that aren't funded so easily, like housing first. So, if we provide that level of clarity, I hope that we can get a report back that will allow us to deliberate with some real numbers and some real data in front of us about whether the fee in lieu needs to be calibrated up or down, if the on-site unit requirements need to be calibrated, to reach our goal of maximizing affordable housing in town and preferably getting as much of that not being necessarily funded by taxpayer dollars. Getting as much private investment into affordable housing as we can. I also would make -- would be fine sending this forward to council if instead of asking the city manager to consider amending the density bonus fee table for office and hotel, instead of having that occur during the budget process, that this be part of the recommendation -- excuse me, y'all -- and research brought back to us on October the 8th so that this is all one package that's brought back on October the 8th regarding what the proper calibration is for fee in lieu, and on-site. Whether that be on office, hotel, or residential. So, I think that is generally what we discussed after you brought this resolution forward, and would be comfortable moving this forward with that understanding, that that's what we expect in this report. And then, with regards to the mf -- initiating code amendments to mf6 zoning, I have seen some of these mf6 cases. Many of them have private restrictive covenants or guarantee through the smart housing program, some level of affordable housing.

[7:25:25 PM]

But having that codified within mf6 seems beneficial to me. But I would want our council colleagues to have some time to think it through before voting on the amendment. If we could consider initiating that amendment on September the 17th so that people can get through budget and get through so many of the things that are weighing on the council and initiate that on 9/17, I think there were concerns when you initiate the amendment is goes through planning, it takes time. I understand. We want to keep it at a brisk pace, but I don't want to overload the council with recommendations from the committee. So I'd be comfortable recommending that we initiate that code amendment, and it be brought forward to the council on September the 17th with the caveat that between now and then, I may change my mind. I may hear the cons. As a councilmember, I have experienced the benefits, what the pros would be of having that on-site affordability being codified, but, I don't think the public has had very much time to chime in, because we had our first conversation about it on Friday. And so I think giving the council time, one month, today is August 17th. So, September 17th to communicate with our offices and council offices about initiation of that code amendment. Once we initiate it, there's still a long -- some might argue, protracted public process -- in which we will debate whether to modify mf6 to include some affordability. So, I think with those modifications, everyone could feel comfortable, I hope, moving this forward without feeling like we are making changes to the -- land development code. We are just briskly

doing our due diligence about how to get more affordable housing in this town and make sure as much is funded by the private sector as possible. And, there's going to be a lot of options on the table for doing that. Thank you for bringing this forward, and if you would accept those changes, then I'd feel comfortable voting for it.

[7:27:27 PM]

>> Tovo: Yeah. Thank you, councilmember Casar. I'm very comfortable with those changes. I think they make sense. I was particularly happy that you isolated -- it was a good suggestion somebody brought forward. I think I captured your changes, and would be happy to reflect those in whatever goes to council. The clarification you offered, high-opportunity and in rapidly gentrifying areas, as well as a consideration for permanent support of housing, I think makes good sense. And, again, I think, given -- I think it makes sense to get back, especially given the comments we heard tonight, to get back the report before initiating the code amendment on the downtown density bonus bonus for commercial properties. I'm comfortable with that. We're adjusting to the new committee process. In our several briefings we had here, we did talk. I expressed an interest in seeing that change made in the density bonus programs. I know some of you wanted more opportunity to talk about it first. I would assure you we have a long public process after this committee to talk about any and all of these contemplated changes, but we need to start somewhere. So bringing forward a resolution, asking for the committee's recommendation and moving on to council and starting that dialogue seemed to be the best way to actually make progress. I know as early back at our policy discussions, several of us in the housing discussing expressed an interest in seeing some changes be made that would require more on-site affordability. We needed to start somewhere, so I appreciate the comments and the feedback.

>> Casar: Councilmember.

>> Renteria: I have no problem with that. When I ran for office, that was one of my campaign issues, that we were going to revisit the fee in lieu and see what was actually going on. And are we really benefiting, or are we hurting the developers that -- you know.

[7:29:33 PM]

I've seen it where there were some areas that were successful, and some that, you know, nothing happened. You know. Especially like around the rainy area. So, I wanted to find out -- I don't have that knowledge about what all these projects and programs were doing, what was going on, what kind of benefits were we getting out of it. And I heard a lot that, also, that, you know, we're segregating ourselves economically, where all the poor and low-income people were getting listed on one side of town, and all the wealthy with economic advantages were living in our section. In -- other section. I felt we needed to have a diversified in racial and economic, also. So that was one of the big campaigns that, when I was running, was one of the big issues that I was campaigning on, was that, you know, we should be diversifying. You know, we already seen what had happened to other cities where they just concentrated their low-income people in one area. And you don't want Austin to happen that way. That's why I worked so hard for Mueller development, because we created something that was really beautiful. What I would like to see Austin all about, where, you know, the economic part of it and the racial part is all mixed. And that's why I'm visiting that fee in lieu to make sure that, you know, what I want -- what I'm dreaming about leaving for my children and the next generation is where we can all live together in one big community.

[Applause]

>> Casar: Thank you for those comments.

[7:31:35 PM]

And I think that -- I've gotten to know each of you, I think every member has those goals in mind. Deciding the tools and steps to get there, we need good data and good information to make those decisions. I think at some points we may disagree as to what the best tools are, but that is just the work we are tasked with doing, with a majority vote doing our best to decide what the best tools may be. I also want to note that I'll be supportive right now of the October date listed in the resolution, but once we get it to full council, I'd want to hear from city staff what we sources they have to bring this forward. And if they need more resources, that'll be a discussion. Or, it might take longer. I want to have good data before making decisions about pretty sensitive matters that have a big impact on housing in the city. That will be the end of my comments. Councilmember Gallo.

>> Gallo: I'm not going to repeat what I said before about being supportive of affordable housing in this community. We need to talk about how best to do that. And what we need to change and tweak, and enhance as part of the bonus programs. But, this feels a little bit to me like putting the cart before the horse. I totally support the request on the first section, which is the data report from the city manager. I would like to get a report with data that shows the answers and situations of all these questions that we've all talked about here. But my concern is that the two, three, and four all talk about initiating a code amendment, preparation of an ordinance, initiating a code amendment that would change. And I'm very uncomfortable talking about initiating ordinances and changes until we've actually received the data from the city manager. And I think I'm not quite sure what your amendment did.

>> Casar: I will explain it.

[7:33:35 PM]

>> Gallo: Can you let me know if it has removed those three provisions to start code amendments? I would be comfortable with it. If it doesn't and we still have initiating all the code amendment in two, three, and four, then I would not be able to support it, although I would support getting the city manager to get us all the data in every section that is in this proposal.

>> Casar: I hear you. So, let me briefly explain what my intent is with the amendments and see if the mayor pro tem thinks the same. So, I think that we're all in agreement on getting the data pending city staff's resources. And so, we could segment that off and vote for that. And then let you vote differently on other sections if you wanted. As far as the second section about bringing forward resolutions to initiate code amendments, in this segment I would want those code amendments to be based on what the city manager recommends based on the study the city manager did. So, this would not necessarily initiate that code amendment. This would be us endorsing the city manager bringing forth amendments, if from the study it's determined that the fee in lieu or the on-site housing requirements should be modified. So, number 2 instead of saying that we -- it's not saying that we want a specific code amendment initiated, but rather that we want the city manager to bring forth code amendments after bringing forward the study in similar ways that we've asked the code department to bring forward recommendations after their study of short-term rental issues. So that's why I feel comfortable with one and two. One would study, two would bring forward the code amendments necessary to bring about changes as a result of the study. Section three I've asked for it to no longer be its own initiation of a change, but rather, for it to be part of the study that both offices and hotels should be studied by the city manager, and if the city manager recommends we make changes, that he bring them forth.

[7:35:43 PM]

Section number 4 is the only one that I see as actually being initiating changes to the land development code. And it's for that reason that I ask that we not consider that item until September the 17th. But I'm ready to at least recommend that coming on to our September the 17th agenda, because it is a pressing issue. It will take time to change. And my experience is that this generally has enough merits that I would want to see it at least on the council agenda. So, if you would like, we could vote separately on one from two, three, and four. Or we could vote on one, two, and three, which really are all just we want a study on these issues. We want the city manager to bring back a recommendation as a code amendment, and vote separately on number 4, recommending for September the 17th.

>> Gallo: I would appreciate the opportunity to separate out one.

>> Casar: Okay.

>> Gallo: And then I would probably make an amendment to one that would include asking the city manager to address all of the issues that have been mentioned in two, three, and four in his report.

>> Casar: Let's just do this, then. Let's take a vote on recommending section one, and if you want to bring forward an amendment during that process, we can do so. Mayor pro tem.

>> Tovo: And chair, I believe you had added some additional data that you wanted included in that report. What I captured were construction costs at nearby projects, who is and who is not taking advantage of density bonus programs.

>> Casar: And the hotel office uses.

>> Tovo: Yes. Hotel offices uses within the downtown area. And looking at the number of bedrooms and . . . Let's see, giving some thought to proper calibration with regard to the number of bedrooms.

[7:37:50 PM]

Well, that was really a perspective I think you had offered. Just sort of a statement of intent. Is that how you intended it, a statement of intent that we would like the city manager to provide us with this data, understanding that the intent is to create as many units as possible in high-opportunity, or rapidly gentrifying areas, as well as permanent support of housing? Does that capture what you see as the additions?

>> Casar: Yes, that captures it with one clarification, that the city manager's recommendations look towards maximizing affordable housing in those areas, and the permanent support of housing. One thing is to look at the data of who has participated and who hasn't and in what ways, and another is in crafting a recommendation, what do you do with that data and just setting that goal.

>> Tovo: And so, I did have a motion, and I think a second on the table. So, are we splitting that question? Is that how you want to handle it?

>> Casar: Yes, I think councilmember Gallo has asked us to split the question into the four parts. Except really -- now it's just three parts, because we eliminated the budget process. So, in three parts, which I'm inclined to say that's okay for us to vote on those three parts. Great. So, any further conversation on section one, the first be it resolved, which is the report from the city manager?

>> Gallo: And so, thank you for the clarification of the additional items on there. So, could we also, in the report, ask for a study of the issues that have been brought to our attention under four? Because I really would -- it talks about several developers have opted to do that, but I really would like more data-driven information as far as where that's been done, what the issue was, what we lost by that happening.

[7:39:53 PM]

So, we know it's happened. We think we know it's happened. But, just some really -- some data from the city manager that shows actually what is happening would great. I'd like to add that to the report, too, please.

>> Casar: Mayor pro tem.

>> Tovo: That is fine with me. The only thing I would point out is that the timing for that information coming back, it sounds like right now that information may come back before we would consider initiating the zoning -- the code amendment, rather. So, I think councilmember Casar, you had mentioned a September 17th date. And so that would be somewhat in advance of the multifamily information. So we might want to ask the city manager -- I think that it would be appropriate, then, to ask the city manager to try to provide us with the multifamily information prior to that code amendment coming before council for consideration of initiation. Does that make sense? I guess the answer to your question is yes, but we have a timing issue to sort out.

>> Casar: I feel comfortable with that, as well, with the understanding that our city staff will just have to do the best that they can to let us know what mf6 projects have been built recently. And it may not be as in-depth as we would like, but, of course, more in-depth conversation would occur in the code amendment is initiated in September. So, I'm all right with that, too, but I think we have to have an understanding that -- with the September 17th kickoff, we may not have as thorough of data as we would like, but, we will do our best. Okay. Any more conversation on voting on section one? All in favor, please say aye.

>> Aye.

>> Casar: All right. Recommended unanimously over to the council. Section two is that no later than the October 8th council meeting, the city manager shall provide the report and post for council consideration resolutions to initiate code amendments to modify the fee in lieu options.

[7:42:03 PM]

Any discussion before we vote on section two?

>> Let's see if we can draw this out as long as we can here. Sorry, folks. So I'm not going to support this, but it's not because I don't support us trying to figure out as a council the way to maximize our ability to provide affordable housing in this community. That's my goal. I think we need to figure out how to do it best, and how the community would like to see us do that in the best way possible. But, having something that asks for a report and then at the same time asks the city manager to come back with a possible recommendation is, to me, saying to him, guess what we want to do. And I would rather take the information and analyze it, think about it, and talk to the community and figure out what the best way is to handle that rather than having something that comes forward with a predetermined way of doing it based on what his report is at the same time. So once again, to me it feels just a little bit like cart before the horse. My goal, like I said, to try to figure out a way to provide as much affordable housing in this community as we can, but I want to make very data-driven decisions and I just feel like I need the data first.

>> Casar: Further discussion? I will support this section because my understanding is the city manager, with my amendment, the city manager would bring forward a recommendation based on that data with maximizing affordability in mind. And just like any other recommendation, we could debate it. We can change and modify it, but I think it would be great to have our professional city staff's opinion. My concern with this is that our city staff is strained for resources, and I would want to get the best recommendation possible. I'll support this but I would also very likely support pushing the date back if our city staff is communicating to us that they can't get us the information.

[7:44:09 PM]

But that can be an ongoing conversation off the dais with our city staff. But once again, I want to make a data-driven decision, as well. If our city staff can provide the decision on October 8th, I'm happy to start

talking about it on the 8th. But if it takes more time, I'll support granting more time or more resources to the staff.

>> Tovo: Chair, I'll just say, we started out with a few simple things that we were asking the staff to provide us with information about. Frankly, they already had, in our previous meetings, and we've added some additional conditions that I think likely, they will need more time. I will support providing them with that time if necessary. I am pretty clear having seen projects come forward that, you know, nearly 100% of the time

-- time if we allow a fee in lieu option, that's what people have opted for. So, I certainly support additional conversation, but I'm pretty interested in seeing us move on that direction as soon as possible. But, I absolutely will entertain a change to that date once we have had a discussion with the staff about how long it'll take them to compile that.

>> Casar, of course, if the staff has all the information about one of these sections on October the 8th, we could debate that. As you've indicated, they may have more information in some areas rather than others. So it doesn't have to come all at once. Any further debate? All in favor, please raise your hand. Those opposed? That passes to the council 3-1. With councilmember Gallo in opposition. And now, section three, formerly known as section four, which is the city manager initiating the code amendment to incorporate density bonus programs in mf6 for on-site affordable housing to be brought to the council for the September the 17th meeting. Any discussion?

[7:46:15 PM]

Great. All in favor, please raise your hand. Those opposed? And that also passes 3-1 with councilmember Gallo opposed. And that's not because you've you're opposed to affordable housing.

>> Gallo: Thank you.

>> Casar: Okay. So, I think that that takes us to item number 5. Mayor pro tem, do you want to ask your quick questions?

>> Tovo: Sure, I apologize to have this jammed in the middle, but it is a question that we've had for a while. This is a question for staff. We've had some questions from the community about how staff will be selecting areas to consider within the codenext process. I believe Hyde park volunteered. I don't know if you've received other areas that have volunteered, but if you could provide us with some sense of how those decisions will be made. Do you intend to bring it to council for some decision? What will be your criteria in selecting those areas? And I apologize for keeping you here so long to answer that pretty simple question.

>> No problem. Thank you, mayor pro tem. Chair, and committee members, good evening. Jorge with the urban design part of the planning and zoning department. I'm one of the lead project staff members of the codenext project. And to answer your question, we have received input from the Hyde park neighborhood with great interest of being one of the target focus areas that we will be studying leading up to the fall workshops currently scheduled for mid-november. November 16th through the 21st is when we are targeting the commencement of the workshop. We have put together a criteria -- a selection criteria that we have shared with the citizens advisory group appointed by the council that starts to look at, holistically, how we could identify unique place types around Austin. These are physical places in Austin that we want to start to evaluate and look at that have commonalties with other areas in Austin that would facilitate our ability to test code standards on those areas.

[7:48:22 PM]

So the entire intent of the workshops in November will be to start testing those actual code standards that we're developing right now. It will -- be testing of code standards so we can calibrate them to a

specific context as we are moving forward through codenext. Certainly, an area like Hyde park would be very representative of multiple areas we have in and around the central core of Austin, and would be a great candidate for us to consider as we move along. We are very close in working with consultants in selecting about six to eight focus areas that we may be able to start commence the testing back when we start in November. And it's not something that we expect to bring to the council for evaluation. It's something that as we move forward through the process, we would identify these places that we can commence the code testing as soon as possible to be able to come up with some shared outcomes at the conclusion of that workshop.

>> Tovo: So, how soon do you think you will have identified those six to eight? And I think the corollary to what I asked before, you have at least one neighborhood that has voiced an interest. If staff selects six to eight and those other communities are not interested, will they still be in the focus area?

>> There is a possibility that we could find representative areas in Austin that could fit a model that would be comparable to those communities that are not interested in being focus areas. So, because an area is interested or not interested doesn't mean that they're a great candidate or not. It just means we could find other places like that, that are not interested in being selected to be able to test one of those code standards. Certainly, those that are interested would be great candidates for us to consider. And so that's our approach as we move forward, that in the next possibly three weeks or so, we anticipate to have those focus areas fairly nailed down and pretty much selected so that we can move forward with the planning of the workshops that will occur in November.

[7:50:30 PM]

>> Tovo: Thank you for that timeline. Within the next three weeks, you think you will have finalized the selection of the six to eight areas.

>> Correct.

>> Tovo: Will you communicate with groups to assess their level of interest?

>> Yes, we have made commitments to the interest groups, and the citizens advisory group to communicate where we are selecting the focus areas, and to also inform any interested stakeholder within the focus area that their area has been selected, and to work in conjunction with the stakeholders to educate them on the process leading up to the November workshop so that they may get involved and learn about what we will be testing, and some of the areas of the code that we anticipate will have great interest of the community for us to start evaluating code content.

>> Tovo: I hate to ask this question again, I wasn't clear on the answer. If you contact one of those six to eight, I've been asked this question a half a dozen times. It was a source of discussion when we were just talking about the general codenext process F. If you contact one of those communities and they say, we do not want to be included as one of your test areas, will you proceed anyway?

>> That's something we can certainly evaluate. But, I want to be clear that any of the testing that we do in the workshop would be a hypothetical exercise. We are not instituting any kind of code on actual places. These are hypothetical testing we need to do on a particular place. There will be very limited mapping we will do to test code product on the ground. If we communicate that to the community and they're not interested, we can evaluate the other options that we have identified, or similar place types. But we will get to a point where we can provide a wide, representative range of places in Austin that would allow us to test some of the more complicated components of the code, as well as some of the low-hanging fruit that we have already started to evaluate.

[7:52:31 PM]

>> Tovo: Thanks. I really appreciate that distinction. I think that's an important point to get out to the community, and I assume if any other interested areas would like to communicate their interest to you, would you be the appropriate contact?

>> That's correct, myself or another codenext team member.

>> Tovo: Thank you.

>> Casar: One quick followup question for my part. Perhaps this is more for you, mayor pro tem, but also for staff. You say a community not being interested in it, how does our staff gauge whether a community is interested or not? Mayor pro tem, how would you -- because you had this discussion, I would want to have some grasp on how our staff would know if a community in its entirety or large segments were not interested.

>> Tovo: It sounded like there's a plan to reach out to stakeholders in the area and reach out to established groups and institute a dialogue between now and November. I assume, in part, because you want some of those community members to participate in the workshops.

>> That's right.

>> Tovo: That would be where I would assume they would hear feedback. Again, I think it's more likely that we'll get groups that want to participate, especially after you explain that the purpose is to see how the code tools would operate on the ground. My assumption is that you would probably end up with more interest versus areas that don't want to be studied, but, again, I've just gotten questions on every side of the issue, and wanted to get answers.

>> That is correct, I want to caveat that if we get a substantial amount of interest in, for example, I'm just going to use the central corridor as an example of too many places that are in the central corridor, that would not be a create variety of representative areas for Austin so we would have to make a staff decision recommendation to evaluate other areas outside the core of Austin, because we know there are many other areas of Austin that are not similar to the core of Austin. So, it's important for us to get as great of a variety as possible of these place types so that we can test the very scenarios of the code throughout Austin, and not just necessarily one particular neighborhood or one particular area.

[7:54:39 PM]

>> Casar: Thank you.

>> Thank you.

>> Renteria: Chair, I have one.

>> Casar: Councilmember.

>> Renteria: Are you going to be reaching out to contact teams or just neighborhood associations, or . . . ?

>> We have been reaching out through the cag, the citizens advisory group. And there's also a training I believe we will be attending next week with neighborhood contact teams where we will be also talking about the workshops and leading -- the work leading up to the workshops, and how not only neighborhood contact teams, but also neighborhood associations can get involved and participate in some of our code walks and interact with codenext staff so that we can further understand and gauge the interest of some of these community groups as to whether or not they would be interested in us either considering those areas for testing, or areas similar to those that they live in so that we can have a wide range of areas to consider.

>> Renteria: If you're reaching out to people in my district, I would like to be kept informed. I'm really interested --

>> Certainly.

>> Renteria: In seeing this, you know, codenext be successful.

>> Of course. I appreciate that. And we have thrown out a wide net of invitations, and very few have taken us up on it. Hyde park has been one that's been very vocal to say, "Test us." And so, certainly, that's one area we can consider.

>> Casar: Thank you.

>> Thank you.

>> Casar: Committee members, I have -- I wish that we had already begun discussion of the short-term rental item so that we could take our break in the middle of the item, but I had promised everybody on this committee that we would get a chance to stretch our legs for 20 minutes and eat food. I know that I, for one, started the day here at city hall just after 7:00 in the morning. And so for us to debate this item well, for us to pay attention to the citizens that have come to speak to us, I'm going to send us into recess from 8:00 to 8:20, unless folks want substantially more or less time for our break.

[7:56:47 PM]

But I think a 20-minute break should be enough time for us to quickly get a bite to eat, not on the dais, but also get us back with some haste. Is there any objection to taking that break?

>> Yes.

[Laughing]

>> Casar: So at 8:20, we will come back, and our very first order of business will be to discuss the speakers. While we are sitting in the back for a second, I will mention to my committee members how many people have signed up to speak so they can think through how we will handle the 200 people that have signed up to speak. I will respect the will of the majority of the committee on how many speakers to allow to be signed up, and how much time they will be allowed to speak so that we can deliberate on the dozen plus items that have been delivered for deliberation this evening. Again, my apologies for the break, but I promise it's for everybody's good.

[8:08:19 PM]

>>> >>>

[8:24:41 PM]

>> Casar: Good evening, everyone. We're out of recess. So we clearly have substantial public interest in the item and I appreciate y'all waiting here, many of you since 4:00 P.M. Or earlier and for waiting through our break. I promise everybody is much more refreshed and I think we will do a better job thanks to the break. Thank you for your patience. We have almost 200 speakers registered on this item, so if we do not change the rules on public comment and if everyone were to speak, which I'm sure some people have left, but just theoretically, 200 people at three minutes is 10 hours of testimony, which would have us here until 6:00, which we won't do. So there's a variety of options that I'm going to ask my committee members to consider. And I'll leave it to the majority will of this committee to decide how to handle making sure that the citizens are heard but that we can also deliberate the resolution that councilmember Gallo brought forward and the co-department's recommendation. We could not limit public testimony or the minutes that the public has to speak and then if the public chose to refrain themselves or if some of the public had left, then perhaps we could get this done at a reasonable enough hour that we would still have time to deliberate on the resolution and policy changes that could lead to better enforcement of our short-term rental rules. So that is one option. It's not limiting it and just sort of crossing our fingers and hoping that we still have some energy and time to debate this at the end. We could also not limit it and just at some point once it gets late enough decide to limit it, but I

would rather give people the expectation up front, to be frank. The other option, my recommendation is that of the 190 something speakers that we have here, that we take the first 60 names and allocate them two minutes, which would at that rate get us at -- done with public testimony at 10:45.

[8:26:45 PM]

We would have the code department's presentation, public testimony, would be done at 10:45, which would give us, if we wanted to deliberate on the resolution for an hour, we could get out of here by midnight. That would be limiting it to 60 speakers, two minutes each. We would prepared out the list of -- prints out the list, if somebody wanted to testify that wasn't on that list, they could find one of those 60 and swap their list on and people on that list could donate time. That's my recommendation, 60%, two minutes each so we can start deliberating at 1045. Also if we do 80 speakers at two minutes each, we will start deliberating closer to 11 to 1145, wrapped up by 1:00 in the morning. My recommendation is 60 at 2. I would also think 80 at 2 is reasonable, but I will leave it entirely up to the will of the committee to decide. If we want to have public testimony, we will continue to have it as long as we can have city security stay late. Councilmember Gallo?

>> First, I want to say thank you for everyone hanging in and still continuing to be with us. My recommendation at this point, I really respect your analysis of the options, but we have a lot of people that are very passionate about this issue. We've been working on it for several months in our council office. And we have people that have been here since 4:00. And I think we need to give everyone the opportunity to speak that is signed up to speak and for the full three minutes.

[Applause] Now, having said that, I think it would be very respectful of your friends and neighbors who are at the end of the list if you hear things that have already been spoken and said, maybe to not speak or condense your speech down a little bit shorter. So that the people at the end of the list are not here at 6:00 in the morning, which is what it would be if everyone speaks the full three minutes.

[8:28:47 PM]

So I would ask, I would say rather than regulate what you can do, I would ask you to just use your common sense and be respectful and as the two senior members of this committee we're going to outlast the younger people anyway.

[Laughter]. So --

>> Renteria: I agree with that. You know, we're here to hear y'all. So I'm willing to stay here as long as it takes.

[Applause]

>> Casar: Great. Then we'll get started. See, I didn't complain that much. I'm happy to hear you all. So we will start off with our first speaker, Benjamin manly. Next is sandy nanda. Neither of them are here. Then sounds like we're off to a good start. Mr. King?

>> [Indiscernible].

>> I think that we will -- we're going to run this in the order that people signed up here and then when we come upon the speaker that has donated time, they will indicate that.

>> Okay. Thank you.

>> Casar: Lewis Goodman. I'm so sorry, I got so carried away with the public comment conversation that I forgot to have the presentation from our code department. So you can be up next. I apologize. See, I was so antsy to hear you all. Director smart, I apologize.

>> That's okay.

>> Tovo: One of the rest of us should have realized.

>> Thank you.

>> Chairman Casar and members of the committee, thank you for the opportunity to address the committee. We will try and be -- I will try to be brief, too, with our presentation so that we can get on with the input from the citizens who are here.

[8:30:48 PM]

We had promised, as directed in the resolution, to come with our findings in looking at and evaluating the enforcement of str ordinance and also the pilot program we conducted in the month of July. So if that presentation is loaded, we'll get started on it. We plan to just quickly go over the definition and types of short-term rentals, the active licenses, where they're located and census tracts and complaints on those, then we'll talk about the July program and then go over the four elements of the resolution. The fourth element, of course, being the recommendation from the code department and then lastly finish up with next steps. These are the types of short-term rentals, short-term rental is a represent tall of a residential unit less than 30 days. We've got several types. Type 1 is owner occupied. Where the -- where the owner allows rental of the entire dwelling unit. Type 1 a is where it's still owner occupied but the owner only allows a portion of the unit. I think the ordinance requires at -- at least a bedroom and bathroom has to be part of that rental. Type 2 is non-owner occupied, where it allows for -- for the entire unit and that could be rented during the year. There are caps in certain areas where no more than 3% of the single family, two family homes within a census tract can be represented out at type 2s. Type 3 was the addition of imagine properties and also there's -- of multi-family properties, also there's a cap there. 3% of the total number of units on the property, 3% within any building. Of course the 25% cap is for multi-family properties that's in a commercial zoning district.

[8:32:54 PM]

This is a quick snapshot of the licenses that have been I should as of August 1st. You can see that type 1, 636 licenses, 1 a, 55, type 2, 358, type 3, 120. That total there is 1169 licenses. Today, checking today, we're up over 1200 licenses that have been I should. So that number is -- have been issued so that number is changing daily. Where they're located, this is a heat map showing where the type 1s are located. So with the heavy red that's where the heavy concentration of type 1s are and you'll see most of those are in central Austin.

[Buzzer sounding]. My time is up?

[Laughter]. I'll try to go faster. Finish my thought.

>> Casar: We've been looking forward to your presentation, I'll donate my time to you if you would like. [Laughter].

>> Thank you, chair. But you can see they are sprinkled around Austin, also, the type 1s and the type 2 is very similar. Concentration in central Austin, but also they are spread out, particularly on the west side and along the lake Austin. This is a heat map showing all of the types together. And, again, that concentration, central Austin, but a dispersal, if are you will, of the str to the north, south, west, all of Austin. This graph shows the str by council district. Mayor pro tem has the highest number of str of each type. Council districts 5, 3, 1, also have some pretty high Numbers and 10.

[8:34:58 PM]

This map shows the licenses, type 2 licenses by census tract because this is where the cap applies and you'll notice that dark red, the darkest red, where we have reached the cap and there's a number of census tracts that have reached that cap. Looks like about -- about 7 census tracts in those areas. In fact, each of those areas pretty much have waiting lists, some as many as six properties, that are on the

waiting list waiting to get in. This is a quick snapshot of the complaints, the service requests, that have called in to 311. That 57% is for unlicensed properties, 166 properties totaling 200 complaints and licensed str's of 43%, so we have a higher -- a higher number of 70s requests or -- service requests or complaints from 311 from unlicensed properties. These are the Numbers as far as a break out of the complaints, the different types of the complaints, noise, overoccupancy, parking, no license, versus alleged illegal activity, which is a number of possible criminal activities as well as trash, debris, that kind of nuisance and it's break out by type 1 versus type 1 and 1 a and type 3. We know that councilmember Renteria had asked for this data and this shows the complaints. Type 1 total of 332 complaints versus type 2 a total of 252. This is just a graphic representation with our color wheel here -- representation with our color wheel here. Showing the red is the area that's the highest, that's a again nation of illegal -- combination of alleged illegal activities involving some criminal types of problems as well as the nuisance violations.

[8:37:12 PM]

The July program was, the str, we call it a pace type of program where you have a combination of code, police, fire marshal that went out on the weekends on Friday and Saturday evenings between the hours of 10:00 P.M. And 4:00 A.M. I think the pilot program was successful in that we were able to see that a lot of the problems do occur during that time. We also discovered that a lot of problems occur after the 2:00 hour when the bars and lounges close, that there's still parties that are going on that sometimes cause nuisance problems in neighborhoods. We looked at -- it was a total of 120, you see service requests that came in through 311 during that month. And 19 of them were doing those weekend hours of 10 to 4:00. Additionally the pace team made 249 proactive visits and they found a number of potential violations that were occurring. You see that 146 is a number, so a number of those things were occurring. This is a quick snapshot of enforcement actions taken and the cost of doing that pilot program. The costs you see up there now is just the cost to Austin code. Approximately \$70,000 annual estimated costs. We spent about 5,831, nearly \$6,000 during that project, but we think that was certainly worthwhile and we're looking at how we can continue that kind of a program going into fiscal year '16. The council resolution, of course, directed us to evaluate and come back with recommendations, so that's what we have for you now. Looking at the first element of the resolution, we were to examine issues and complaints to the city's abilities to get these str's enforced.

[8:39:18 PM]

We received just a great number of suggestions and recommendations from the public. We appreciate councilmember Gallo's leadership and all of the meetings that we sat in on and my staff sat in on and listening to and getting input from neighborhood residents. We also have met with some of the industry leaders and we appreciate their input, also, and their cooperation. We've met with other city departments that are involved. I've already mentioned police and fire, with other departments, also. We've analyzed -- we've pulled out a lot of the data that we could from the Amanda database, which is the enterprise database for code as well as development services, planning and zoning and other departments use to maintain the data on outstanding cases. We also analyzed the complaints that we received from 311. This is just a quick overview of the input that we receive. Over -- I think nearly -- I think over 180 recommendations came from citizens and with some of them being repeat, we -- we ended up with a total of about 101 different unique recommendations and different categories. Some of them type 1, some type 2, a number on over occupancy repeat offenders. A number of recommendations. We appreciate all of them. Our second element was look at our resources and policies and what barriers might exist that make it difficult, if you will, to enforce the short-term rental

and so we've listed some of those things. What changes might be made to existing policies. We're looking at overoccupancy is very difficult to prove, we think that a registry taking, look at the Portland I think one of the recommendations was look at the Portland, Oregon ordinance and it references a registry of tenants and we think that certainly would help.

[8:41:31 PM]

Looking at our local contact requirement and enhancing that so that we have got someone here in the msa area that's responsible for the property that we can contact when we have an emergency, we've got a serious problem in a property. Thirdly, revising the application so that we get more information and we get signatures as to an agreement to -- to comply with the laws and rules of the city, if you're going to operate your short-term rental. One of the barriers, we've found that the degree of evidence that's needed for court has got to be the -- the burden of proof is beyond a reasonable doubt, when we go to court. We've taken cases all the way through the court system only to have those cases dismissed because the renters weren't present as witnesses. You know the renters come from all over the country and sometimes the world and so the degree of evidence needed for court is so high, it's a high bar that it's difficult to achieve. That's why we'll be looking at the administrative hearing process as an alternative to municipal court. Secondly the difficulty proving over occupancy. When the requirement is that no more than six unrelated persons and -- but the renters, if they're not cooperative and the property owner is not cooperative, then it's very difficult, if not impossible, to prove whether they're related or not related. When you knock on the door and say we're all cousins, then, you know, what proof do you have to show that they really are.

[Applause] I didn't expect to get an applause [laughter]. But that's the kind of barrier we're working against. Changes to the legal framework, we're going to recommend some ordinance changes and we will also recommend that we use administrative hearing process. Our legal department has made it clear that we can, that the ordinances do not prohibit the use of the administrative hearing process for zoning violations.

[8:43:40 PM]

And so with that, we will proceed to change our procedures to use the admin hearing officer. Identify additional performance measures and these are some of the performance measures, 311 complaints, tracking those, but also tracking more closely, using our Amanda system, the enforcement efforts. Weekend, pace team, looking at that. Keeping track of the cases that are referred for judicial review. Building standards commission, admin hearing and the court system. Looking at the advertisement violations and we're going to make some recommendations in changing the requirements for advertisement. And looking at the cases that are -- where str licenses are revoked, denied or extended. And expenditures versus revenues collected on the str program. It comes down now to the real meat of our presentation is what are the recommendations come out of the code -- Austin code department. These are the ones that you saw at the -- at a previous -- I think it was the June meeting of the planning and neighborhoods committee. First one was add a penalty for operating without a license. Right now there is no penalty if someone is caught operating without a license. They come in and pay the the same amount that the person who did it the right way would pay. We are suggesting there should be a penalty there. We would add an occupancy limit statement to the application. And to the license that would add a penalty for operating with an expired license as well as operating without any license. Number 4, that we add an inspection requirement as we've told the committee before, there is an inspection requirement for the hotels, motels, rooming houses, boarding houses, bed and breakfast all

of those. But for some reason short-term rentals was left out. So we would like to see it put back in. One of the problems with that we found, too, on the pilot program in July is that we couldn't get in.

[8:45:44 PM]

That we would go to a problem property, knock on the door, the renters just said no we're not letting you in. We can't get in, then we couldn't get the evidence to actually prove that the violations were occurring. The only ones that we could prove maybe was noise if we could measure that noise from the exterior of the property. So we think the inspection need to be added. The committee, planning and neighborhood committee, suggested that we add back in, add in striking the testing the waters provision, which allows unlicensed strs to test the waters by advertising before they get a license and so we certainly support that. And that's why it's number 5 on our list. These are the other 8 that has been added since the last pnc meeting. Number 6 is a registry we talked about before. If owners were required to make -- have a registry of those persons staying in the str, then that would certainly help us deal with the occupancy issue. And number 7 would be to establish occupancy limits and we're suggesting that we set a straight limit for adults at no more than six adults and then if -- if property owners wanted to apply for a variance to that, then they would need to go to the board of adjustment in order to do so. We realize there's some houses out there that are so large that, yes, they could accommodate more people. But should they be allowed to accommodate more and the board of adjustment may be a good place for that decision to be made. Number 8 is we would increase the non-compliance penalty such -- this is primarily, this is similar to an earlier recommendation, but it's primarily here looking at type 2s, if a type 2 operate comes in caught operating without a license with an expired license, we think they ought to pay double, add double the original cost of the license so that that penalty is higher --

[8:47:52 PM]

>> No!

>> Yes! Yes!

>> The reason for that --

>> [Applause]

>> The reason is because it's more difficult from an enforcement standpoint where the owner doesn't live there. If the owner is there in type 1s, we know where to go to talk to the owner and deal with the situation. In type 2s the owner don't live there, sometimes they are all over the country, it takes more effort, more time, that's the justification for a higher penalty on the type 2s. Number 9 we would require str license holder to make sure that the septic system comply was the city requirements. That was a suggestion came up from a residents, we think it's a good suggestion and the Austin water department also endorses this suggestion, too. We would make sure it's inspected and certified that the septic system is built and designed to accommodate the load. Number 10 is local contact, require a local contact to reside within the Austin metro area. And be able to respond within a couple of hours if there's problems. Number 11 is the noise requirements and we find that in the limited purpose areas, the properties are not necessarily subject to the city's noise ordinance, but we want license holders to agree that they will abide by the city's noise ordinance when they become licensed and so that's the purpose of number 11. Number 12 is amending the penalty range for administrative citations. Administrative citations right now the range is from first offense \$20 up to a maximum of a thousand dollars.

[Laughter]. We want to increase that minimum so that if we do before str cases that minimum for the first offense is much higher and so that's something that we would need to work with the law

department on. Then number 13 would be if -- if str is allowed to have a higher occupancy then the parking should be increased on that.

[8:49:59 PM]

That's something that we would work with planning and zoning as well as development services on. So that's our recommendations. Those 13. We call them the baker's dozen and we present them -- we will present them in the resolution to council on Thursday and then if that resolution is passed, we would come back to the council with the ordinance amendments for your approval them at the same time, simultaneously, we would be looking at making changes administratively to increase our enforcement efforts, also looking at working towards implementing that str pace team for evening and weekend enforcement to get that started. We have -- we have some other recommendations for additional resources. We know that some of these things by code, Austin code would need additional resources so we will be bringing those to council during the budget process. Be glad to answer any questions, Mr. Chair, members of the council.

>> Casar: Thank you so much, director smart. I know that you and your department have worked a lot of hours to bring this forward to us. So I very much appreciate it. Committee members, what I would like for us to do, because we have citizens waiting to speak is to not debate the items presented by Mr. Smart right now because we would certainly debate those after citizens comments, but I think it will inform our citizens speakers to understand what was in the presentation, so I'm glad we had the presentation, but if you have questions, I have a few, I think it would be good to ask those questions of director smart right now. Clarifying questions but not leading ones or to debate each other's points yet, but rather to get information and clarity so we could all be on the same page as we get citizen comment. Any questions for director smart, councilmember Gallo?

>> There was a rumor, not a rumor, but a rumble in the audience when you talked about the penalties, increasing the penalties.

[8:52:03 PM]

One of the things that we found out unfortunately, I don't think we have anyone from city legal here still. We do? Super. One of the questions we asked were we limited to the amount of fines and I think there's some state statutes that regulate so that. If you could address that to help everyone understand where our limitations are on fines.

>> The discussion that -- sorry, Patricia

(indiscernible) City attorney. The discussion that Mr. Smart is talking about in terms of penalties, there's two types of penalties that have been proposed. One are penalties for not -- for basically operating without a license or with an expired license and the idea hyped that is to treat -- behind that is to treat it almost as an extra fee that staff, to cover staff's costs for having to do the extra enforcement that's required to determine that someone was operating or not operating with a license or an expired license. The second issue is for the penalties for the administrative hearing process. And that is limited to a thousand dollars.

>> [Indiscernible]

>> Casar: Please, let's give her a chance to answer our questions.

>> Gallo: So on the first example no for no latoiya Johnson and the expired license, are there limitations to the amounts those can be?

>> There will be limitations because there's limitations to when the city sets fees, but I would have to look at the code's cost to do that and so it would be a factor of -- of what staff has done in terms of extra enforcement steps that we have to take and I think that that is also the -- the issue with the type 2s,

particularly if they are not a local owner, staff has to go through additional steps to take care of or to address that issue. So that will increase their costs.

[8:54:03 PM]

>> So I'm not understanding really an answer to that question. So on the first type, which was the penalties of having no license or expired license, is there a maximum to the fee that the city can set for those penalties or is the setting of those fees best -- based on a structure or format so if we said we wanted to set that at a thousand dollars, could we do that or do we have regulations in place that cause us to have caps or upper limits on those?

>> For the types of penalties that code has discussed, as it concerns operating with an expired license or without a license, we will have to look at their costs. So, yes, it would be limited based on what their costs are.

>> Thank you for that clarification.

>> Mayor pro tem.

>> Tovo: But it could be raised substantially beyond where it is now because you would actually have the ability for each property to assess how much time, how much staff time went into that -- implementing code and to enforcing action and then you could calculate it and then assess that fee.

>> Yes. The council would need to adopt the fee by ordinance and there could be -- staff could look at the amount of time that it takes to deal with type 1's versus type 2's in terms of who the owners are, getting those enforcement actions, moving forward in those investigations, they can look at those costs.

>> Tovo: As long as we can verify that those are justified based on staff time and --

>> Correct.

>> You have talked about the thousand fee. That's the maximum allowable but there's no requirement to set the minimum as low as it is; is that right?

>> Correct. So the administrative hearing process is the -- it's similar to a parking citation in terms of the process where they issue the citation, they can request a hearing and the code currently sets three fine ranges up to 20, I think, origins at 20 for the first offense and after that it increases.

[8:56:18 PM]

For zoning violations, we can look at a different structure for penalties.

>> Tovo: Great, so we could set the floor higher.

>> Correct.

>> Okay. Can we set the ceiling higher or is that the maximum for that type?

>> The maximum for the administrative hearing is a thousand dollars.

>> Tovo: Super. Thank you.

>> And it is just to respond to the questions, it is a per day per violation.

[Applause]

>> Casar: I think she has a question.

>> Gallo: The zoning violations, it's my understanding that's actually can be a higher penalty, higher fee for that, is that correct? Is that where the 2,000, somewhere I heard 2,000 for zoning violations.

>> In a different portion of state law, it -- at municipal court it can go up to \$2,000. For the administrative hearings, because the statute has authorizes the administrative hearing sets the limit at a thousand dollars.

>> Gallo: Okay. Thank you. I think that's a real important, the municipal court piece of that answer is really important. Because what we have found, I think what code department has found it's very difficult to actually take these cases all the way through to municipal court. Pushing it towards the

administrative hearing process is going to be a much faster, more successful route to go. Even though the potential hearing could be higher, it's hard to get successful cases through there.

>> Casar: Any other questions? I do have just one brief question for you director smart.

>> Yes, sir.

>> Casar: I think, I think I understand generally how we define occupancy in structures that are not short-term rentals. But do we have clear guidance for your department on what -- how occupancy should be defined in something that may just be rented for one evening? Or how do we go about defining occupancy at a short-term rental where some people are in and out or it's just a one evening thing?

[8:58:27 PM]

>> Yeah. I think that's a good question and it's something that we will still be taking a look at as we look at -- as we look at changing the ordinance to deal with maximum occupancy for str. Right now we define that as someone occupied the property, they sleep there overnight, they stay there overnight, they stay in the property, then they are considered an occupant. Short-term rentals is a little bit different than long-term because they can stay anywhere from 29 days to maybe one day. So we're looking at if they stay one day that's an occupant. If they stay 29 days that's an occupant. They can argue that they don't reside there. They just come and stay for a short time and then they leave. But that's the way we're looking at it.

>> Casar

>> Casar: Great. Thank you. Any other questions? Okay. Thank you so much, director smart. So each speaker will have three minutes. If somebody is donating you time, please state their name when you walk up. They must be present and so I will ask that person to raise their hand and our city staff in the back have been kind enough to make copies of the speaker list to make sure. So please come up, state your name, state who is donating time to you and then I'll ask those folks to raise their hands and people can donate their three minutes to you. Also, I had called Mr. Benjamin manly and some folks said they thought they had signed up earlier. These sheets were handed to me and ordered in the number that they were received by the city clerk and delivered to me, so this is the best that we have as far as order goes. I apologize for that. So our first speaker from the community is Benjamin manly and he has wrote down that he did not wish to speak.

[9:00:32 PM]

Next is sandy nanda. And thank you so much for letting me call you 'and then sending you back. Very kind of you. And after Ms. Nand...

>> Thank you for hearing me out. I think if you look back at some of the earlier discussions, we talked a lot about being data driven and analytical. And I think another thing that was mentioned a lot was what are we really -- what is our goal when we're talking about affordability in many cases. I would ask the same questions here and urge the councilmembers to focus on data and analysis. And what problem are we trying to solve?

[Applause]. It seems like a lot of the problems or the problem that we're trying to solve based on discussion and a lot of press that I've been seeing lately is that there are some short-term rental actors that are bad actors that are packing 20 and 25 people into their places that are causing noise issues, that are causing trash issues, that are causing all sorts of issues that nobody wants to deal with. But I'm not sure the answer to that is more regulation.

[Applause]. For example, we already have ordinances regulating occupancy. Those should be enforced. We already have ordinances regulating noise. Those should be enforced. We went through, I think, a

year or two of long discussions and community input and, you know, we came together and passed these ordinances a couple of years ago. And it just seems like this time it's a lot more rushed. I don't think there's as much community input.

[9:02:32 PM]

I would just urge the council to figure out how we can enforce the existing ordinances that we have as opposed to --

[applause]. As opposed to enacting new ordinances which will just be cumbersome on the short-term rental operators that are trying to be good actors. I'll just give you a couple of examples. I'm not sure that these are the ones under consideration because I've seen a few different ordinances floating around. But one is the requirement to have commercial liability insurance. What I've heard, and I'm not sure of this, but what I've heard is that the providers of commercial liability insurance for short-term rentals will not cover type 1's, so that requirement would pretty much knock out any sort of type 1's. The other requirement about a registry, while I think it is an excellent idea, it just seems unworkable because how can short-term rental operators make sure that every guest signs it? How can they make sure it doesn't get lost or coffee spilled on it? So I just think that again, we need to focus on what is the problem that we're trying solve and I think we need to use data --

[buzzer sounds] Data analysis to solve that problem and I appreciate director smart's presentation of data and I think that we need to use that to figure out the path forward. Thank you very much.

[Applause].

>> Hi, I'm Lois Goodman, I'm donating my name to Dan Easter.

>> Okay. Mr. Easter?

>> [Inaudible - no mic].

[9:04:33 PM]

>> Casar: Okay. Next we will go to Wade Beasley and Justin Culverson has donated time to you, Mr. Beasley.

>> Jennifer Heirs has also donated time to me.

>> Casar: So with two donations that gives you up to nine minutes.

>> I hope to use less. I was going to say good afternoon, but good evening, councilmembers. Thank you for allowing me to be here and speak. It's my first time so bear with me. My name is Wade Beasley. I live on the east side of Austin. I was born in Austin, have lived here most of my life. I've watched the city change over the decades, mostly in good ways. I can assume most of us here don't like the traffic, increased property taxes, increased cost of living in general. Today many of us are struggling to pay our taxes, afford to eat and occasionally basically make ends meet. Strs give us an added income so we can stay in our homes and generally --

[applause]. And generally afford to live in this wonderful city. I rent occasionally on air bnb to supplement my income and allow myself to be a full-time visual artist. I've played by the rules and pay nicely. I pay my yearly permit fee and pay my 15% quarterly hotel tax on time. My neighbors all know I rent short-term. One time a neighbor complained that there was too much noise being made by my guests on the porch which happens to be across from her bedroom. From that time on I posted a note to my guests saying stay off the porch after a certain hour because that's what neighbors do. There was no problem since. It seems the main concern of citizens of Austin is that strs are just party houses in neighborhoods and they would rather have neighbors living there rather than a revolving door of tourists.

[9:06:41 PM]

[Applause]. As an str host I understand that and as a citizen of Austin I don't want to live next door to a party house either. The problem with these proposed changes is many do not address the concerns of the citizens, but are instead are attempts at a one size fits all solution that will potentially put impossible burdens on homeowners making only the wealthiest austinites capable of operating str's.

[Applause].

[Laughter] With increasing property taxes and cost of living, making extra money on str's is the only way many of us can afford to stay in our homes. We add money into the economy through our taxes, but if you make the fees more expensive for all types of str's and require us to carry commercial insurance, it will not be cost effective to do an str. Especially when many of our homeowner's insurance and also air bnb, for example, has insurance that already covers our guests. We add value to the local economy by recommending local businesses to our guests and can provide a level of personalized service unavailable at hotels and larger bed and breakfasts. While hotels bring tourism to downtown, str's bring money directly into our neighborhood shops, restaurants and galleries.

[Cheers and applause] Also many of us allow pets as an example where most hotels do not. Are the additional hotel code rules going to prevent that? How are you going to distinguish between a so-called party house and those of us that are str 1's and occasionally have private parties for our community of friends while we are present? I have an artist friend and fellow host who throws fund-raisers for members of her artistic community. When there's a financial need due to a medical emergency or illness.

[9:08:42 PM]

She also happens to host on air bnb. When she throws a private event she blocks off those dates and doesn't rent to guests. It is vital to both her living and her community's needs that she be able to do both. How will these new regulations affect this and distinguish her from a party house? What happens to her ability to continue to do her str rental if she happens to get a noise complaint during one of her private personal gatherings that has nothing to do with guests or the operation of her str? With the increased tourism demand for rentals in our city that our current number of hotels cannot accommodate it is imperative to have all kinds of str's to handle the additional burden. When hotels raise their prices to 500 plus a night for a room, the locally owned str's help with more affordable options. The thousand foot rule is unfair to those of us that just want to rent to guests during these increased times of need. For example, if I want to rent my home during south by southwest and have another person on the block that does str's year-round I would not be able to help meet that demand during this time of increased need. And just so everyone knows, and give perspective, a thousand foot is more than three football fields. So what are the inspection requirements for hotels and rooming houses? Will homeowners doing str's be required to make their homes A.D.A. Compliant? What happens if the bedrooms are on the second floor? That would be prohibitively expensive and exclude most of us from being able to host anyone.

[Applause]. Also, the current licensing code already called for home inspection before license is issued. There's no additional need for random inspection and any more would be unduly invasive, particularly to center 1's.

[Applause]. Str 1's. Limiting the number of guests to lesser of six is unfair to those of us that have larger homes and can easily accommodate more people.

[9:10:46 PM]

The new rules would make it impossible to host families or family friendly gatherings with more than six adult members. And one more suggestion, there needs to be a clear, more concise information available online. Not just reporting bad actors, but also for the hosts that are trying to comply. Please make it easier to access our accounts online, pay our taxes and stay compliant.

[Applause]. The state's website is a great example for ease of use and clarity. The city's website, however, is not user friendly.

[Applause]. I hope the city council can find a way to address -- to address everyone's concerns about the handful of irresponsible str hosts without punishing the vast majority of us who work hard to be good neighbors and ambassadors for the city of Austin.

[Applause].

[Cheering] Thank you.

[Applause].

>> Casar: Next is Gwen o'bar and bill o'bar.

>> He's not here.

>> Casar: Then we will have up next is bj heinely.

>> [Inaudible].

>> I was number five.

[Inaudible].

>> Casar: I'm just running down the list that I got through the city clerk's.

>> I checked it at the beginning of the night when I was coming in and I was number five.

>> Casar: Ma'am, I'm calling up Gwen o'bar who says she's present. Thank you. Come on up.

>> I'm donating my time to Stephanie.

>> Stephanie, come on up and you will have six minutes.

>> [Inaudible - no mic].

>> Casar: If you will come up and tell us who is donating time to you.

[9:12:48 PM]

[Applause]. Ma'am, if you could pass your name -- ma'am, if you will pass your name along then we can come and check the list.

>> Do I need to let you know all the people who gave me time.

>> Casar: Yes.

>> My name is Stephanie ash worth and I got donated time from palmer core rony, [indiscernible], Sylvia Casper and Craig Casper and John and Syria, but I won't take that much time, I promise.

>> Casar: And can we have each of those persons raise their hand, please? Five hands? So that's six times three, that's 18 -- you have 18 minutes.

>> Don't worry, that's more than enough time. Just wait for Eddie to queue me up here.

>> Casar: And perhaps some of you have been to city council and seen a smoother system. This committee is new and this is why we're on the paper system which is why we have some quirks and it's touch and go. Thanks for your patience and our staff is working as hard as we can to make this work.

>> Let's get started then. My name is Stephanie Ashworth and I'm here speaking on behalf of a grassroots organization called neighbors for short-term rental reform, but really speaking on behalf of everybody who has been impacted by short-term short-term rentals. I am not a lobbyist, I am not a personal professional speaker, obviously. I am a housewife. But I think it's very important to stand up here and to tell you all what we're fighting for. We are fighting to retain our personal property values, to retain the character and the integrity of our neighborhoods where we live, the communities that we built.

[9:14:59 PM]

[Applause]. And we have some concern for the city at large because if this issue is not addressed it could impact all of us forever. Let me see if I can do these at the same time. Okay. The problem is bigger than you think. You will see our city with the council districts up there and those 5,000 -- over 5,000 blue dots represent all the listings on air bnb in the Austin area. Keep in mind this didn't include homeaway, Craig Craig's list, vrbo and other operators that have their own website. We'd like to address a couple of the sound bites that the industry is fond of using. If you look at this letter dated June 15th written to this committee and read into the record, you will see that Joel Ra is. Mussen of the Austin rental alliance makes the claim that short-term rental brings in sun \$65 million a year in -- \$15 million a year in hotel occupancy to the city. That sounded high to us and so Sheri gallon low got us the actual data from the city and what it turned out to be was \$2.3 million a year.

[Applause]. And this is a full year's data. This is from -- from April of 2014 to March of 2015. So this is a whole year. Okay. Something else that's being circulated right now is that our group is trying to get rid of str industry in its entirety in Austin. That is not true. We support an austin-sharing economy. We support str 1's. We have str 1 operators in our group.

[Applause]. These are our friends, these are our neighbors. We feel like str 1's are going to self regulate. If my neighbor goes out of town and she comes back and I say these people kept me up all night.

[9:17:03 PM]

They knocked over my trash cans and scared my trash, she's not going to do it anymore because she's a face in the neighborhood and if she has any desire to be part of our community she will self-regulate. We want people to have their fair share, we want to participate in the sharing economy so we feel like str 1's facilitate that while still maintaining the integrity of the neighborhood and obviously it's a homeowner driven market. What we do not like and what we do not want are str 2's, commercial enterprises operating in our neighborhoods.

[Applause]. They -- str 2's are not homes, no one lives there. Str 2, hotel-motel, nobody lives there. They both provide transient lodging for a fee. They both collect hotel occupancy taxes. They both need commercial liability insurance to operate. Hotels and motels, regulatory oversight in commercial Zones, str two's, noler together oversight and we don't appreciate that. And let's be honest. Str two 2's are an investor driven market. You own one, two, more, that is a business being operated in our neighborhood. [Applause]. Okay, we don't want that, but what do we want? We would like -- we have our group, neighbors for short-term rental reform. We have a report which I think all of you have received and we'll be happy to give anybody else a copy of it. Because of my time restraints I'll just hit the humidities. The ordinance, we agree with director smart it needs to be six adults max. One of the last nights of the pilot program law enforcement rolled up to the blue house on Santa Rita. There were a bunch of boys there, they admitted they were renting it for the weekend.

[9:19:04 PM]

I think there were 12 of them and they started in on this none sense about their triplets and we're triplets and we're all related by marriage. It needs to be six adults, period. It makes it easier for everybody operating and for code to enforce it. Y'all have got to do something about clustering. You have got to eliminate clustering. Try to imagine living on a city block, an ordinary city block, you've already got three str 2's on your block, three. One of which is one of these crazy out of control houses. And now you've heard the property at the end of the block is going to have two more. So how would

you feel? How would you feel if you had to live under those circumstances? And I can't think of a better way to erode a neighborhood and to create a dead zone than to allow clustering. Administrative hearings for violators, we concur. Meaningful penalties. A one-time penalty of \$235 for operating without a license is not satisfactory.

[Applause]. I mean, you give a 500-dollar ticket for blocking the box. This needs to be \$500 every single day these guys operate.

[Applause]. Without a license. Inspections. We concur, the ordinance needs to give code clear directive to go in the front door. There's no reason why str's should be exempt from the other types of inspections that other entities that provide transient lodging are subject to, hotels, motels, bed and breakfasts. Enforcement, yes, we would like some enforcement. Sufficient resource allocation, meaning there are 108 code enforcement officers. Two of them work on str's. Proactive versus complaint driven, we'd like to see them policing, regulating instead of me looking through hundreds of hours of ordinances and calling 311. When we want some operate reporting --

[9:21:11 PM]

[applause]. We were in Sheri's office, we received the list of 311 reports too that I know that I made that were not there, some my neighbor made were not there. Now we have to keep track of the 311 calls and make sure something was taken care of. As far as corporate partners are concerned, we would like for them to become our partners. We need increased transparency for them. We need them to remit the hotel occupancy for us and they need to remove illegal listings.

[Applause]. For everybody that's operating legally it's really a slap in the face for people who are not permitted and are on the websites. Am I asking for the moon here? No. We looked at lots and lots of other cities and you can see these are a few that we take a look at. We like Portland too like director smart does. In the city of Portland there are no str 2's. They do not allow those. In fact, the permit is called accessory short-term rental because short-term renting is an accessory function of the primary function of your domicile, which is long-term occupancy. And that is also clearly defined in the Portland ordinance as 270 days a year. So no majority of the time or -- whatever. You have to live there 271 days. Before you register for your astr permit in the city of Portland, you must first register as a business with the city, the premise must be inspected. All signatures on the application need to be notarized. What you get with your astr permit in Portland is the ability to share your home 365 days a year as long as you are there. 90 days if you're not. The... Is required to be displayed on all platforms and yes, air bnb does collect and remit the hotel occupancy taxes to the city of Portland quarterly.

[9:23:18 PM]

So now let's go home. We're back in Austin. We allow str type 2's. We allow them in commercial Zones. We don't like that. You are not required to register as a business. You are not required to submit to an inspection. We concur. Your licensing businesses where people sleep without an inspection for smoke alarms, carbon monoxide detectors and proper egress. And all of you have seen pictures of these bedrooms meant for one or two people and they have four bunk beds stuffed in there. In case of an emergency we want everybody to get out. That's only reasonable. Okay. Now, here's the issue of insurance. Right now the city of Austin only requires you to have proof of property insurance and that is too general. The recommendation or the requirement for commercial liability insurance we took that from the industry. Homeaway's recommended carrier C biz tells you short-term rental activity is a business and it is for your protection, for the protection of the people that you're renting to and for the protection of anybody who might sustain damages as a result of your business activity. It is to everyone's advantage for you to be honest with your insurance company and tell them what you are

doing at that property. We do not require citizens to sign and notarize these things. We do not require display of license. And air bnb -- [inaudible].

>> Casar: Please let her finish her testimony.

>> And we do not have air bnb collect the taxes. We would like to leave you with this: If you build it for the residents, the tourists will come. If you build it for the tourists, the residents will leave and eventually the tourists will stop coming.

[9:25:19 PM]

Thank you for your attention.

[Cheers and applause]

>> Casar: Ashley haggini. B.j.heimlich. Jessica grace.

>> Hello, I'm B.J. I'm a property owner in Austin. I have short-term rental type 1 and type 2. The examples of the long-term rentals that I do are nurses, UT professors, specifically the missioner school over at UT. I have neighbors that have had pipes break. I currently have someone in my house whose parents are in hospice. She is getting a severely reduced rate. It's good to hear the previous speaker talk about the data. I'm unclear on a lot of the data that's being presented tonight. I'm doing some quick math, and it seems that the fact -- on Mr. Smart's data points that came up -- I might need help with this. Were there 18 violations that were issued? 19 total. For the last year. Can someone clarify that?

>> Casar: I believe you can check with the code department for their exact Numbers, but I believe they presented the number of violations in their pilot program that occurred in the month of July.

[9:27:21 PM]

>> The month of July. And of those, did I understand that there were 2100 registered str's? And I was curious if that number added up with what I got, which was less than 1% of problems in Austin having to do with violations. Is that correct? Not correct? 1200. See, I had the wrong data. So, what I did want to say was that we worked long and hard 2012, 2013, I was up here talking. We got regulations that make sense. We just need them enforced.

[Applause]

>> I think that seems to be the tone from both sides, which I think would be something to look at significantly. I think I am understanding, also, that of the ones that are compliant, you know, they are good actors. So, 99%, by my data, meant that we were following the rules according to the way that they were set up. And the party houses seem to be the exception, not the norm.

[Beeping]

>> That's' what I wanted to say. Thank you.

[Applause]

>> Casar: Jessica grace. Is Jessica grace here? And we're done with the first page. Joan Williams is next. And then Sheila jornegan.

>> I'll be real short. I'm John Williams.

[9:29:22 PM]

I have one house. I've had it since 1980. I built it myself. It took about three years. All I do is rent that house out to people primarily in Austin who have guests and relatives and friends that want to stay in our house. I've got some guest books here. About 500 people that have written letters. I asked them, they talked about what a wonderful time they have in our house and how much they enjoyed it, and they liked the opportunity to be able to come to our house for three or four days out of the year and

spend some quality time with their family. There's only three or four of these. It's on the lake. There's not many places you can actually go and spend a weekend on lake Austin if you want to. Most of the houses are a million or two. Ours, I don't know what it's worth. I didn't pay that much for it, I'm going to keep it as long as I can. I can't afford to live there myself, we have to rent it out in order to pay the taxes. They're, gosh, 12, 1400 a month. We can't rent it out to a Normal person to even pay the taxes. Our nextdoor neighbor runs a loss on it. As far as how we get along with our neighbors, we have no problems. I haven't had problems. I've rented for ten years. We're licensed, we're not in the city of Austin. We don't have to pay city taxes, but we file at a loss. We maintain our occupancy level. We've never had complaints. Our neighbors nextdoor have their kids play with kids that stay at our house. I would like to make the point that not everyone that rents a vacation house is an enemy.

[Applause]

>> And I really --

[cheering and applause]

>> I think this whole adversarial relationship that has evolved since we had the meetings is completely wrong. And I wish you guys would stop with this whole holding up the signs, and vilifying of this and that group. Let's get together.

[9:31:23 PM]

We all live in Austin. We're all citizens.

[Applause]

>> If you do anything at all, let's enforce the regulations we have, because I think that will work.

Occupancy is a place to start. I will help you. In one of the meetings we gave out a hotline and said if, if you have a problem in any neighborhood, call me any time of the day and I'll knock on the door and ask them to knock it off. We can work together.

[Cheering and applause]

>> And solve some of these problems. Thank you for your time.

[Cheering and applause]

>> Casar: And after Ms. Jornegan is Kristen hotop.

>> Hi, I'm Sheila. So, there has been a lot of vilification, and I want to let you guys know, I am a type 2. I have a duplex, I bought it in 1998. I've been a landlord for 17 years. I raised my kids in this house. I ran a day home in the house, helped raise my neighbor's kids, was a seamstress. I built a community and always had rental income. Then I was a single parent and I discovered short-term rentals. I drug us up out of poverty with a short-term rental.

[Applause]

>> This is the first time my kids and I can enjoy some of what Austin has to offer. We met a lot of really cool people. I'm a super-responsible host. My place is clean, it's safe. Everything's fine. So I want to make the point that if you're going to vilify and say that every type 2 needs to go away, you need to think about it. Not every type 2 is the same.

[Cheering and applause]

>> So we have regulations. On the one hand, I had a landlord. He's been a landlord for years. For two years he rented to prostitutes and crack dealers. My kids were watching drug deals go on on the street. Strange women they didn't understand in and out for two years. Nobody ever came and did anything about it.

[9:33:24 PM]

I made phone calls. I had to put up with it. On the other side, I have neighbors who don't repair windows. They're all broken, they have holes cut in the side of the house. They have four or five cars in the driveway at any given time. And there's definitely more -- less licensed drivers than that. There's roosters, dogs tied up in the yard. I know if I call, all I'm going to do is cause a problem for them. They're doing what they can afford already. So, the other point I want to make is, you guys are concerned about affordability. So, I made a choice that made Austin affordable for me and other people are doing the same thing.

[Applause]

>> Casar: And after Ms. Hotop is sun Yung Chung.

>> Two good people donated their time to me.

>> Casar: If you could state their names and they could raise their hands, that would be great.

>> Kristen, Karen, and Phil.

>> Casar: Thank you.

>> Thank you. I think I'm good with three. Thank you. I just wanted to thank the committee for revisiting this issue. My name is Kristen. I'm here to advocate for str reform. And thank you to councilmember Gallo for her leadership. The current ordinance is woefully inadequate. I'm seeing some signs to keep the current ordinance, it can be enforced, etc. But I'm here to say that if it were enforceable, I wouldn't be here tonight. I'd be home with my 2-year-old right now.

[Applause]

>> So unlike the corporate str lobby who brought out all of these anti-reformers, we don't -- reformers like myself, we can't send out an email to five to -- to thousands of our contacts to say, come on down to city hall and, you know, let's agitate to keep things as-is.

[9:35:36 PM]

Status quo. We don't have those resources. We don't have a pre-organized network to mobilize. We don't have lobbyists or attorneys. We don't have the financial or organizational resources they have, but I hope that even if we are -- there are fewer of us, you will not discount reform-minded citizens and what we have to say. So, the problems with the current str ordinance are not limited to bad apples. This is bad policy. It really needs -- it needs some help. The ordinance surreptitiously introduced unregulated commercial activity into residential neighborhoods, overturned residential zoning protections, and all other industries and entities aside from the city of Austin view commercial str-2s as commercial entities, including insurance companies and mortgage companies. You heard from Stephanie Ashworth earlier, who mentioned on the homeaway site, they refer folks to sea biz for insurance. They state, top five things you need to know, number one, short-term vacation rentals are considered businesses in the eyes of the insurance world. It's a business. A homeowner's policy does not cover business activity, and personal liability coverage will not respond to business activities. It's tell -- telling that even the industry refers to this as commercial activity in the case of type 2s. Our rental capacity right now is 97%. 3% of that is not a minuscule amount. We are in a housing crisis. We need these homes to house real people who live here. We cannot afford to sacrifice these for tourist lodging at this point. It's just too much. The 3% cap is too high.

[9:37:38 PM]

And now, I'd like to introduce you to 1210a garden, one of the three commercial strs currently encircling my home. This is a nuisance property. And it operates unabated. There's nothing that the code office can do. It's really hard to raise a 2-year-old in this environment. If I may call your attention to this ad, it states it sleeps 20. Here it says, I host bachelor and bachelorette parties, bands, big-name companies,

businesses attending conferences and festivals. That's very true. I have to deal with it all the time. So, clearly, this property is being marketed to large groups for events. And because I live next to or adjacent to entertainment districts -- if you wouldn't mind forwarding. Oh, there it is, sorry. So, take a look at the interior of this property. There are bunk beds. This is just one room, and there are six beds in that room. Here's a second. This is a three bedroom, two-bathroom house, by the way. The second room. The third room. And even downstairs in the living room, everything folds out to a couch. We like to joke -- my neighbors and I joke that the fridge itself folds out into a bed.

[Laughing]

>> I mean, this guy is packing them in there. I looked at his application via an open records request. He states it's a six-bedroom house that sleeps 24 people. And he was granted a license. He was granted a permit. We need affidavits on those applications. We can't just run this by the honor system anymore, assuming people are going to do the right thing. We've learned now they are not.

[9:39:38 PM]

We need some teeth. So, here's my front yard view. This is just an example, just a few of the nice guys that are stocking up on tons of beer. A couple Thursdays ago, I watched two dollies' worth of alcohol delivered to this property. Well, thank goodness we had some ladies in the neighborhood. This was one weekend in which we had a bachelorette party instead of the bachelor party. And, look, they leave us souvenirs. Aren't they lovely. Routinely violating this ordinance without penalty. This gentleman is an investor. He runs things under the auspices of two lps and one LLC. This is not a neighbor I can ask, hey, can you get your guys to stop using profanity in the front yard, and cursing loudly and this and that. And I'm hearing people say, oh, we just need to enforce this, there are just a few bad apples. No. We have lived with this for a year, and code cannot do anything about it. The owner coaches the tenants not to open the door. When they catch them they lie and say yeah we're all related. The reference to family relation, related versus unrelated, needs to be removed from that ordinance. It is one of the biggest impediments to code enforcement. They cannot prove this stuff, because what are they going to do, take DNA samples? So they have no right to inspect the property to confirm the tenants or the use. They have, again, no way to determine whether the tenants are related or unrelated. They can't prove which members of a large group are actually staying overnight versus which are just congregating at the property. So, the current ordinance does not provide code with the adequate enforcement tools, and it's not protecting those of us who have to live next to these commercial entities operating in an unregulated manner in our neighborhood. I applaud those of you who are responsible str hosts.

[9:41:40 PM]

I only wish that I lived next to a responsible host, unfortunately, this guy runs four properties in my neighborhood and they're all set up with the bunk beds in the same way. He was busted on KVUE last weekend of the pilot program for operating with 12 people who said they were related without a license. And there has been nothing. We've dealt with this for a full year. Nothing has happened. He has received a suspension for two hours, and that's the extent of it. And he runs four to five of these in my neighborhood, so. My ask. What's my ask. Please remove the testing the waters provision so you can actually figure out who is operating an str illegally. Please limit the occupancy to six adults period. Please strike the language regarding relationships from the ordinance. Adopt measures to prohibit str clustering. I mentioned I live in the midst of three, and we have two coming online on the other end of the block. I will be encircled by five commercial hotel properties. That is not okay. I ask you, would you want to live in that environment? Prohibit the use of str-2s for parties and events. And enact meaningful financial penalties. \$500 for somebody who's operating at 1200 a night for a minimum two-night stay is

nothing. That is not a financial disincentive to arrest this behavior. These people have deep pockets. This is an investor-driven market. And 500 bucks, that's just the cost of doing business. I mean, we really need some help here. Give code the ability to inspect with tenants inside. Institute commercial permitting requirements. Require that applicants sign an affidavit stating they understand occupancy limits and are telling the truth on their applications, and limit str-2s to commercial corridors.

[9:43:41 PM]

These businesses have no place in our neighborhoods.

[Cheering and applause]

[Applause]

>> Casar: Thank you. You have three minutes.

>> Good evening. My name is sun Yung Chung. Thank you for your valuable and important services to citizen of Austin. Dedicated civil servants like you and involved citizens like all of us in this room elevates chi, in Asian language, and elevates prosperity regardless of differences in our opinions. Today, I am here to request that you reconsider proposed ordinance change. And I ask you not to make a hasty decisions. I moved to Austin in late '70s to attend school and eventually settled down in east Austin in 1985. We raised our family, grew our businesses there, acquired a few more properties now. I host str type 2 since last November. About ten years ago, we found a charming building for sale on highway 71. Definitely a rescue house. We had it moved to current location adjacent to our homestead. It took many years to complete the renovation and for a number of years, we invited artists to use this space to show their artwork during the art tours free of charge. In recent years, struggling with the rise of property taxes, we decided to try str.

[9:45:49 PM]

Str rather than long-term rental allows us flexibility to use this space for nonprofit organization, friends, and family.

[Applause]

>> My experience with str was somewhat unexpected. Prior to opening, I had heard numerous rumors about how you could go so long. Here is my testimony. All my experiences with guests were 100% positive. Most guests are folks coming in town to visit their family, celebrate anniversaries, attend weddings, job training, and music festivals. A few guests chose our place just to get to know us better as artists. Not only all my guests were polite, considerate, and grateful that I am willing to share my home with them, but also it was an opportunity for me to become a better person in this process. How? When I -- when guests book, I used to think all sorts of things about them, you know. What this person might be like, etc. But when I actually meet them --

[beeping]

>> Casar: You can finish your thought.

>> Anyone want to donate another couple minutes? Okay. All right. Then that will be time up. Thank you.

[Applause]

>> Casar: Thank you.

[Applause]

>> Casar: Next is Kate.

>> Thank you.

[9:47:52 PM]

I'm Kate, thank you for having this hearing. It seems obvious that nobody in this town wants out-of-control event spaces. I'm not really sure why we're even considering allowing those to exist. My situation is very different, and I haven't heard anyone speak to it today. That's why I was so anxious to get up here this evening. Austin is my hometown, and save for a few years in my 20s, I've lived here my whole life. Today I live about a half mile from the house I grew up in, and an airbnb host. Not everybody is benefiting from the good times that our city is enjoying in an equal way. Along with the utility bills that are very high, sometimes over \$400 a month, it's very difficult to make ends meet as a single person in this town. I spent years trying to find the right roommate to fill an empty space in my house. But it was nearly impossible to do. I used craigslist, I've got a lot of Facebook friends. I grew up here. All kinds of recommendations. And basically, it was a never-ending cycle of disappointment and poverty. That's until I found airbnb. In order to be able to afford a decent home for myself, I have to sublet a spare bedroom. There's no other way for me to make the math work. Earlier this year, I started using airbnb and the difference has been night and day. Airbnb confirms the identity of my renter, shows me the reviews by other hosts, provides me with insurance, gives me dispute resolution support.

[9:49:53 PM]

Crucially, it also assures that I am paid. I've gone through all kinds of terrible experiences trying to rent out my room. I've had my identity stolen. I've had all kinds of people not give me money. And at the very best, for sharing half my house, I've been able to get about a third of my rent and bills covered, at best. And here's another use case. This July 4th, my family, mom, dad, brother, sister-in-law and their kids, we rented an airbnb apartment downtown to see the July 4th fireworks just for the day. We all ended up back in our beds at home, but we had a fantastic day downtown and everybody, all the young kids and older people, were able to enjoy it. I'm pretty sure that my situation and the person who was renting to me that day would not survive --

[beeping]

>> All in this regulation. I just have a couple more comments. Resident-occupied short-term rentals are not all party houses. There's solutions on both sides of the equation for a city overrun and overpriced. If you put these rules into place, I'll likely have to give up and move from the city. Airbnb was my last-ditch effort and it's been a huge success. I ask you, does the scale and scope of the party house problem really outweigh the scale and scope of the affordability problem?

[Applause]

>> Casar: Miss, I know that you waited a long time, but the issue is if you're allowed to go over, I would have to allow the same for others.

>> Does anybody have any time?

>> Casar: Donate their time, we have to move on.

>> No one? All right.

>> Casar: Thank you.

>> I would just ask you to consider south by southwest wristbands and trading housing, it's the same thing. There are a lot of use cases you may not have considered.

[9:51:56 PM]

>> Casar: Thank you. I think the mayor pro tem might have a question.

>> Tovo: A very quick one.

>> It sounds to me like your str is a type 1a, is that right?

>> That's right.

>> Tovo: Can you help me understand, if you can do it really quickly, what -- I mean, a lot of this discussion and recommendations are really going to hit type 2s. Which of the proposed regulations do you feel is going to impact --

>> The most?

>> Tovo: Is going to impact your kind of short-term rental.

>> Well, I have --

>> Tovo: And if we have to have that conversation, because of the time --

>> I don't love the idea of you registering thousands and thousands of people in the city, inspecting their homes, charging very high --

[applause]

>> Penalties. Increasing the regulation on my life. None of that seems very attractive to me, but the one that seems the worst is the inspection. Just the idea of --

[applause]

>> Having to have someone come to my home just so that I can do something that most people do. I just want to rent out a room in my house.

>> Tovo: Okay.

>> It's really very simple. It's very hard to find good long-term roommates. If that was easy to do, I'd be married.

[Laughing]

[Applause]

>> Tovo: I appreciate you. Thanks.

[Applause]

>> Casar: Next is Pauline Reuben. And after that, amit ananduela. Both of them work. If you can provide -- at that level --

>> I'm glad I'm following the woman that just spoke. I want to thank y'all for your time. I'm also a type 1. And I also got into it just to be able to continue to afford living in Austin. And I'm finding that I really enjoy doing it. Many of my guests are people who are thinking about living here.

[9:54:00 PM]

They're young professionals, students. Some are just traveling. I've never had any problems with any of them. Some of them have befriended my neighbors and become lifelong friends. I'm sympathetic to the concerns for the type 2s. One of the things that I don't understand is why there is not something on airbnb that requires your listing -- your short-term rental number so that it's impossible --

[applause]

>> To list. Because I know people who are renting out illegally. I'm not going to turn them in, but it's kind of frustrating to know that you're doing your part and others aren't.

[Applause]

>> I had tried to prepare, but, I didn't. I agree with the woman who just spoke that it is -- the reviews themselves on airbnb speak to the quality of your home. You don't need to spend a lot of manpower or tax money investigating and slowing down the whole process of getting approval. My understanding is that there's a whole lot of people trying to rent out their space as a type 1. And when I did it, it was really easy. It's saddening to hear that it's becoming very frustrating. It's much more frustrating to pay the city taxes than it is to pay the state taxes. How hard is it to make a website that makes it easy to pay your taxes?

[Applause]

>> It's like, it just seems really inefficient, as far as that goes. Most of the guests -- to my surprise, most of the guests that stay in my home never -- they don't even drink coffee there. I have a little coffee station, and I offer it to them.

[9:56:01 PM]

They always eat out. So they really are helping the economy as far as all the things that they can go see and do and eat and drink. They use rideshares. I have a driveway that can hold four cars. But most of them use rideshares or they park in the driveway. So parking is not a problem in that area. Now I'm drawing a bank, so I've said what I need to say. I'm happy to give time extra time to anybody else.

>> Ellen and Fiona will be next.

>> Thank you for giving me your time. I graduated high school with your daughter. I love Austin, partly because of how innovative and Progressive our city is, and how open and accepting this place is for all types of people. As a child of immigrant parents, I was always taught the importance of working hard and being financially prudent. In order to make the most of life's opportunities. Home sharing gave me the opportunity to stay debt-free of student loans and be in a position to help my parents that are near their retirement. House-sharing to me is about increasing opportunities for all individuals who choose to participate. In addition, home-sharing provides economic opportunities to the service class that needs it the most through the people we employ to take care of our lawns and clean our houses. I just wanted to kind of say that when we voted you guys into office, we trusted that you would be thoughtful in your -- and logical in your approach on regulations and reform. And, therefore, I wanted to echo mayor Adler's recommendation from last week about making sure that if you're passing anything, that it's the right decision.

[9:58:03 PM]

And so to kind of slow down the process and really make sure that as many people that want to be involved in the process are, and that you're really taking into account a more big picture approach that includes, you know, all of our neighbors, the economic impacts to people that rent -- that home-share and to all the other people that benefit from the economics of renting out your home in Austin.

[Applause]

>> So, I just wanted to encourage you guys to all take your time in the decision and not rush it through.

[Applause]

>> Thank you.

[Applause]

>> Casar: After Ms. Bell, we have Fiona and then Mary.

>> Good evening, I'm Ellen bell, and, yes, I'm Francis' twin sister. Thank you for the time to speak with you. I am a retired principal, my husband a retired software architect. We have lived in district 8 the past 18 years. And in Austin since 1970. We have been str hosts type 1 the past 18 months. 90% of the time we are in the home with our guests. We greet our one to two guests for the weekend, and we serve breakfast to most of them, who desire that. They park in our car port. We have had no complaints from our longstanding neighbors, and we have our license number on our listing.

[Applause]

>> So we are trying to follow the rules. We have been surprised at who rents the two bedrooms and bath. Many guests are grandparents here for a grandchild's birthday, retirees building a house in Austin, proud parents attending a university graduation, businesspeople, and people who just want to explore Austin for the weekend.

[10:00:04 PM]

They're kind of the opposite of party Goers. And we're very clear on our listing that it's a very quiet, 1950s neighborhood. We go to bed about 10:00. We don't expect them to do that, but we don't expect to be disturbed. People stay with us because they want an affordable home stay. They want an insider view of Austin. We recommend local bakeries such as upper crust and Russell's, and restaurants such as the blue star cafe. We consider ourselves ambassadors for Austin, a city we brag about and dearly love. In our year as an str, we've made approximately \$6,000. From that, we keep \$3,000 after paying city, state, and federal taxes, and fees, and buying breakfast items and extra laundry detergent. We use the income to maintain our 1958 house. If any money is left over, we stay in an str ourselves when we travel both in the United States and abroad. Please spend more time studying this issue and how it will affect str hosts such as my husband and myself who are retired professionals who want to meet interesting people and have a little extra for maintenance on our home and travel. We trust you as our elected officials to hear everybody and to make sound policy. Please enforce what's already in the code before adding more bureaucracy -- regulation, and expense.

[Applause]

>> Please address the outliers. None of us want a party town.

[Applause]

[Beeping]

>> Again, I'll just say thank you for your service. Thank you for your quick response to my emails today. I heard from more than half of the council within a few hours. One within a few moments. Thank you so much.

[10:02:04 PM]

[Applause]

>> Good evening. My name is Fiona, the owner of a type 1 short-term rental in district 3. I wanted to give my input about the proposed changes to the regulation about why the proposed changes will not accomplish what you want. As someone who has a successful, well-run, licensed short-term rental, I'm furious and dismayed to find out that there are rental properties that are abusing the system, and no action being taken against them. I want to know what the 25,900 I paid in city taxes, and the 75 for licensing is being used for. It's clear to me from hearing the complaints of my neighbor that enforcement is inadequate. In April I renewed my license and hand delivered the paperwork to the office. Three weeks after I received the license I got a letter saying my license had expired. If the office can't keep the paperwork straight, it's no wonder they can't respond to complaints. I have also heard that there are close to 4,000 short-term rentals -- unregistered short-term rentals. When I first started my rental, I received a letter from the city telling me I needed to register or pay a penalty. Is there no enforcement of that sort going on anymore? If you aren't enforcing rules, why should I suffer? One big complaint is the rentals decimate housing stock. My cottage was not on the rental market before I rented it, and it wouldn't go to long-term. If places like mine are reclassified, the result will be me having to sell my home and leave Austin. Currently, across the street from my house are four two bedroom houses that have been on the market for over a month. They are in poor shape. The landlord is charging \$2,000 a month.

[10:04:04 PM]

They rarely keep a tenant over six months. Greedy, bad landlords come in all varieties. Over the weekend, I saw code compliance is doing nothing to punish landlords of dangerous prospects. It seems

like it makes more sense to beef up enforcement. In short, making it nor difficult and expensive for average residents to comply with the law will result in a larger game of whack a mole. Penalize the bad players and let the rest of us run our short-term rentals in peace. Thank you.

[Applause] Aresh.

>> Casar: Next is Mary sled, and after Ms. Sled, Rachel dent, if you'll get ready to come down. And Suzanne pike.

>> Thank you for your time. My name is Mary sled. I am a native austinite. I'm actually third-generation. I own a short-term rental type 2. The reason why I purchased the property is because my husband and I started a technology company and we've grown that company with the help of our wonderful employees from three people to a hundred people in the United States, Canada, and Mexico. Part of having a company with 18 offices is that we need to bring people to Austin. And we found that we were spending a fortune on hotels, because there are not any hotels near our office, in the zilker neighborhood. We decided to buy a house to start housing our employees and then when it's not being used for that, it's used by our family who are -- short-term rental. This is the house that I bought. This is what it looked like as a long-term rental. And this is what it looks like as a short-term rental. This is an str type 2.

[Applause]

>> I fell in love with this house. I did not offer the most money for it.

[10:06:07 PM]

The other two people offered more. I told the owner that I wanted to save the house and he, like me, had an emotional attachment attachmentto it. The str-2s, particular in the core neighborhoods, are preserving the character of the neighborhood. They are preserving old houses.

[Applause]

>> At \$500,000 for a two bedroom, no one keeps it as a two bedroom. They get torn down or someone adds a thousand square feet.

[Applause]

>> Moving on to the new rules, I've always followed the rules you have for the str-2s. I pay my taxes. The new regulations are frightening to me. There are a number of items that are going to be problematic for a lot of people that have not been addressed. One in particular are the new rules about deeds. I don't know if you've read a deed from a zilker house, but there's unusual things in them. Mine only allows for caucasians.

[Laughing]

>> Other deed restrictions that I've seen in the zilker neighborhood don't allow the service of alcohol. There are ones that require the facades of all the houses to match. And while I'm sure that there are some people think the str owners as tee-totallers, I prefer not to be one of those people. Who owns str-2s, the majority of the str-2s in my neighborhood and zilker are owned by other people who live in zilker. The few that restaurant belong to people in rollingwood or Clarksville.

[Cheering and applause]

>> Another frightening thing about the new rules is that you're asking me to both post my number and then allow someone into my home. By posting the number, someone has access to photos of the inside of my house --

[beeping]

>> Marietta and Larry Walters donated time to me. Someone has my address by looking at my ol number. They have photos of the inside of my house.

[10:08:09 PM]

When you layer on the requirement I have to let an inspector in, suddenly anyone in khakis with a badge from Kinco's can come into my house anytime.

[Applause]

>> You all rumble, it's frightening for those of us who have it as a possibility in our lives.

>> Casar: Sorry. Give me one second. We want to give you the adequate number of time. You said two people donated time? If they could come down and give my staff your name so that we can scratch you off the list, that would be helpful. Thank you.

>> The new thousand-foot rule, if you apply it to Zilker, we go from 41 str-2s to 7.

[Cheering and applause]

>> I think that's more restrictive, than, perhaps, it was planned. I think that's about it. There are really good rules in place, and I think that no one has really attempted to enforce those rules. I would like to see that happen before there is much stricter rules in place. As someone who owns a growing business in Austin, I have to say that it is a little frightening to me, as a person who does business here, to see such a knee-jerk reaction that something came up and suddenly we're here and you're perhaps going to change some rules that it doesn't seem like they need to be changed. So.

[Cheering and applause]

>> Casar: So, we have Rachel Dent and Suzanne Pike. Keri Redley.

>> I'm not Rachel Dent, I'm Suzanne Pike.

[10:10:12 PM]

>> Casar: So, Rachel Dent is not here. So, after Ms. Pike, Keri Redley, please come on down. And Megan, please.

>> Okay. I was given one period of time by Walter Gonzales. It should be on the record.

>> Casar: Is he here?

>> He had a sick child, he had to go home.

>> Casar: We're going to give you three minutes. Somebody might be able to come up.

>> Hello, committee, my name is Suzanne Pike. I've been an Austin resident for about 15 years. I'm an owner, along with my husband, I've owned and managed a type 2 str for 2 1/2 years, pretty much since it was built in 2013. We've been licensed, have submitted taxes, post our license number, etc. Comply with everything. As a senior retired couple, we count on our str to help us afford to stay in Austin, a city that we love. We count on it to supplement our income, to live at a decent level during our retirement. Without it, we would probably have to move to a less expensive area in Austin. Our str is important in many ways, including letting us meet people, increase social interaction levels, and broadening our minds to things outside of our normal realm of experiences. Having the str is a quality of life issue for us, because we don't want to deal with long-term tenants due to negative past experience with year or longer tenants in the past -- other properties. When we bought our home, it was in part because we were aware of the str ordinance in Austin at the time and that it was reasonable. We've proudly welcomed to Austin people from all over the world, from Dallas for a family where the dad was working here, and commuting and seeing his family on the weekends, to as far away as Sidney, Australia. We housed people considering a move to Austin, working on a tech project that resulted in a second stay and a move here to our city, who stayed with us for months while their house was being constructed, business groups, one of whom was here this year to help open a new downtown hotel.

[10:12:28 PM]

And then we housed some of those same people who took positions here and were about to become personal residents and stay with us in the interim. We do mostly monthly stays, but we are licensed to do shorter stays for holidays, events, getaways, or weekends. We have never had a complaint from neighbors. Several neighbors regularly ask us, who's staying next, or where are your current residents from? I want you to understand that we are in our house 95 to 98% of the time when we have guests, only leaving when we have guests we trust. I understand the people here that are unhappy neighbors. Immediately before purchasing our current residence, we rented a house and had an ongoing problem with neighbors who leased the house, a group of men and women who had tons of people over. It was party central all the time. I do understand those concerns. I support and applaud the evidence -- I'm sorry. The efforts of the city compliance department and hope they will be given the means, the manpower, the permission and the teeth to truly enforce the current str code. I find the current ordinance to be a good and reasonable plan. We need a simple, affordable, not overly burdensome ordinance. As the U.S. Council of mayors has stated, "Fair regulation of short-term rentals ensures greater compliance and receipt of hotel taxes, and owners regulations of short-term rentals can drive the industry underground, thus evading taxes." Please don't hurt people such as ourselves who do a great job. We keep neighbors and guests happy and enjoy acting as ambassadors of the city. Thank you for listening. I look forward to your careful consideration of these matters. Thank you.

[Applause]

>> Casar: Ms. Redley. Great.

[10:14:29 PM]

Is that you? Great. We will call up Mr. King so, Mr. King, if you'll come on down while Ms. Ridley gives her testimony.

>> And Pete Gillcrest donated his time. Pete, are you still here? Pete? He's right here. Thank you to everyone in the room. About six months ago, the house next to us went up for sale. My first thought was please, please, please don't sell it to someone who's going to be an absent landlord and want to rent it out. I've heard things from this side of the aisle tonight that I agree with 100%. You guys need relief. And I'm not necessarily representing your side. But I see that. But like you, I've made decisions in my life. I live, Kathy, in your district. And we have a type 1a short-term rental. We've done everything by the law.

[Chuckling] From day one we've licensed. We've had no more than two people in it. We've never had any complaints. We receive five stars for cleanliness and accuracy. And I believe first we should get relief for folks on this side by enforcing the existing rules. And from my perception --

[applause]

>> I do organizational change. I know things happen. But you guys, this is bad government. We have this incredible split between us because enforcement was never funded. And this has spun out of control.

[Applause]

[Cheering]

>> Let's look at the city's strengths. When I call 311, I love 311. Your customer service is amazing, how thorough, effective, and they get back to me and things get solved. That is a strength. Thank you. You should be proud of that. Now let's look at my 29-year-old daughter.

[10:16:31 PM]

She rented an apartment for a year lease. She lived there six months. 16 gas leaks, rats, black mold in the floor. This is a west Austin apartment, Kathy, that's been reported Numbers of times. A thousand

dollars a month rent. You guys have been on the front page of the paper because you cannot take care of long-term rentals being inspected and living up to code.

[Applause]

>> And now -- and I've even heard from this side, don't consequence the good people. Grandfather us. Say, if you have not had a complaint in one year, two years, you guys come up with it, you don't have to be inspected.

[Applause]

>> If there's nothing wrong, don't waste your resources on me and the good players here. Go after the unlicensed people. They are the bad players. They are the ones who have at the vast majority of those complaints. And help this side of the room out. Let's see, what else I want to say. So, lack of funding has caused this problem. We pay \$12,000 a year in taxes. We are about to retire. We have built our retirement based on being able to have this. Like many people here, we've done pta. We planted trees for the heat island effect. We lowered the electric usage in our neighborhood. We are good citizens. Do not push us out.

[Applause]

>> Last but not least, from my point of view, this has been a biased, unfair process where you have not gotten equal input from people like myself. Awana, I talked with someone on the board the other day. They did not vote for this with the Austin neighborhoods. They do not see a problem in the neighborhood. Why are we being penalized? It's not fair. You've heard my points. When I object to most is to inspection. You guys already have a problem with that in the city. You don't need to come inspect me. I've heard about the commercial insurance.

[10:18:32 PM]

We have residential insurance. We have insurance for every renter through homeaway. It would raise each person's stay 25 to \$60. We have 35% of our 90 people who stayed with us respond to you guys and put in comments. They want low cost rentals in the city. Thank you for the work you do. Solve this problem smartly. I'm happy to help in any way. Thank you.

[Applause]

>> Casar: Mr. King, you have six minutes.

>> I don't think I'll need any more time, but, just in case, maybe I can get a backup. My name is David king. I live in the zilker neighborhood, a member of the Austin neighborhoods council. The council has, from the very beginning, opposed type 2 commercial short-term rentals in our neighbors. Our -- neighborhoods. From the very beginning. Back in 2011, when the ordinance first came up, we came up with an industry-friendly ordinance. In 2013, it was weakened even further with a "Test the waters" option, which has created problems now. That's a big loophole. So, this ordinance does need to be strengthened. You know. The definition of insanity is, "Well let's not change anything and expect the same results." If we don't change anything on the ordinance today, we'll get the same results we've heard about tonight. More problems. And we, too, have invested in our neighborhood. We have spent hundreds of thousands of dollars and our life savings in our homes in our own neighborhoods.

[Cheering and applause]

>> And all we ask is that we have some peace and quiet in our neighborhoods. That's really all we're asking for.

[Applause]

>> The Austin neighborhoods council supports this initiative by councilmember Gallo to come forward with strengthening our ordinance to help our neighborhoods.

[10:20:40 PM]

Thank you, councilmember. We support the 13 recommendations that were brought up tonight from the code department. I mentioned section G of the current ordinance, "Testing the waters" loopholes that allow str's to advertise without a permit. This loophole makes it impossible for code to enforce the advertising requirement in the ordinance. They can't even enforce the fact -- the requirement that currently exists that they have to put their permit number. That's currently on the books, but I looked at airbnb, and none of the ones I looked at that were permitted by the city of Austin, none of them had their permit number on airbnb, none of them. So there's no -- it's on the books, but it's not being enforced. They can't enforce it because of this loophole. So we do need to fix the ordinance. And there's been misinformation tonight about where we stand on this. Type 1s are useful and beneficial to our neighborhoods. And to our families.

[Applause]

>> They are true sharing economy. They are truly helping to make the homes affordable. But type 2s are not. They're commercial operations. At \$2,000 a night in my own neighborhood, the zilker neighborhood, that's not an affordable. That's a type 2. Adu, \$2,000 a night. That drives up rental rates for all the rentals in the neighborhood. That's not affordable. It takes off -- that house off the market that could be used by a family with children who could live in our neighborhood and go to our schools.

[Cheering and applause]

>> That's all we're asking for, is make more homes available for families with children to come into our central Austin neighborhoods and go to our schools. That's all we're asking for, and there are 81 short-term rentals in the three census tracks that make up the zilker neighborhood area.

[10:22:40 PM]

81 type 2s. 81 homes. If even half of those were available to single-family homes to families with children, and each one of them had one child, that would be 40 more kids going to our zilker elementary school. It's struggling to stay open now, so this is important for our -- the fabric of our neighborhood. And we do need to -- I think the next step we need to take in terms of strengthening this ordinance is to ban type 2s from our residential neighborhoods.

[Cheering and applause]

>> They can operate, but let them operate in the commercial zoned areas of our neighborhood.

[Applause]

>> That's what commercial zoning is for. It's for those kinds of uses. It makes sense that they would be allowed, just like other hotels. So, yes, these requirements for insurance and inspections, and Ada, Americans with disability act requirements should be imposed on the commercial type twos.

[Applause]

>> Are they really sharing if you can't afford to stay there, or you can't even get into because it's not accessible? I don't think that's true sharing economy. We need affordable housing, but type 2 str's don't provide that affordable housing. So, that's one solution to helping the affordability issue. I checked all of the 472 type 2 str's that are on Amanda, and either active or being -- they're in process right now. And of those, 80 of them are LLCs. 80 of them are LLCs. So those are companies. Those are not families who own another home somewhere else in the neighborhood trying to stay in that neighborhood, these are companies.

[10:24:45 PM]

They don't live here in our city. 92 of them are owned by people who don't live in Austin and 18 of them are owned by trusts. And of the active and pending type 2 permits, 33 type 2 owners own two type 2 str. Ten type 2 owners on three type 2 str. Three type 2 owners own four type 2 str.

[Beeping]

>> One type 2 owner owns ten. One single owner owns ten type 2 str. So, what you've heard tonight, here's some data to give you a different perspective on what's going on. Was that my six minutes? Could anybody donate to me? Okay, one more. Okay.

>> Casar: Please, bring your name to my staff up here up front. Thank you.

>> Okay. In Travis county, the Travis central appraisal district, I looked up the values of these homes, ranging from \$63,000 to \$18,527,227. Ten type 2 str are valued at over \$1 million appraised. One is appraised at over \$3 million, and one is appraised at over \$18 million. And when we look at the complaints in these str, there are 332 complaints for type 1s, which is 52% of the total complaints. But, type 1s have 636 licensed, which is 54% of the license. So, when you look at 54% of the license, 51% complaints, and then you look at type 2 str, they have 41% of the complaints and 31% of the licenses. So, there are more complaints per type 2 str than there are per type 1 str.

[10:26:47 PM]

The complaint rate is higher. And so, I ask you to consider this information. The bottom line is, type 1s are good for a neighborhood. They help us with affordability. They help families who are struggling to stay in our neighborhoods remain in our neighborhoods. Type 2s do not do that. In fact, I talked to realtors who tell me that if their customers know that there's an str in the neighborhood, they don't want to buy the house that's next to it. Regardless of what you might hear from the Austin board of realtors.

[Cheering and applause]

>> It's not just the noise problem and the nuisance problems that are harming our neighborhoods right now. It's people who would like to come live in our neighborhoods but say, oh, no, I'm not going to live over there by that type 2 str. They get discouraged. And now that home becomes another type 2 str. And we get clustering. So what I'm asking you to do is let's move forward with banning the type 2s. Let them operate in the commercial areas.

[Cheering and applause]

>> And let's strengthen the ordinance so if there is a problem str that we can do something about it and bring relief to our neighborhoods here, and our people who are -- who have invested so much of their lives into their homes. That's what I would ask from you today. And thank you for listening to me.

[Cheering and applause]

>> Casar: Next is Pam bell. And if Ira rush would come take the podium next to Ms. Bell, so that we can get this moving. Are either of them here? If not, next is Travis Summerville.

[10:28:52 PM]

>> Thanks for having me. I've been an Austin resident for 25 years. And I run a successful type 1 and type 2. And the first thing I want to encourage is, please take your time with this regulation. I don't think I can cover all my points in three minutes, so let me pick the most important ones. You know, one thing I keep hearing coming up is the idea of commercial usage for a home. And I want to remind everybody in Austin that there are a lot of cottage industry usages such as running a small daycare. If you look at the single family zoning laws, you can actually run a type 1 and type 2b&b. There are a lot of things you are allowed to do with your home. It is an investment. I'd like to stop focusing so much on the fact that

someone makes the money, that this should only be put in the commercial Zones. I think that's a little odd.

[Applause]

>> The next big point I don't think I've heard addressed head head-on would be that I see a lot of Numbers talking about how many complaints there are in str-1s. But I haven't seen that accurately compared against regular home occupants.

[Applause]

>> I really don't have enough time for a full anecdote, but, when I lived in the 78723 zip code, wow. I had the worst long-term neighbors. Beer cans in the front lawn, pickup truck blaring horrible '80s rock music. I would've taken five days of so solace and two days per weekend of foreign exchange students from Iceland or Japan any day.

[Applause]

>> I'd like to go on about, you know, how happy my neighbors are.

[10:30:53 PM]

They get very excited when our guests come over. Just a quick anecdote, during south-by, we had the drummer Travis barker from the band blink-182 stay at our house. Unfortunately I wasn't there for the garage band party, but he played for all of my neighbors, a private party, and their 12-year-old son got a sign drumstick and a private drum lesson. It's these types of experiences, they're positive. They happen all the time. It's fantastic.

[Applause]

>> One really important point that's kind of disturbing me is the inspections. I'm wondering how homeowners in general would feel if you're having a party, let's go ahead and extend these inspections where code enforcers can come in your home, check everybody's id at your party and make sure, who's staying tonight, who's not? That's what it feels like. I'm very against that part of the amendment. It almost seems like -- I'm not a lawyer, but a potential violation of federal rights.

[Beeping]

>> Well, those were my points, and I appreciate it.

>> Thank you.

[Applause]

>> Renteria: The next person is karat Havey.

>> Renteria: Sorry, I couldn't --

>> Casar: See, it's a hard job.

>> It's not an easy name. I understand.

>> On the computer.

[Laughing]

>> So, I want to address a couple of things. I hesitate to address some of them, but I'm going to anyways. I originally had an str-1. My family grew, we outgrew it, bought another house, but we kept it as an str-2 now. We were in that neighborhood, we're still in that neighborhood. I go over all the time. My neighbors look forward to seeing us. They are the ones that rent my house predominantly for their friends that come so they can have a place right down the street for their guests.

[10:33:00 PM]

It's an str-2 that I still consider to be my neighbor. I'm now in another house that I use as an str-1. I take care of both of them completely. I happen to live down the street from the broken spoke, who has gotten squished. Their parking is quite tiny. Our street, you can tell when it's a good night to go there,

because our street is covered in cars. That's what street parking is for. I'm not going to complain, that's what the street is made for, so people can park. If you have a house that has multiple cars because they rented it for a nice, that's what street parking is allowed for. I happen to have a house that can sleep more than six quite comfortably. Often, my family, my kids will have a sleepover. My family itself, we have more morethan six people in our house just from our own family. They don't cause a problem. My house can sleep more, but it's not a party house. These people come to go to downtown, to explore the bars, the barbecue joints, they're here to be in Austin. They're not here to, like, hide away in a house and party. I think there was some assumptions made. I think if you wanted to do something with str-2s, if you want to own an str-2 in Austin, have a homestead in Austin. Because then at least you're invested in Austin so that if you have str-2s you're living in Austin and you are able to -- go to your str-2s. We have been advised several times to get an LLC, so making the assumption that because a home is owned by an LLC means the person isn't in Austin is an assumption you really can't make.

[Applause]

>> The last thing when I wanted to get my house inspected to be legal, because we've always been legal, they came out several times because little things like my water heater had to have a shutoff valve.

[10:35:08 PM]

My stairs had to have the correct type of railing, so that had to be changed. They wanted the CO2 and the smoke alarms. I had to have all of that stuff. Saying those things aren't required, there was a lot of misrepresentation of what is required. I've gone through the process several times, those things are already required. We're already abiding by those.

[Applause]

[Beeping]

>> Please don't rush. Please don't rush this. That's all I ask.

[Applause]

[Cheering]

>> Casar: Roger Cavin, is roger Cavin still here?

>> I'm donating my time.

>> Casar: Great. And after Ms. Montgomery is Mary Berson.

>> Good evening, councilmembers. My name is Julie Montgomery. I am a central east Austin resident, and an ora member, and also a soon, first-time mom to be. I wasn't brought out by a corporate lobby, I don't have a sticker on. And I don't even run an str right now. I'm a former str host. But I'm not right now, but I wanted to be here because I do care about average austinites' ability to continue to live here. I grew up here. I've seen it change a lot, and I don't want the character of our population to change. You know, it's funny, because I came here prepared to throw type 2s under the bus. But after hearing all this testimony, I feel even more than ever that it's really an issue of enforcement and going after the bad actors in the market.

[Cheering and applause]

>> I don't understand what's the holdup with the code compliance department, or with city legal.

[10:37:09 PM]

But those things do need to get worked out, because we've got ordinances, and we've got a system in place -- a licensing system already. So why don't we take their licenses away if they're bad actors? I feel for christen hotop, we worked together, and that sounds like a horrible situation. I wouldn't want that either. So, let's make the licensing program actually work.

[Applause]

>> Take it away from someone whose causing problems all the time. These places that are advertising they can sleep 16 people, that's advertising in violation of the code.

[Applause]

>> If I understand the ordinance correctly, you can already revoke their license for that. I would just say, also, you know, there's been a lot of talk about the "Testing the waters" loophole. And while I supported it being put in in the first place, I understand it's causing issues now. I would ask that if you take that away, that you please, please, please do whatever you can to reduce the barriers to entry to compliance with this program in the first place.

[Applause]

>> If you lower the registration fee, you will get more people participating. I have friends text me because they know I've been a host that was in compliance, and playing by the rules, asking me, "Do you think if I don't register I'll get caught?" And it's because they don't want to pay \$285 so this they can rent it out for a couple hundred dollars for one week, you know. That's -- reduce the barriers to entry, you'll get more hotel occupancy taxes out of it. Make it easier to pay the hotel occupancy taxes online. When my friends text me, I can say, go ahead and register, it's really easy to pay your taxes and it only costs 50 bucks. Bucks. please don't authorize random inspections. That's super duper creepy.

[10:39:11 PM]

[Cheering and applause]

>> Please also don't require commercial insurance. You're just going to drive type 1s completely underground where there aren't these protections that airbnb affords. Those are my main points. You've heard all of the other affordability arguments that have been well-made by the other speakers. Thank you for taking your time with this issue and thinking about it carefully.

>> Casar: Ms. Montgomery. We have multiple people wanting to ask a question.

>> Renteria: I was going to ask you a question. People complain -- the inspector comes. Saying you're in violation, you have too many people in your house, but you're not allowed to verify it so we can't do anything about it. How would you solve that problem?

>> Between the noise complaints and, like, the trash and the parking problems, you know, we saw from the code department all the various kinds of complaints reported. Couldn't you build a case against problem properties? Couldn't the code department build a case?

>> Renteria: We have a couple of those cases that didn't go nowhere because we couldn't prove how many people lived in there, how many people were occupying that.

[Applause]

>> But does it have to be occupancy that's the issue --

>> Renteria: You have 15 or 20 people inside that house, but you can't verify that's how many people are in there.

>> Aren't they also causing other problems that could be the basis for revocation?

>> Renteria: Yes, there's noise. But they're not allowed to go in, so you can't even tell. You know, we have gone out th there. The code inspector has gone out there, a complaint. They all go inside and they say, nope. There's only five or six people. They won't answer the door. They will say no.

[Applause]

>> Renteria: How can we enforce that if we're not allowed to go inside the house to verify?

>> I would suggest that we pay for more code compliance officers to stake out the problem properties that we know are causing issues, and I do think that if we make an example out of a handful of the real problem properties people will stop feeling like they can get away with this.

[10:41:27 PM]

[Applause]

>> Renteria: What we're going to do is look into raising the rates on str-2s so we can pay these enforcers to be out there. Get them out of that place.

[Applause]

>> Casar: All right, thank you. And I think the mayor pro tem had a question as well.

>> Tovo: I did. Thanks, Ms. Montgomery for your comments. I know you described yourself as on the board of ora.

>> I was an original founder, but I am now just a member.

>> Tovo: Okay. I wonder if you could help me understand, one, if ora has taken a position on this. I'm looking at the Facebook page, ora's Facebook page talks about abundant housing and the need to permit the construction of more housing including multifamily dwellings within our urban core neighborhoods, etc. I guess one of the concerns, as you know, that has been raised about short-term rentals is that it removes up to 3% of the housing stock from every census tract, and converts it into short-term rental use. And so -- and that does not take into account those accessory dwelling units that maybe would otherwise, potentially, have been long-term rentals, but are now only being used as short-term rentals, because they are outside the 3%. Would you address that question? I have trouble reconciling an organization's call for abundant housing with potential support for this.

[Applause]

>> Tovo: And, again, I don't believe they've taken a formal position on it, but I may be wrong about that.

>> Well, I can't necessarily speak for ora, because I don't know that we've taken official positions beyond the Adu paper. But, I am glad you asked about it, especially with regards to the ads. We want to be able to build one ourselves. We've been held up by the parking requirements and those sorts of things. But, I would actually suggest that there are contexts in which allowing occasional short-term rentals in adus would be beneficial.

[10:43:38 PM]

For instance, we would really like my husband's parents to be able to come stay with us after the baby is born. They could come for part of the year, probably not the whole year. If we could rent out the granny flat short-term, some of the time, that would certainly help us be able to pay for constructing it in the first place. While his parents were here, we wouldn't be charging them any rent at all, so that would be extremely affordable housing. With regards to the 3% on type 2s generally in the city, I think our problem is much bigger than that in terms of the under supply of housing. We need taking all the different approaches that we can to get more housing here. I don't consider myself a type 2 advocate, but after hearing tonight's testimony, that's why I was saying I feel like it's more an issue of bad actors. We need to be doing everything we can to increase housing, absolutely.

>> Tovo: Thanks. I appreciate those comments.

>> Casar: Thank you for taking the time, and congratulations on your growing family.

>> [Laughing] Thank you.

[Applause]

>> Hi, I'm Mary Jane, I've been in Austin, I'm probably the oldest one here. I've been here a long time. First of all, I just want to make it real clear that our concerns are not with str-1s. As far as I know, they seem to be overall -- there's a few bad apples that aren't registered or are not owner-occupied and try to skirt the system, but I'm here about str-2s. And a lot of things have already been said, so I've made them shorter. First of all I'd like to say I'm a small business owner in Austin. I own a coffee shop, my husband and I. Our annual fee to own a small coffee shop is \$456 a year. And that is a huge part of our profit, because we are tiny.

[10:45:38 PM]

We're a little tiny drive-thru, and the str's are a much lower fee than we even have. In addition, we have to pay a personal property tax on all of our refrigerators, freezers, coffees, cash register. So we have that additional tax. In addition, we pay a hefty sales tax on all of our product to the state and to the city, and we employ five people who then contribute to the economy of Austin. So, I really -- you know, and plus, we have commercial electricity and commercial water, which means as you probably know, our street cleaning is triple what a regular resident would pay. So I have issues with an str being labeled as a hotel tax, and thinking they don't have to take out commercial. I called state farm today, is they would not insure me as an str-2 for our home. They said I had to take out commercial insurance. I have issue with them acting like a business, making money like a business which they are doing, but not having to have the responsibility of a citizen of Austin.

[Applause] Aresh.

>> We have a timeshare in maui. People that rent for short terms of time do not contribute to the economy. They tend to eat in their apartments and condos. They tend to not partake as much in tourist activities. They don't go to the cleaners. They don't partake in daycare. They don't participate in the school. So, maui actually raised the property taxes substantial of nonresidential owners. And our property taxes went from \$7 per thousand to 14 per thousand to offset what the people that are in timeshares do not contribute to the maui economy.

[10:47:41 PM]

So, these people are not contributing. What we have seen from the str across the street from us, it is not contributing. They come in, they get drunk, they party. Thank you.

[Beeping]

[Applause]

>> Mike is next, and after that, I can't tell if this is Mr. Or Ms. Speltak.

>> Okay, thank you. I'm married to that woman right there, so a lot of this -- I'll skip the redundant parts. But first of all -- I'm a computer guy, so I'll use some terms here. What this has turned into is an incredibly complex problem, in my opinion. And the reason I position it that way is that I came here in 1977. We've owned a lot of homes, done a lot of investment in Austin. We've raised our kids here. We retired here. And the thing that I've noticed in the last three years, all of a sudden there was this abrupt short-term rental policy put into place, which seems to have disrupted the entire -- I'll call it confidence - that people make with the city of Austin when they buy a property.

[Applause]

>> And I think the challenges -- the complexity is -- and by the way, I think my angst, and I think Mary would agree, is not with these people right here. It's with you, because my contract is with the city of Austin. My contract when I bought a property -- and I'm sure you had the same situation over here -- is that what are the rules and the regulations that enforce that and police it, and manage it. That is the problem that I see here. Now, the second point I'd like to make, I think there's one thing that, aside from being public, the only people in the county that know what str means here, but I think everybody here is trying to make money.

[10:49:43 PM]

Let's talk about money for just a minute. When you look at the stakeholders that come together and create this business model, call it str-1 or 2, the interesting thing is that everything tends to make

money, including the marketing companies. The state of Texas gets some amount of hotel tax. The city gets some hotel tax. The property owners, they get revenue to help with their property tax, for example. The only stakeholder that has never been participating in any of these discussions and happens to lose money are the neighbors of certain str.

[Applause]

>> I'm not talking about all the gray-haired people over here on this side, perhaps. But the fact is that a lot of people on my street are -- you know, we're like an end game. People have made money in their life, saved it, bought a house, sold it, bought it three or four times. And now, I'm looking at the situation across from our home, and I'm thinking, you know, if we had to sell this thing next month, we'd get about half of what we paid for seven years ago. And I've had that verified by two different real estate people combined with the fact that if you wanted to have an open house, and out my front door are nine pickup trucks over there in this hotel with a bunch of people in the back in the pool having a good time all day long, all night long --

[beeping]

>> You know, you can see how it's going to end for us. Thank you.

[Applause]

>> Casar: Mr. And Ms. Beltak. Darius sitsman, and as me comes up, next is yannis. Just to let you know, if you're donating time to somebody, that means you have donated it away.

[10:51:46 PM]

You don't still have your time. If I call your name and you already donated your time, just let me know and we'll go on to the next person.

>> All right. Wow. A little nervous. So, I'm a father of five daughters, and we rent our house short-term. Our primary residence. So we're short-term 1-type folks. We love being what I would call an ambassador for Austin. We love welcoming people, the whole thing. It's a great thing that we really enjoy. And it allows us to -- like so many of the folks talked about today, it allows us to -- when people are staying in our house, for us to take our daughters and go to different destinations around outside of the country or around the country, or even just outside of Austin. And it really enhances my daughters' view of the world and of life. And I think that's really valuable. The specific point that I wanted to talk about, and so many people have talked about so many great points and did such a great job. I appreciate that and I really see the complexity of this issue. What I wanted to talk about is, as I said, I'm a short-term 1. And our typical guests -- with five kids, my house is not small, right. My house is a large house, right. And with five -- so, a large house. Our typical guests are a family event coming in, right. So they're coming in for a graduation, they're coming in for a wedding, they're coming in for one of the kids moved to Austin so the parents want to come and the sister from Seattle flies in, whatever. That kind of a scenario is really our bread and butter. That's typically who rents our house, so it's multiple people. And so you can see what my issue is. Is if you say I can only have six guests in my house, you know -- and I understand. My heart goes out so big to so many of the families with the overabundance of guests.

[10:53:53 PM]

But, the complexity from my side is, if I can only rent my house out to six visitors, it, you know, my own family couldn't even stay there. You think about that, what my daughters are adults, one of them gets married, we couldn't legally all come and rent my own house. So, that's my side of the --

[applause]

>> That's my side of the complexity about the six belly buttons. So. That's really all I had. And I really appreciate you guys taking the time and considering this, and thinking about -- obviously, it's very complicated. So, figure a way to fix it for these great folks over here. Thank you, guys.

[Applause]

>> Casar: Yannis. Rob Norris. Matt Ford. Sam Lauber. Man, we're getting through people quicker now.

[Laughing]

>> Casar: Hank lidec. And after Mr. Lidec is bob Easter. And I understand that some people donated time to Mr. Easter, so if Mr. Easter could come up.

>> Hi, I'm hank, the board president for green shores on lake Austin. I originally was going to speak about three things. One was the inspection requirement. The second one was the penalty as a deterrent. And the third one was the accurate reporting. I think a lot has been said about those tonight, so I'm not going to repeat it. But this whole thing of inspection is really important. I know that we have been involved since the very beginning on this, when councilmember Gallo had a town hall meeting. We brought to the attention of the district 10 3900 pierce, which has an active operating license and had thrown a huge party called young nation, splash the runway mansion party.

[10:56:09 PM]

And another massive party, that without the right to inspect, code compliance couldn't do anything about it. Then later, we had another large house that I spoke to at one of the events, \$65,000 a week called the echelon on lake Austin, operated by an LLC. That property now is applying for a short-term rental license. It currently has a hidden password-protected website, oit's an illegal listing. It's now completed its hundred-car parking lot. And during the pace issue, code was not able to gain entrance. So they came down to our park. They looked in the back. There were, you know, 50, 60, 100 people there. Without the right to inspect as the party was going on, they couldn't do anything about it. I'm not even clear if that violation is even part of the record because of that lack of inspection. On the other property on 3900 pierce, we have been told by the owner there that they treat the penalty as just a cost of doing business. They actually pass it through as a deposit. It says in the rental agreement if there's any fines in place, they'll just pass it through to the renter. So this whole notion of having a penalty of, you know, \$280 or \$580, it's so trivial when it gets passed right through that I don't -- I really think what needs to happen is code has to be in a position where they can revoke str's and where they can deny str's. There's got to be some sort of three strikes and you're out. There's got to be something more than --

[applause]

>> A penalty. The other thing that's been said over and over tonight is let's all slow down. Let's maintain the status quo. And, you know, if you're a type 1 renting in good -- you're good with your neighbors, you shouldn't have anything to fear about having stronger rules.

[10:58:15 PM]

[Cheering and applause]

>> You know, earlier tonight, code said that 57% of the complaints --

[beeping]

>> Roughly 200 were for cases where there was not a current operating license. So you've got to stop these guys that are trying to operating under the wire. And 153 of them were places like 3900 pierce, where they are blatantly breaking the rules and code can't inspect. So, thank you very much for your time.

[Applause]

>> If I can answer any questions.

[Applause]

>> Casar: Thank you for your comments. And I believe license revocation is on the table as something this committee could discuss. Mr. Easter. And I have listed here Lois Goodman, Jessica Grayson, mark Littlefield as donating time to you. Are they here?

>> She was here earlier and spoke.

>> Casar: Yes, that's right.

>> And also mark Littlefield is here.

>> Casar: Is Jessica grace here? Okay. That's nine minutes. If you need more than nine, perhaps somebody from your group can give you more.

>> Thank you, councilmembers. I'm bob Easter, vice president of the Austin rental alliance. And I want to speak on behalf of the short-term and long-term long-termrenters in our city. I'm the owner of a type 2 short-term and long-term rental property. I've been an Austin taxpayer since 1969. For over five years, I've never had a code complaint filed on my property. This year, my property will be leased seven months as long-term renters by three Austin families. By three families. One family spent two months. They teach over a thousand Austin kids soccer camps every year.

[11:00:15 PM]

They have come for three years in a row. Another family spends four months in another family spends four months in my property and their grandparents and have grandchildren here and were here for the arrival of their latest grandchild. Another couple were former austinites and they come back for medical treatments, and they have leased from me twice this year for a week at a time. This is their second home. Ara has worked with code director smart for the last four years. We want strong enforcement. Ara's goal is to find the real data, as what's causing these problems. We also want the record to reflect that our Ara members stand side-by-side with neighbors that party houses or disturbances should not be allowed by any short-term, long-term, or any homeowner.

[Applause] In addition, the record should reflect, as owners, our properties are leased for short-term and long-term, so there's a trade there, where some people come for a week, some people come for four months. There is some confusion by city council members that short-term rentals are always leased for short terms only. In fact, some neighbors want to when they're having their homes remodeled, and Austin residents who may have sold their homes need a short-term rental property until they have purchased a new home, and we have new families moving to Austin who have to have a short-term rental until their home is built or they have a closing.

[11:02:30 PM]

Austinites are leasing our properties also for families together, for special events, weddings, anniversaries, grandparents to come. There's a reason these Austin families continue to ask for rental and short-term times. And it's so ironic, there are austinites all over this city who travel the world and stay in short-term rentals. I have an important question to ask everyone because I'm coming from my heart here. Tonight if you went home and your home had been flooded or burned down by a fire, where would you put your family until that home was rebuilt? Would you put them in a hotel with children and pets? I don't think so. When we had the fires in Austin, Texas, in bastrop, we had families come with nothing but the clothes on their back. We need to understand this is available housing for people who need it, and for us to not -- not understand that austinites are using these short-term rentals also. That's a fact. And the other fact is, we have to remember that when councilmember Gallo had her press conference, we were there. We stand with these neighbors that no one deserves to have parties on their property, next to them, or disturbing them. We have always been there. We have always said that.

[11:04:31 PM]

One meeting -- but after that press conference, we had one meeting with councilmember Gallo, and last Friday we had another meeting with councilmember Gallo. But the problem is that code only came out with their recommendations last Thursday. And our members have not had time to look at the recommendations and consider all the implications. Ara members have not been able to meet with city council members because you all are under a crunch with your budget. We've called. We've asked for meetings. We cannot get them scheduled. We are also trying to figure out exactly how many problem properties we're talking about. We think the number is between eight and twelve. We have repeatedly asked for those numbers, and we have not been given them. Here are some facts for you to consider, and I would appreciate it if you really would consider these. There are 354,241 households in Austin, Texas. There are 1196 licensed str's. That is less than one percent, or actually less than one percent, is .033 of one percent of the housing stock. There are 204 census tracts in the city. Only 86 of those census tracts have str's. Only seven of the 204 census tracts have reached a three percent cap. There are 698 type 1 and 361 type 2 str's in this city. Austin residents have shown that they support short-term rentals because they're type 1's. Councilmember Gallo also provided us with six properties in her district, in the northwest hills area.

[11:06:37 PM]

Two properties were licensed type 1. Two were unlicensed, and one was a type 2. As Ara members want party houses to be shut down, that's no question about that. Every licensed str has to have a certificate of occupancy. We support inspections only if they are complaint-driven and verified by APD. There are neighbors who will --

[applause] There are neighbors who will call in false reports. Code will acknowledge that if you ask them the question.

[Applause] If you read the code pilot report and notice how many times code found no violations. We also, as Ara members, believe that there should be a penalty for operating without a license or an expired license. We believe that we have a good str regulation, and we want to ensure that party houses are closed down. But, we want the same requirements for short-term, long-term, and property owners.

[Applause] The four improvements should solve the problem when code enforces the code. So I want us to focus on the problem. It's party houses. Give code the right to shut down party houses. But, please, do not add additional rules which punish the good owners in this city. They have done nothing to deserve the kind of problems -- thank you for your time and your service to the city.

[Applause]

[11:08:40 PM]

>> Excuse me. Excuse me. Sir.

>> Casar: Mr. Easter, councilmember Renteria has a question.

>> Renteria: Do you live next to a type 2 str.

>> I have a type 2 str.

>> Do you live next to it?

>> I'm sorry, I didn't hear the question.

>> Renteria: Do you live next to it.

>> I live three and a half miles away from it.

>> So if someone would call code inspection and they say there's a big party over there, would you give them permission to go inside and make sure that they're complying?

>> Not if -- not if I don't have a big party going on.

>> Renteria: Well, you know, according to -- there's a big party in the neighborhood, and then you call code inspection and they come in there and they won't let them inside, and you're saying that they shouldn't be allowed to go and inspect -- see how many people are there unless they have a -- why are you requiring Austin police department to be involved on it? Shouldn't they have the power to just go right on in and enforce the rules?

>> I think --

[applause]

>> I thank you for the question. The question is, what are the rules against people calling in false reports? Where is the penalty there? The other thing is --

>> Casar: Settle down.

>> I don't lease my property to six, ten, eight, twenty people. So there's no reason to come into my property. The most people I ever had was five, and that's the coaches that teach a thousand kids soccer camps every year.

>> Renteria: Yeah, but you said it would be okay if it was complaint-driven, but then you've also put APD at the end of that sentence, and I was just wondering why --

>> If they have a valid complaint, and we've got people causing noise problems, they should be able to go into the property. But I don't want you to have -- just having, carte Blanche, coming into the property -- I have people that stay for four months.

[11:10:47 PM]

How many times could they call in a false report?

>> Renteria: So you have neighbors that call in on your --

>> I don't have any, no, sir. I've told you for five years, I haven't had a code complaint, ever.

>> Renteria: But I'm saying, these people have called, complained, they document, and all they want is someone to say, hey, there were 15 people in this house, they shouldn't have that many, and I believe that code guy should be able to go in and verify if there are that many beds inside that --

[applause]

>> Well yeah, and I have stated in my response that we are sang side-by-side with neighbors that are having problems with party houses.

>> Renteria: Thank you.

>> Casar: Sir, councilmember Gallo has a question for you.

>> Gallo: So, you know, the predicament here is that if the code department were to call a short-term rental owner and say, we've had a complaint, there's a large party going on, my guess is that a almost, if not all, of the owners that are here would say that's fine, and they would probably meet them there also. The problem is, the bad actor owners that are causing the problems, my guess is, are not sitting in the audience here. So --

[applause]

>> Gallo: This is where we need those of you that operate correctly and in compliance and understand how important it is to be a good neighbor, to really work with us and help the neighbors that are being forced to live next-door to the owners that are not in compliance. So I think just to carry on the question he asked you, I think if code compliance called you and said, we have a problem, can I go in, my guess is you and most of the people out here that we've heard speak that are short-term rental owners would say yes. We want to operate in compliance. So I just -- that's just it. It's just we have 20 million pour people to hear from, but once again, I think you guys represent the people we want to have operating.

[11:12:55 PM]

These guys represent the people that live next-door to people that are not operating like you are.

[Applause]

>> Councilmember Gallo, thank you. If code called me and we were having a complaint, I'd be there.

>> Gallo: Thank you.

>> Casar: Thank you. Next is sue, followed by Kerry ridley. Kerry ridley has already spoken, is that what I'm hearing?

>> Yes.

>> Casar: Then if Dana pace would please come down. Ms. Pace, you'll go after Ms. -- a after Ms. Long, if I assume -- is that you, Ms. Long?

>> Yes. Thank you.

>> Casar: Thank you, Ms. Pace.

>> Before I start with that, let me just mention maybe an addition to what Mr. Easter said. If code compliance called me and said I have a complaint of a party, of a disturbance at your house, yes, I would be there. I don't think they need the right to go in, but I would be there, and if there was a party or I felt like there was something that they needed to check out, I would take them in myself, letting my renters know what and why. So that would be in the law, I would allow that, but I would be there so my renters understood why and what was going on. Now, Mr. Chairman, honorable council and committee members, I do own a short-term rental house. I'm concerned today with what I perceive is an obvious attempt to ban type 2 short-term rentals by personifying them as party houses. I'm here to tell you about my stormy rental, to stress that we are not all party houses, and, in fact, we might have some benefit to the city.

[11:15:02 PM]

You're probably aware of the gentleman who was recently arrested in the Bolden neighborhood who was trying to protest the demolition of a potentially historic house. That house was demolished, and this all happened last week. My house was in a similar situation. It was built in 1911, in that neighborhood, and because I owned an adjoining lot, I was notified when the owner applied for a demolition permit. My grandparents lived in the house next-door in 1911, when that house was built, and they must have known the owners. And I've always appreciated the history of the neighborhood and the city. Since I owned the lot, I offered to save this house by moving it around the corner to my empty lot. If the city would, in return, let me retain the historic designation on the house and if the owner would sell me the house for a dollar, then I would pay to have it moved and restored. And this is what I did. It wasn't cheap. I practiced green building practices, and in my renovation, I catastrophe to save every have a of the original house that I could. This is a picture of a house shortly after it was moved. It still looks fairly good. We had already taken some of the parts off of it. You can't see all of the wood that was eaten away by the termites that I had to give up but I saved every scrap I could. I acted out of emotion to save this house, not thinking what I was going to do with it. It's too small for me to live in but I have a lot of money invested in saving it. I decided if I made it a short-term rental I could make it a show piece of the history of my city and my neighborhood, and my family, that I could share with visitors to Austin. This is what it looks like now. I love sitting on the porch and letting my guests know that my father was born in the house on the corner, and.

[11:17:05 PM]

[Beeping] All right. Let me conclude quickly. You've had a lot of time since the short-term ordinance was written but you've not been focusing on the rules that were established. You could say the rules are not working until you've given them a fair chance. And I believe they will work if strictly enforced. I am behind that enforcement, but not to the detriment or the running out of the neighborhood houses like mine that are trying to contribute. Thank you very much.

[Applause]

>> Casar: Ms. Pace, you're up next of the after Ms. Pace is peach Reynolds and Greg Austin.

>> Peach left.

>> Casar: Okay. Thank you. If Mr. Austin is here, if you would come down. If he is not, then if Rachel, Rachel nation would come down.

>> Hi. My name is Dana pace. I've been splitting my time in Austin since 2011, in short-term rental, and my out of state home. I've stayed in Travis heights, zilker, and Barton hills. My business is in the creative industry. Over four years ago I've stayed in short-term rental consistently on a monthly basis, sometimes twice a month for four years. My average price per night has been \$110. Not a rate that you can find in a comfortable place, in a hotel. My business accounts are with frost bank. I buy liability insurance from an Austin agent. I'm a client of two Austin attorneys. I'm a client of an Austin marketing agency. I print and design all of my marketing material locally. That would not be the case if I were traveling from out of state, staying at a hotel at the rate of four to five hundred dollars a night in our lovely downtown district because I would print my materials in California and I would have them fedexed to the hotel upon my arrival, and I would do only the priority business meetings that I need to do for about 72 hours, and then I would leave town.

[11:19:11 PM]

So, I spend about the same amount of money that I would spend in that type of hotel, except 100% of the dollars I'm spending remain in the Austin economy. Only half of that amount is spent on short-term rental. The other half of those dollars is spent with my personal trainer at the fitness place or the exercise classes I tent or restaurants off the beaten path from the downtown district, away from the hotel district. I also have had time to invest socially in the marketplace, to invest in philanthropy. I'm a member of the women's leadership council for United Way for education. And in conjunction with those efforts, I have donated curriculum -- I own a visual arts business. We teach visual arts classes in private schools, but I've donated curriculum to low income preschools in Austin. Main springs school has been a recipient of that curriculum, and I've also held over 30 classes in low income preschools on a weekly basis for over three years. That's 3,000 art classes that have been provided to schools in east Austin that were not being provided before. I participated in the success by six initiative with United Way. So if it weren't for my extended stay in Austin, the ability to stay for ten or twelve days when I'm here, none of that would have taken place.

[Applause] Thank you. So as I heard many great arguments and many great points tonight, someone passionately shared that short-term rental does not provide a benefit to the Austin economy, or the city of Austin, and I disagree because I've affected the lives of -- beeping beeping -- several hundred young citizens by providing a visual arts education. Thank you.

[11:21:12 PM]

[Applause]

>> Casar: Coming up --

>> Did you say Rachel Allison?

>> Casar: No, Rachel nation.

>> She left.

>> Casar: When we get to Rachel Allison, I'm sure you're in the booklet somewhere here. Cynthia Reynolds. Paula rexin.

>> Cynthia Reynolds next?

>> Casar: Yes. And Paula rexin. If she's not here, then Carol eckelcamp.

>> Thank you for link to us. I'm an owner of long-term and short-term rentals in Austin. I heard about what was going on at the press conference and was devastated to hear about these party houses causing trouble for neighbors. I was really glad about the resolution that you provided and was hoping to see some benefit come out of the pilot program. Unfortunately, the pilot program only came up with two party houses that were shut down, and neither of them were str's. That's what I read in the report. So I'm not sure that it's really str's or just str's that are the problem, but I'd like to say that we need to enforce all code ordinances in all properties, long-term renters, homeowner occupants, type 1 and type 2. There's a lot of problems that aren't being dealt with. The other thing that I wanted to say is that I was involved in the stakeholder process from the beginning, 2011, 2012, we went through it all, a couple years of meetings. And I was told that there were going to be -- that you all were going to involve stakeholders in this process before you came out with all these resolutions and amendments and things. Nobody ever gave me the option of being involved in a meeting.

[11:23:15 PM]

My district is 5. Councilmember kitchen has not invited us to her office to talk about this. I'm a member of the Austin rental alliance. I have never -- you know, after all the time we put in at the city and at the council, for two years to work on the original ordinance, I feel like we need more time to have input, that this is all being rushed forward.

[Applause] So -- and just another couple quick things, I know a lot of people are saying it's only type 2 properties that are a problem. Somebody mentioned the house -- George did I knower's house on pierce. It's actually a type 1. I looked it up. And so is the one on Hawthorne that was bothering Mr. Nesbit, I believe. That's also type 1. Obviously more needs to be done to enforce what we have. We need to give the code department the resources they need, and we -- you know, there's certain things we can strengthen, like the fees, the fines for these problems. And as an owner of a rental property, if I had -- my long-term renters had parties and the police get called by neighbors and they come over and they tell them to quiet it down, and they do. But my short-term renters are the ones that are bothered by the long-term renter parties, not the other way around. So I've never had that issue, but of course if it happened, I'd be happy to let anybody in to look around. So I don't have big houses, so it's not a big issue. Thank you.

[Applause]

>> Thank you, councilmembers, for tackling this tough issue. You've heard a lot of good points tonight. I don't want to repeat a lot of what was said, and even though some of those points were mine, I want to just briefly talk about our experience next-door and a potential for the type of business, commercial business, that some str's -- first of all, I'm sorry, I'm Paula rexin and I live in the sweet hill neighborhood.

[11:25:44 PM]

We have a number of str's in our neighborhood. Some are licensed, some aren't. And this is -- this is a home in our neighborhood that operates as a transient lodging property. And I would like to present it just as an str type 2 that may be coming to your neighborhood soon because it's a little bit different business model. So you take a single-family home in a zoned, non-transient use neighborhood, and this is what you do. You lease it to a New York advertising agency who comes in and transforms the house

into their ad campaign. This happens to be cabbage patch kids. And the model is, they're going to -- they night indie rock musicians to cash there crash there for a night or two in exchange for social media. Social media is a huge and growing traditional advertising as the next big thing. This is a model I think that is going to become very popular. Meanwhile, some musicians show up in rigs like this and park on your street. They also throw parties. This one happened to be south by southwest where they come with giant port a potties to put in the backyard for that party. Fortunately, they were so big, they couldn't get it through the gate. They also block your driveway to build a sound stage on the back for the party, and then they have the party. And sometimes the noise is a little much. And this is the model. Here we are in front of this house, and it says: Obsessed with our Austin patched crib.

[11:27:45 PM]

And that's what it is. So I would like to say that these things are businesses. They are transient use in a residential neighborhood.

[Applause] Thank you.

>> Casar: Next. And next is Darrell guest.

>> Darrell guest has passed his time to me.

>> Casar: Okay.

>> And he's right there.

>> Casar: Great. You have six minutes.

>> My name is Carol. I live in district 9, I'm also a contact team with upper boggy creek. As holder of type 1a short-term rental license, I want to share that Darrell and I have stayed in other people's homes through various home sharing platforms such as vrbo, home away, air B and B for 13 years. We have shared our home in Austin for about a year now, but the main reason was meet interesting people and it was to help cover property taxes and mortgage. However, we also shared our home with the neighbors recently whose electrical boxes blew up and stayed with us until it was repaired. There are two items I really want to address in the resolution and in the current ordinance, and one is the listing of our city of Austin short-term rental license on the public platforms. I feel this is a privacy concern, and it would allow anyone to easily locate our residents. We use air B and B for our rental purposes because as the potential guests searching, they see a ma of the general area but not our name, our address, and our legal description. Once our room is booked by reservation, then all the info, including the license number, is then displayed, and it's available to the registrant.

[11:29:47 PM]

We also post our licenses in the room for the guests to see in the other packet that we have that we're required to put in a common area by our license. The second is the need for commercial liability insurance for our str 1a license, which would cost us about \$950, based on a quote I received today. This is our home where we rent a bedroom, and we cannot see the need for any additional insurance other than the way that we currently cover that risk, with a personal liability policy that is connected to our homeowner's insurance policy that costs us around \$75 for the year. That covers the temporary renting of an owner-occupied residence according to our insurance agent. These items need more discussion, more input, and more information gathered to determine the unintended consequences. What is the purpose for requiring a license number on the advertisement? Is it to assist Austin code compliance? What is the purpose for requiring a resident to have a commercial liability insurance policy? Could this insurance requirement be satisfied by securing a personal liability policy, sometimes known as an umbrella policy? As an aside, we do supply proof of property insurance for the application for the short-term rental. Why do we do that? I feel strongly there are items in this resolution that put teeth into the

current code, and I want to see them enforced. I am aware of the difficulty in code compliance with current and past staffing problems and hope that you will listen to the staff recommendations, listen seriously, and begin to address better enforcement of the codes, not just the str's that many have indicated from this microphone tonight. I paid \$285 for my str fee to this city, along with over 1100 over licensees, and which put \$385,000 into the city budget.

[11:31:48 PM]

If all 1100, which I heard Mr. Smart say there's now about 1200, but if all 1100 renew their license at \$235 each, then the amount paid to the city is \$258,500. Mr. Stone indicated in his memo that basically the annual costs would be about 69,000 to staff an after-hours code enforcement team. Okay? And last week's memo, he reports that that -- as we've heard from that July trial period that many of the complaints did not have anything to do with short-term rental properties. I'm happy to subsidize the enforcement of this department with the short-term rental fees because if it means that enforcement staff can work on more pressing compliance issues other than those few short-term rentals that we -- that have come to light recently, the majority of us, as you've heard, are law-abiding str compliant home sharers that love welcoming visitors and others and we welcome all to our beautiful city. We are ambassadors. I thank you for the time and I almost want to apologize for being here. You guys are real troopers for doing this. Thanks.

[Applause]

>> Casar: Mass ecklecamp -- do you have a question for her?

>> I was just going to say, we kind of have a rule here the all the people in the first two rowtion, if we get to midnight, which we haven't yet, this he get to go to McDonald's and by breakfast for everyone. So just be careful if you're on the first couple of rows.

>> Casar: Next we have Stephanie Ashworth who has a number of people donating time to her, and so if she would come -- sorry? Oh. We already had Stephanie Ashworth speak. Is that correct? Thank you. I'm sorry that I forgot your name. You had a nice presentation. So thank you. So then after that is Katy mullen.

[11:33:58 PM]

Sarah -- oh, no, we already had you speak. Joe greenoff? Mike paulston?

>> He's already spoken.

>> Casar: Already spoken? Vicky Totten? After Ms. Totten is Tom Sapia.

>> Thank you to the council for --

>> Casar: I'm sorry, if you could read your name.

>> I'm sorry, I'm sequel granoff. Again, thank you for being here and really being troopers with awful us. My wife and I, along with two other family members, own and operate two type 2 str's. We're not big business, but we do have an LLC. My wife and I also operate our primary residence as a type 1 str. All three properties are permitted with the city of Austin. We comply with quarterly reporting and payment of all required state, local, hotel occupancy taxes. Through our real estate property taxes, like all city of Austin homeowners, we support the Austin independent school district, where all three of my children have attended or are attending elementary, middle, and high school. We go to great length to make sure we're good neighbors and community advocates in all three of our Austin neighborhoods. We have our two type 2s, one in district 9, one in district 3, and our primary home where we raise our three boys in district 10. I appreciate the council addressing short-term rental compliance of current code, and for considering the interests of all parties concerned. I've learned today about Adu's and density bonus housing issues that are absolutely critical to the long-term growth of our community.

[11:36:04 PM]

I oppose the current proposed str amendments that are before the council. More important, though, like so many others, I urge you to slow down and get the facts, and there wouldn't be 200 people here feeling vulnerable and scared on both sides if we felt like our voices were heard. So, again, I don't see a rush to vote on Thursday to accept amendments when there's so many differing points of view here, all of which have strong merit. As an str 2 owner, again, it's important to me and my livelihood and the future of my children -- again, I'm not big business, but I do have an investment in several homes in our community outside of the neighborhood where I live. I'm against the amendments because I think, as many have said, the city needs to enforce what we have in place. The core tenants of the str policy that was crafted and implemented with many of you, many in this room, who represent both sides of this issue. I'm very much in favor of enforcement of str permitting and verification with strict limitations on test the waters. I got my three minutes. But I also want to say for the record that I'm opposed to the six-person limitation. I think it makes things a lot more complicated, which is going to lead to non-compliance.

[Applause]

>> Casar: And thank you. If you could wrap up your thought there.

>> I'm sorry?

>> Casar: If you could wrap up.

>> And I'm definitely opposed to the type 2 str's being band, and we employ people who are handymen, cleaners, we send out 1099 income statements for them.

[11:38:05 PM]

We're tax-paying, law-abiding citizens and great neighbors in three of the districts that are represented, you know, on this committee. So, again, thank you for the opportunity.

[Applause]

>> Casar: And, Ms. Totten, before you begin, let me just get who's next after you to come speak. Larry Runyon and ruthrunyon would be next. Thank you for waiting patiently.

>> Thank you. Hopefully I'm still awake enough to speak coherently. Stan Ervin donated his the time to me but I don't think I'll need it but he is here.

>> Casar: Thank you. We'll mark it down. You've got six minutes.

>> My name is Vicky Totten. First of all, I want to thank you for the opportunity to speak to you tonight. I am the owner of a licensed type 1 short-term rental. My husband and I are both retired faculty from saint Edwards university, and we're long-time Austin residents. When we made the decision to retire last year, part of our retirement plan depended on the ability to bring in the additional income derived from our short-term rental. Now, we've hosted faculty from UT and from saint Edwards, sometimes for a week at a time, sometimes for four to six weeks when they come here to do research. Like many people in the room, I won't describe my other tenants, but they're all -- the average age is probably 55 or 65. A lot of them are grandparents, and they have in the area. But the reason why we continue to renew our lease to be able to continue our license to do the short-term rentals is because we need the additional income. And without it, we simply would not be able to afford to stay in Austin.

[11:40:06 PM]

Our single largest monthly expense is our property taxes on the home we've owned for 18 years. It consumes in excess of a thousand dollars a month out of our retirement savings, and that's more than

our mortgage was. So as do all of my fellow members of the Austin rental alliance, I stand ready to support the council in strengthening the ordinance to weed out the bad players who are not being good neighbors. I'm appalled at some of the stories that I've heard, and that they've not been able to get those -- those incidences cleared up. I do believe, however, that the document that you're considering, it's not going to achieve that goal. Having lived next-door to long-term renters whose parties caused us to call 311, I know how important it is to expect that the Russ in place will be enforced, regardless of the length of time a neighbor is renting for. And so that enforcement is what needs to happen, not to put away all of the hard work that people did to get the licensing in the first place. I agree with what other people have said, you do need to give -- give this time, and you need to make sure that the current -- that better enforcement take place. My concern with some of the things that are in the proposal is, I'm afraid it's going to force more people to go underground because you're making it -- you're adding more and more layers and making it more difficult for people to get licensed.

[Applause] The two things in concern that I'm concerned about are the inspections, just to get renewed, or whenever you apply for a license. I absolutely support inspections, if there is a complaint, I think that needs to occur.

[11:42:08 PM]

But I think that the inspections and the commercial property insurance requirement, again, you're going to run -- you force a lot of people either underground or people are going to not be able to continue hosting people in their homes. It's difficult to see how the already understaffed code department, which is well-known, as has been talked about here, they have well-known problems enforcing the laws already in place, how they're going to take on the task of inspecting every single short-term rental property. And, frankly, I have to tell you, as a homeowner who has had experience with our convoluted codes and challenges the department has in interpreting them, well, a root canal would be preferable to me to having a visit from the code department, no matter how sure I am that everything in my 1950's home is up to code. And while I understand the frustration of neighbors living next-door to some of the problem houses, I do believe those houses represent a tiny fraction of short-term rentals.

[Applause] And just one final thing that I have to speak to. You know, I'm on two neighborhood list serves, Barton hills and zilker. And I have to say, the only conversations that I'm hearing about short-term rentals on those two neighborhood list serves are people asking if there are any short-term neighbor rentals in the hood because they need to put up a relative or they need to move out for some remodeling. So I'm really concerned that some of the same people who have always been against short-term rentals are using this as an opportunity to resurface their original arguments against short-term rentals. And David king said as much when he talked about the Austin neighborhood council's resolution, that they've always been opposed to type 2 str's.

[11:44:15 PM]

But did the ANC poll neighborhoods after the licensing has been in place for these last couple of years? No. They have been silent in my neighborhoods. Nothing has been on my list serves about it. So in conclusion, you know, I would just say, we're all striving to stay in Austin, and to be good neighbors, and to keep our homes, despite the incredible challenges, the skyrocketing cost of living in Austin provides us with, and many of us have made major life decisions based on the city's licensing of short-term rentals. And I have to wonder how many times am I going to have to get up here and try and defend what's already been licensed. So it's my hope that the committee and the council will be able to discern between the real problems that need to be addressed and the efforts by some to use this as an opportunity to resurface their efforts to dismantle the existing licensing. Thank you very much.

[Applause]

>> Casar: I believe I said his name once before but I just wanted to make sure that -- because I didn't scratch his name out. Mike Paulston? We already spoke -- good. Sorry. So next is Bargavi Sria.

>> [Inaudible]

>> Casar: Okay. Thank you. I will cross your name out and add it to his time.

>> [Inaudible]. We signed up at 3 o'clock this afternoon.

>> Casar: We are -- the way -- sir, please come up to the podium. Just to explain, we are proceeding all the way down through the list, and anybody who wants to donate their time can donate to somebody else on the list. So he can list his name and he's taking up her slot.

[11:46:16 PM]

So I'm sorry, this is the order that the city clerk provided the listing. It's the best we can do. Please give us your name for the record, sir.

>> Sure. It's David Reese.

>> Casar: Okay. You have three minutes.

>> All right. First of all, thank you, everybody. I just wanted to say, in the debate I think we've heard so far, very oddly, I actually haven't heard a very good argument against short-term rentals. What I think we've heard an argument for is against bad behavior that sometimes occurs in short-term rentals, specifically, drinking and partying. I've lived in apartments the whole time I've been in Austin. Plenty of people have been loud and drunk and left trash out in front of their apartments. Nobody is calling for abolishing apartment rentals in Austin, shockingly, or putting onerous restrictions on them. Right? So I think the actual question here -- right? I think we agree on both sides that, look, probably the majority of people who use short-term rentals are people who have a second home or maybe even first home that they're renting out but let's concede there are some people who are bad eggs, corporations or wealthy shareholders trying to rent out these houses for profit and perhaps disrupting neighborhoods. If that's the case, the solution to that problem is a narrowly tailored solution. It is, for example, better ways to crack down on noise violations if they're repeated by happening in the same house and we know it is held by a corporation. It is not an overly broad law to put onerous restrictions on people trying to rent out their home or second home, trying to make extra income so that they don't lose their mortgage, trying to provide a low-income place for people who are coming to Austin like me and my girlfriend first did, where we were able to get a short-term rental because we weren't sure how long we were going to be in Austin, and providing valuable tourist income to the city. The law that you're suggesting is going to do one very simple thing. It's going to make it much more difficult for people who are renting out their home or second home to people to continue to operate because now they have to put up with inspections, they have to put up with additional insurance, and the fact is, when you create additional barriers, it puts out of business the small operators.

[11:48:29 PM]

Guess what. If there are actually million-dollar organizations out there running party houses, I think they're going to be just fine. They're going to get great lawyers and they're going to people who will figure out ways to get around the regulations. What you need at the end of this is a better way to regulate the behavior that they are concerned with. Not short-term rentals. What you need is better ways to enforce things like noise violations and trash violations and perhaps ways to seriously fine repeat offenders, but that has nothing to do with short-term rental properties. All this law will do is put out of business people who are trying their best to make some additional income, large corporations will be just fine like they usually are. At the end of the debate, that's what matters. Maybe they are right and they have

legitimate concerns. I don't doubt it. But the fact is, this law is overly broad and they've never demonstrated a reason to penalize all str's because of a few bad eggs. Thank you.

[Cheers and applause]

>> Casar: Next is Michael tashnick. T. J. Clark. After Mr. Clark is Erin Summerville. Is Erin Summerville here? After Mr. Clark it's actually not always last, Stewart Hirsch.

>> Good evening, members. T. J. Clark. I'm the co-founder and CEO of turnkey vacation rentals. We're a local Austin business that represents local homeowners. We don't own any str's. We work with the homeowners to help them with their rental process and keep those homes operating in town, in their respectful and quiet way so that we're respectful of our neighbors and the neighborhoods in which we operate.

[11:50:32 PM]

I think that we have heard so many great perspectives here this evening that show what I think one of the speakers I agree with -- this has become a very complex problem. This problem is so complex that I would ask the council to respectfully continue its Thursday scheduled item and vote on this issue so that it can take in the further consideration and testimony that you've heard this evening. There is no really easy solution to this problem, where we ban short-term type 2 str's. We have heard from stakeholders in this room who were affected. We know that the workers that worked for our company, that clean the homes, the workers that work for our company, our employment has gone from 24 full-time employees last year to 110 full-time employees this year. We expect to be at 130 by the end of this year. These people will be affected by the outcome of this decision. There are too many people that are in the hot Zones that director smart outlined. The red hot Zones are where the workers that support the owners in these rentals in these towns are going to be affected, on the southside of town, on the east side of town, and on the mid north side of town. I would just add that director smart's recommendations, some of them we think go in the right direction. We support removing the bad actors from this schema. We support the owners who have complied with the laws and who have been well behaved in the operation of their homes. We think that's the right way to go. We would like to see the city look at each of director smart's recommendations and take a relook at the proposals that came prior to the zoning regulations, proposed changes that came out this week, to find a narrowly tailored approach to getting the bad actors, which I believe the number has been discussed as about 12 bad actors out of the 1200 str's that are operating in town.

[11:52:44 PM]

And finally I would leave you with one thought. There was Aman that was a map displayed that showed 5000 str's in the area. This is what the sharing economy, like it or not, is representing to our community. It's not just happening in Austin. It's happening all over the country. The real question -- and I don't think this has been discussed enough -- is how could Austin pull in those 5,000? It's not by raising the str licensing fees. Let them in for lower fees, let them comply, let the city get control over these - these homeowners, and let them pay occupancy actions. We are scheduled to pay about \$500,000 over the next 12 months in occupancy taxes, which is five times more than director smart asked for to ensure compliance. We would favor our funds being used for that purpose.

>> Casar: Thank you.

>> Thank you.

[Applause]

>> Share and members of the committee my name is Stewart Harry Hirsch, and like most in Austin, I rent, and most of us in our rental contracts are prohibited from doing short-term rental without our

landlord's permission, which means he would get it all. I was the city's hotel-motel rooming house boarding house in the '70s and '80s. An inspection meant that before you got a license, they made sure your property wasn't substandard. That's what it should be. And once it's occupied, you have to request right of entry. That's based on supreme court decisions, I think our codes still say that. On inspections done right shouldn't be a threat. And I started your meeting tonight on citizens communication by reporting to you and including in your backup that Austin code has gone from several hundred thousand dollars a year in revenue to 18 million in the proposed budget. So resources are not the issue.

[11:54:47 PM]

Resource allocation is the issue. When we used to have a problem in this town with restaurants selling more than 51% alcohol when they didn't have the zoning, we would go to the bars on adjusted hours without overtime, and we would pretend to be the designated driver, and we would watch the amount of food and liquor coming from the kitchen, because an inspector just sees and reports what he or she sees. Then we'd get the comptroller's report, and that would tell us whether people were violating a lot. It's a very inexpensive, efficient, effective way of getting things done. If these violations are occurring, you don't have to get on the property to see them, all you have to do is request to get on the property, and then you need to integrate short-term rental, which has not been done yet, into the property maintenance code, so like hotels, motels, rooms houses, boarding houses, and bet and breakfasts, you can suspend their license, you can revoke their license, you can order them to reduce their occupancy, to vacate their building, or penalize them a thousand dollars a day, and you don't need new codes to do that. All you need to do is take this category of uses and stick it in the logical place in the technical codes where it should have been put in the first place, and I would humbly suggest if building inspection and code were all part of one department because that's what we used to do. So the whole issue of resources is nonsense. We have an ability Thursday -- I was hoping last Thursday, not to adopt codes, we're not doing that as a city, we're sending a resolution on some ideas on possible changes. Nothing changes this Thursday if I understand the posting language. It's just direction to the manager to look at certain things. Some of us are allowed -- I have to say thank you to all the homeowners and all the B and B people who let me in the room for their meetings to talk about this with them, and I thought we reached some consensus on some issues.

[11:56:58 PM]

And I'm hoping between now and after Thursday that we will be allowed in the room again because some of us are not allowed in the room for some of these conversations, and we can go back and forth and hopefully arrive on a greater consensus than appears to be the case tonight. Thank you..

>> Casar: Thank you. Next are nathalia and Edward bazamnet. Are you here? Okay. Councilmember Gallo.

>> Gallo: While somebody else is coming up. I want to tell Stewart thank you. Where did he go in did he leave? His e-mails, what he passes out to us at our meetings is really helpful and I'm old enough and have been around long enough that I remember working with Stewart down at the city in the '80s and he's a wealth of information so thanks for hanging out so late and thanks for always kind of being a voice of reason in everything you talk about.

[Applause]

>> Casar: Since we're taking a quick break for personal comment, congratulations, everyone, we have only five pages to go. We've gone through 20 of 25 pages. So big congratulations toothache stuck it out so -- to everybody that stuck it out so far. Thanks to all our staffs that keeping us staffed here. Rick Luna, Greg cribs, and after Mr. Cribs is vladimir paranuof.

>> Gallo: Just couple more minutes until the first couple rows buys breakfast for everyone.

>> Casar: Mr. Cribs.

>> Thank you, councilmembers, for discussing this important item today. My name is Greg cribs and I'm here as a homeowner who rents out both short-term rental and long-term. Throughout the year I have grounds keepers, accountant and handyman.

[11:59:01 PM]

Many of our contractors are women and minority owners. A recent economic impact study shows Austin keeps 2500 people at work because of short-term rentals. That's a lot of housekeeper and other folk who depend on this kind of work. Let's take time to understand how difficult this would be for our workforce before we pass them. I also think it's vitally important to understand that Austin residents benefit due to the tightening of lending guidelines it's often necessary for a homeowner to sell their current home before buying another. We frequently have guests stay in our homes because they need a place for their family to stay while they transition between houses. These are Austin families that are renting homes. Sometimes for 30 days, for less than 30 days, sometimes for more, just depending on their needs. These Austin residents are extraordinarily grateful they have a home to stay in instead of a hotel while waiting to find their next Austin home. Similarly, families undergoing home renovations choose to stay in our homes because they can at least stay in their own neighborhood. I had a recent talk with a past guest who said I will never forget how happy we were to rent your home after our home was delayed four weeks after the building process. We're remodeling our personal home and in the meantime staying in our short-term rental. I don't think I could survive the remodeling process if I had to spend three months in a hotel with my 4-year-old. Another frequent type of guest we have is relatives visiting their Austin family. There are many happy grandparents able to spend more time with grandchildren thanks to short-term rentals. We've never had a complaint filed with code and 99.9% of short-term rental onliers are not the problem. There are eight to 15 problem reports in all of Austin. During the recent str code pilot program the pace team responded to complaints that several properties were having properties. One was shut down, others told to lower their noise levels and an important thing to note is none of those properties were licensed short-term rentals.

[12:01:02 AM]

The intention of this resolution was to fix of lack of enforcement of str regulations without affecting the regulations of the owners who are operating in compliance with city code. Unfortunately what is contained in the resolution will greatly burden responsible homeowners with unnecessary regulation. We already have str regulation that's work and the solution is to enforce them. Thank you.

[Applause]

>> Casar: Is Mr. Paranof here? If not, then the next speaker is Mary engall? Is Ms. Engall here? Chad nordbi? After Mr. Nordbi I believe Jacque Barton, but I don't know if he's donated his name. If Mr. Barton is here, come explain us. You have three minutes.

>> Good evening as you said I'm Chad nordbi, thank you for taking all the time tonight. This is very emotional issue. You've heard both sides of the spectrum tonight. In the conversations -- the conversation is going to continue to go, but it is, as people pointed out, a very complex issue. And it's a nuanced one. And I think we need to take a look at a couple of the key highlights. If we have 1200 licenses str in the city right now, the data that's out there that we've heard from multiple sources, including air b&b themselves, there's between six to 8,000 licenses -- sorry, not licenses, short-term rentals that are advertising in the market. We need to find a way to pull these into the system, not frequently a code compliance perspective, we need to find a way to pull them into the system from a tax

revenue perspective. Someone said earlier they checked with the city offices. There's \$2.5 million in tax revenue coming on 1200 listings. If we pulled even half of those other listings in it would be substantially more revenue.

[12:03:02 AM]

We also need to take a balanced approach on how we take a look at these regulations. There's many excellent regulations that are already in play to govern this, other common sense ones we need to tackle point the test the waters one, it needs to go. If you want to test the waters and do short-term rental, pay your license fee and pay the taxes that are there. Likewise, I think when people read the codes, I know I did, when it calls for random inspections, that's immediately a concerning item, to just have people randomly show up. Councilmember rentera asked multiple people standing at the microphone what will you do when code enforcement shows up and there's a problem going on inside of the snows this needs to be approached from a common-sense probable cause issue. Nobody wants them randomly showing up to go through their property at any time but I think the vast majority of us would support if there's a loud party going on and clearly issues then code enforcement should have the ability to walk in. If they show up to my house at 2:00 in the afternoon, no probable cause, yes. I do want to deny them coming in. In part I work from home so you're interrupting my workday.

[Applause] I know I have a very short amount of time but mayor pro tem I wanted to mention something you had talked about earlier and that is automatically classifying ads as type 2 short-term rentals. Many people build adus on their properties for very valid reasons and it is still an owner-occupied deal. The owners are present on the property. No one in here has had a major issue tonight when the owners occupy their property. It's about the absentee land records and if we seem -- land records and if we assume an Adu is automatically an 850 square foot property that should be put into the marketplace for affordable housing that 850 square foot property will go into the market at market rate, not affordable housing.

[Buzzer sounding]

[12:05:02 AM]

Second of all, I'll wrap up real quick my thought, is that ads can be many different sizes. They can be a couple hundred square feet. You automatically clarify that as a type 2 str. That's not going into the marketplace. My Adu that I built is so that my in-laws are not in my house so my wife's in-laws are not in the house. The other time throughout the year we rent it out on air b&b. So it's a nuanced issue. We have to be careful with what these regulations are and it's a very empasioned one from people here.

>> Casar: Thank you.

>> Appreciate it.

>> Casar: Mr. Barton, Mr. Jacque Barton. Maria brightshamph. And Susan Moffett.

>> Good evening, councilmembers, my name is maria brightshamph, live across from a commercial short-term rental in the zilker neighborhood. It's a three story building with a pool. It's advertised as sleeping 12 people and 12 people is a party in my book. Since the initial str regulation passed in 2012, we've had noise, trash, occupancy limit, parking, public urination, trespassing issues, classes held there, parties sponsored by liquor companies and, oh, the bachelor parties. One time my son who was sick with pneumonia was woken up by renters saying, mama, I hear a party. Guess what? The owner doesn't consider herself a bad actor. They was here earlier.

[Applause] And she lives in Austin. She's not somewhere else. She's here. So I suppose -- excuse me, support the code department's recommendations and their good first steps. I also support type 1 strs that keep people in their homes but please consider prohibiting type 2s.

[12:07:08 AM]

We have zoning laws and occupancy limits in Austin to protect public welfare and quality of life of residents.

[Applause] Type 2s should not be allowed to trump that. Furthermore, occupancy limits are just too difficult to enforce. When I called 911 for noise violation at the rental across the street the owner of the str finally showed up and angry, very angry told me I'm trying to run a business here. And she's right. She's exactly right. It's a business. Type 2s are not home sharing. No one lives there.

>> That's right.

[Applause]

>> And as hotels, they're incompatible with residential streets.

>> Yes.

[Applause]

>> The burden of enforcement should not have to fall on myself and my neighbors, who have to gently call 311 or 911 whenever we see a violation.

[Applause] Imagine never knowing what you're going to come home to every day after work. You can't relax. In your own home. We've been dealing with this since 2012. So this isn't a rush.

[Applause] We need relief now. Thank you very much for your time.

>> I'm Susan Moffett, here in support of the code amendments with additional measures. First I want to be clear I'm not here about type 1 str, in fact I actually urged you to adopt the original work group recommendation and reduce the license fees for owner-occupied type 1s to \$25 to help Austin residents. But for type 2, code enforcement needs to be strengthened but that alone does not fix the bigger problems. This includes loss of housing stock, diversion of scarce code enforcement resources that could be better spent ensuring safe housing for residents and the increased commercialization of our residential areas which in turn does spike our property taxes.

[12:09:18 AM]

So it is a very vicious circle and it's a policy decision that has big public ramifications. Type 2s are purely commercial endeavors while type 1 houses an Austin family for most of the year, each type 2 does remove housing from our market and I do not think a 3% housing loss is inconsequential at this point in Austin's history. To address -- and also I wanted to put in a quick word on clustering. Three friends from Fulmore middle school, the last of three houses on their street not type 2s str, they have a pact to notify each one if one of them is going to sell. No one wants to leave live like that and the clustering needs to be addressed. For larger issues I would suggest a immediate moratorium on new type 2 licenses until we can sort through the enforcement amendments, get them in place, see how they're working, do a six-month check-in, see what needs to be adjusted but we should not be adding more fuel to the fire until we can get it under control. Secondly I would say don't ban type 2s, I don't think that's realistic but initiate a phase-in process to limit to commercially zoned areas and for type 2s that want to continue in residential zoning require conditional use permit nap was the original work group recommendation supported by planning commission and in the draft ordinance in 12 as it went to council on first reading. If you want to talk about a rushed process that was thrown off the dais at midnight.

[Applause] I think the cup remains the most reasonable compromise for type 2s in residential zoning and I strongly urge you to adopt that. Three prohibit use of str for events, four, require licenses to lapse if no hotel taxes are paid in a year and on taxes please remember that state law prohibits their use.

[12:11:18 AM]

They can only be used to promote more tourism and that's even true for the arts funding component. It has to be for tourism, we can't use it for anything else, potholes or even code enforcement. Require all plastics renewals be notarized, certify that owners, managers are no outstanding code or adp violations in the last two years.

[Buzzer sounding] Quickly take a look at the type 3 that currently let's 25% of units in commercially zoned areas go off the market at type 3 short-term rentals. That is insane given our current housing crunch.

[Applause] And thank you for staying up late.

>> Casar: Diane Kennedy, Chad better, Vincent Doria, Margo begrano, Diana Wilson. We almost made it through a page.

[Laughter] But we're happy to have you. Thanks for your patience.

>> I want to say thank you for being here so late and everybody else so passionate about this declare they care. And -- passionate about this issue because they care. I'm in Austin because of a short-term rental. I came as a special effects makeup artist for a film project if I had not been in a short-term rental I wouldn't have been able to work the project because they don't pay artists very much. \$100 a day is a pretty good day so that makes it rough. After the end of the project I was able to transition into park terrace right after of Barton prisons so I've become a permanent anoint Austin, now a realtor, member of the Austin board of realtors, and I don't just live in Austin -- I don't just work in Austin 37 I live here.

[12:13:35 AM]

Any short-term rental allows my relocation clients an opportunity to get here, their feet net deciding where they want to live. They don't know what the traffic is like. They don't know how long it's going to take them to get to work and a short-term rental gives these relocation people a way to divorcify our city -- diversify our city because most of my relocations are coming from India, coming to work for IBM and Visa. These are big-time ways of diversifying our city and giving people a chance to make a decided decision without being rushed. And so I think it's very important to consider that, that we've become an international city because of formula 1, south by southwest, acl and these small, short-term rentals are the way that people are able to come from Germany and not below their entire budget after spending 12 Anderson to get here on a flight, they can actually afford to stay here. I have a guest book in my short-term rental and it has all the businesses that everyone has visited. They sign in, they say where they're putting their money, they're walking to the broken spoke, going to radio coffee house, they are doing right -- they are in manchaca because of business they're going again because they're looking at recommendations from previous renters. Thank you.

[Applause]

>> Renteria: Next is Walter. Larry? Next is Andra.

>> Good evening, councilmembers, mayor pro tem. Thanks for sharing your evening with us. The good news is that it's officially Tuesday.

[Laughter] Okay. So I'm with the Austin board of realtors. We're largest professional trade association in Austin. We have over 10,500 members.

[12:15:35 AM]

Okay, so just listening tonight, I think I can draw two conclusions. I think we can draw two conclusions. First is that you've heard a lot of different perspectives but there's one thing that everyone in this room agrees with, and that's that we desperately need stronger enforcement of bad actors, okay? So

conclusion one. Conclusion two is we've heard over and over again that some of the recommendations go far beyond shared concerns about enforcement. So I would submit that you can honor both of these things if you focus on the recommendations that have a widespread agreement. And there are a number of them. So switching into more specifics, we had a chance to look at the resolution and code's recommendation brothers. We didn't have long to look at them but were able to glance and there's certainly some recommendations that do appear to have -- that we can support and that I believe would have broad support in -- among those you've heard from tonight. One is first just to mention quickly is the bad actor clause, and that is basically developing a clear path to revoking people's licenses. And four bad actors. That's something that has to be developed. Code mentioned that they feel now they can do that administratively so I would ask you to ask them for a time line for when that will be available, if it is indeed possible without further amending the ordinance. Enhanced penalties, I think you've heard from everyone we need enhanced pellets. Larger fees on a per day basis. Also, utilizing enforcement options available through the building and standards commission, which is something that Stewart mentioned. Enhancing the administrative citation process, enhanced authority to revoke and suspend licenses, I already mentioned that one.

[12:17:43 AM]

Making short-term rentals comply with noise agreements and signing an affidavit to this effect. Striking the test the waters provision. That's something that code has cited as a barrier to their ability to enforce and something that we feel could be taken out as Independence to them. In addition, finding a local local -- someone that could be responsive to something we could agree on as well. I wanted to respond, briefly, councilmember Renteria, earlier you asked about inspections and the barriers to conducting inspections, and I just -- I don't know -- my response is I don't know the answer to that problem right now, but I would say that there is a repeat offenders program that we supported for long-term rentals that makes inspections possible for repeat offenders who have been identified. And so I don't know, but I think that a lot of people you've heard from are concerned about random inspections would be perhaps more open to the idea of targeted inspections.

>> Renteria: That's not really what I meant about random ininspection. What I was basically saying, when somebody receives a complaint that there's 15 people in there, that he should have the ability to go in there and make sure there's not 15 beds for 15 people in there. That's what we're trying to get to. It's not where we want to inspect the house. Basically it's how can we enforce that these bad actors are bringing in 20 people and we can't go inside the house to verify that there's 20 people in there. That's basically what we're trying to get to. So that's what my comment was meant, that, hey, we got a complaint, these guys, there's 20 people in there, in that house, it's only a two bedroom housework we want to go see how the heck they're living, how they've got their bed arrangements there.

[12:19:49 AM]

That's basically what we're saying.

>> I think that's something we'd be happy to work with you on, in terms of targeted enforcement that good actors won't be afraid of applying to that.

>> Renteria: Thank you.

>> So thank you.

>> Renteria: Next, mihun fang. May fang Lee. Dean Clark. Chris burr dish -- I can't read that, burchs -- bur -- Glanton, Banton? Tracey hays? Rachel Elson?

>> Hi, councilmembers. Thank you so much for your time, being here so late tonight. My name is Rachel Allison and my husband and I have -- we just converted over to a type 2 rental on east third street in

district 9, over by east Cesar Chavez. We've been -- had that as a type 1 for over a year as it was residence and then we moved.

[12:21:51 AM]

I want to talk about the housing shortage crisis. As I see it we have two options. One, we have -- well, Austin has made itself, since the very beginning of Austin, sixth street was pecan street, we've always loved festivals so people are constantly coming here and we don't really have the hotel availability in the core area of Austin. So that's led to this huge opportunity for people to have short-term rentals. Type 1, type 2. And so our type 2 rental has allowed people from all over the world to come visit Austin. We've had current -- right now, staying there, we have a gentleman from the air force in New Zealand, three of them here training, swimming at Dee Betty, going around east Austin during the day, working out at the gyms and coming home sleep. We had the director of Andy war HOL, businessmen from Canada and all kinds of people. I think that contributes so much to the diversity of the city, people coming and doing interesting things. I'm thankful for the opportunity to be able to provide that for the city. As I see it like I said we have two options, one short-term rentals, two, we have hotels. And we were talking about the housing shortage, yes we're keeping a home off the market right now but having it as a short-term rental, however, at some point we're going to sell. We're not going to do this forever. At some point we'll sell, that home will be back in the market and in the meantime it's met a very real need in the city of Austin that's not being met in other ways. And so the two options I see is we have that or build more hotels nap does not -- that does not meet the occupancy needs in Austin. So instead of a hotel we can build more condos downtown or other things that are going to help increase, help us meet that 100,000 by 2025. Thank you so much for your time.

>> Casar: Thank you.

[12:23:52 AM]

>> Renteria: Thank you. Next is Ashley young. Annie Alvarez. Brandon gear. Is there someone out here that hasn't spoke yet? There's three?

>> [Off mic]

>> Renteria: Man Mueller, Walter Gonzalez -- oh, you donated time. That was donated. Malcolm still here? Mike valesque. David king has already spoke. Mary herd.

>> Casar: They're listed as no so all these people are done. We're almost done. Let me take a look real quick. Sorry. It looks like we were getting back into people we already -- that we had called up. All right. All these people are done. Oops, we've still got this page to go.

>> Gallo: While he's look I'm going to congratulate everyone for setting the record now for the longest council meeting.

[Cheers & applause]

>> Gallo: We should get some kind afterward for that but I'm not quite sure what that should be.

>> [Off mic]

>> Gallo: Still a council meeting.

[12:25:52 AM]

>> Casar: Mayor pro tem?

>> Tovo: Since we're buying time I'll say I went back to one of the first discussions about short-term rentals, a lengthy one, but I think we've exceeded that too. I think that was something like four hours and I think we're now on five.

>> Casar: So Tracey Smith.

[Cheers & applause]

>> Casar: You made it. And it looks like someone has donated time.

>> My name is Richard Sly and I've got her spot and I'm still awake after spending 15 hours to get here from California for this. I'm a real estate broker here in Austin. And I have a vested interest in this issue because I sell homes. Not houses. And I fully support Sherry's resolution and definitely hope it gets passed to control this. There's a reason why these cities that have been inundated with short-term rentals years before us are now banning them, because it destroys the fabric of the neighborhood.

[Applause] It is like cancer that grows in the neighborhood. The house itself becomes a short-term rental and these are type str 2s, let me clarify, the owner still comes banning to the str 1 and cares what it looks like, cares what the neighbors think. These people that are not resident owners, many of them do not care. They don't have to deal with the neighbors. They don't live close to the short-term rental. We have two of them in -- close to where I live in northwest Austin that on any given night they're 20 to 25 people there, around the pool, they're partying. They're unit urinating in the front yard of the neighbor's house, intimidating that neighbor they come outside trying to run them off.

[12:27:56 AM]

This is an ongoing problem. Single family neighborhoods, those people that live around there, didn't buy in for that. They bought in for peaceful lifestyles.

[Applause] Reyes raised their kids, be part of the fabric of the neighborhood. The short-term rental 2s that are misused, destroy that completely. The tax paying citizens who bought their homes, their property values suffer. Anybody in here want to live next to a rogue hotel?

>> No!

>> Right. So you needed to sell your house and say it's a \$500,000 house, you're not going to get \$500,000 for it. The only way somebody is going to buy is if they see it as a bargain so it's ruined your personal finances right there. The issues involved are not really that complicated. A short-term rental 2 is a commercial enterprise. It has nothing to do with being a home.

[Applause] Nobody lives there. Commercial enterprises are supposed to be banned in single family residential neighborhoods.

[Applause] That's a pretty easy distinction. Doesn't take a rocket scientist to figure that one out. If a holiday inn wanted to go open a hotel on Cat Mountain, the city wouldn't let them. And they would be a regulated hotel. These rogue hotels are not regulated, they're not inspected, not managed. The owners sometimes maybe have good intentions but somebody could walk up to them and say, hey, or call to say, hey, my family wants to stay there the weekend, there are going to be four or five of us, okay, the owner takes the money, 30 people show up and they party all weekend.

[12:29:59 AM]

How is the owner supposed to know that? He's not there. He's in another state or he's -- in our instance, on the Cat Mountain build, the guy lives 5 miles away and I'm -- sorry, not 5 miles, a mile away negated neighborhood that, oh -- in a gated neighborhood that by the way doesn't allow short-term rentals. It is time for the city to stand up for the homeowners, the people who pay taxes.

[Cheers & applause] The people who vote for the city council members as opposed to the profiteers looking to make a buck off the neighborhood. The city when they first passed this -- the first deal on short-term rentals did not think about the unintended consequences. Now they've happened. And it is time to rectify that situation. The citizens of Austin have invested their time, their money, their families, and their homes. Now, unfortunately, quite a few of them cannot enjoy that home. They've lost money

because the house is not worth what they paid for it because it's next to a short-term rental and the only way to rectify this cancer is to cut out the tumor.

[Applause] I think sherry's resolution is definitely needed because there needs to be an ability to enforce and keep the good short-term rental str ones good and get rid of the 1s who are a problem but short-term rental 2s totally did he havify the idea of single family residential areas and there is no way around that.

[12:32:02 AM]

[Applause]

>> Casar: Carol stall.

>> I donated my time.

>> Casar: Thank you. Phil Thomas. And after Mr. Thomas is Chris barel.

>> I'm donating my time.

>> Casar: Thank you so much. Thank you so much, in Mr. Paranof Chavez.

>> Good evening, committee members, committee chair, mayor pro tem. I'm Phil Thomas, the east town lake citizens neighborhood preservation chair. For the past 30 days or so, the str industry pr machine has been touting the 2012 Kurtis Reilly ordinance as best practice within the U.S. And even globally. The ordinance in question, as it was practiced -- passed one late Thursday night on a 5-2 vote is Swiss cheese. Whether or not you see the ordinance as Swiss cheese, it was a privilege granted to austinites to own and operate short-term rentals within residential zoning by the previous council. But the current ordinance, it was only a matter of time before irresponsible owner operators would nail down the large loopholes in it. And begin to abuse the spirit and the letter of the ordinance and the spirit of the sharing economy, the sharing economy has now become corporatized with the air b&b and home away being parts of an over \$24 billion industry. This sharing economy -- the sharing economy was borne out of the crash of 2008-2009 as a way to present people of an entrepreneurial bent with an alternative to big business but now it's been coopted by big business and you can see what's happened.

[12:34:16 AM]

If the status quo is upheld, the number of bad actors will only increase in the search for profits.

[Applause] It is simply a law of finance. Money will go to the source of greatest profit margin. The east town lake citizens neighborhood association, founded in 1974 in concert with Austin neighborhoods council and other organizations beseeches this committee to give the str ordinance teeth and to give Austin code the tools they need to do their job properly.

[Applause] And by properly, I'm going to interject this, being it's not in the script but there seems to be a lot of fear behind me about inspections. Let me put this fear to rest. The thinly stretched resources of Austin code are not going to be used on an unannounced spot inspection that isn't driven by a complaint. They just simply don't have the resources to send people to an address when there isn't even a cause to send them there. So that's fear.

[Buzzer sounding]

[Applause] I'm going to wrap it up. The responsible type type 1 owner operators have nothing to fear from an ordinance with teeth, despite the industry's propaganda and fear mongering.

[Applause] Please pass these 13 common sense and fair recommendations. Thank you.

[Applause]

>> Casar: Did I call up Chris barel? You donated your time.

>> I'm going to be donating my time at your discretion [off mic]

>> Casar: That's very kind of you.

>> [Off mic]

>> Casar: And if you're still signed up we are very close, only three or four names slowest you'll be coming up here shortly.

[12:36:25 AM]

Jeremiah elasandro. The first lady of district 3 here? She's at home already? Has she locked you out.

[Laughter]

>> Gallo: Probably.

>> Casar: Cynthia bloom? And I think this is the last person, but I will double-check, and that is -- is that you, Travis Somerville?

>> [Off mic]

>> Casar: I'll make sure you're called up. Travis Somerville, is that your last name? Sir, you're up. You're up. And, sir, I've seen you sitting there so if you'll tell my staff your name I'll look for you on the piece of paper here.

>> I'm John wood worth and I think my problem was I signed in early.

>> Casar: Mr. Woodworth, I think you're on the same page and I'll try to find you. I live at 1600 green shores and I was going to talk about the individual complaints we have against one of our neighbors. I think what I would like to stay instead is I think there are good people on both sides but I think the good people on the str side are not recognizing is how clever the really bad guys are. So the really bad guys are very, very clever and so they'll find the least resistance possible, the Swiss cheese analogy I think was a good one. So they will apply for whatever the least is if they apply at all, so there's really no penalty for not applying. We have that case. We have a case here where they're advertising an air b&b, advertising on their own website, when they got caught with that they took it into a hidden website, I guess that's how there's 5,000 air b&b and only 1,000 registered str. They have anything's flags on their property advertising and as a hotel and operating without any kind of problem.

[12:38:28 AM]

They're gated and so the code comes out, nothing they can do, can't get in. We happen to live in the county, limited etj, etj. And so we called the sheriff, not Austin pd and there is no communication. It breaks down completely. I think there's many people with that kind of an issue. This particular place operates on a family septic system on lake Austin but they advertise they can sleep 26 people. I'm quite sure the septic system would not accept that amount. They advertise they're going to hold wedding and venues and corporate events, everything like that, again on air b&b and home away and they will not take the listings down even though they're clearly illegal.

[Applause] This particular house, even built a parking lot to hold about 100 cars. So I don't think they're intending to keep it to six. This is a professional corporation. And they're operating for profit in the single family neighborhood. So I think these guys are slick, they're coming, more and more are coming, as Austin becomes such a destination city, and this word gets out very, very quickly. The changes we've seen in the last three years are nothing compared to the changes we'll have in three more years unless we pass much mover stringent requirements.

[Applause] So I'm certainly in complete support of the ordinance that's being proposed, the 13 recommendations. And hopefully we can do even more with the bad people. Thank you.

[Applause]

>> Casar: Sir, you'll be our last speaker unless somebody else brings up to my staff they thought they were signed up. So come on up, sir. You're good.

>> Mine is going to be totally different, it's going to get your attention.

[Laughter] Well, it is. Gary Westerman, district 7. It's how I nearly died. Where it goes from, you have to realize this is a 5500 square foot house with another 3500 square foot.

[12:40:30 AM]

I walk on up there to the house after, you know, 10:00 and when it's supposed to be shut down and I get in a little bit of altercation with a security guard. Now, security guard tells the people that five police officers that aren't on the budget right here, that are inside clearing them out, that I am the person that went ahead and called it in. So I've got 100 people around me wanting to kick my teeth out. And I'm saying I'm dead. You know? That's as far as it goes right there. And if I wasn't able to say that truthfully I was actually here at 4:30 whenever they had the kangaroo in the diaper inside the house, whenever they had the pink horse out there. And, wow, it's just -- but just trying to dance whenever these people really want to kill you. Every one of them are intoxicated. They -- I'm at their mercy. So was recording this one is any pocket. I do have the song and dance but all it says is how good I can do a song and dance. The second one here is I'm asking people to protest their taxes. I protested mine. I won. I won because of the pink cars. I won because of the parties. So -- but the other people could -- next to that, their house is less than \$50,000 here. Another \$50,000 there, that's two houses. If you have another thousand right there where you've got the people on there, you know, I got this up to \$200 million, and I said, okay, I'll be conservative we only lose here Austin, Texas, \$100 million in taxes. Okay, that's fine. So the other one is, it's in the code, is -- it's in the sound code or decibels.

[12:42:39 AM]

It says 75 decibels. People have to realize it's 75 decibels, if you're playing the drum you can hear that miles away. If you're playing -- so what codes, I believe it's Portland, years back said 75dba, that is better for these low sounds. But even up until seven years ago, whenever I was doing a little bit of research on this, they said we need to make it specific to the sound itself. To the frequency. But decibels, 75 decibels needs to be 75 dba and we need after -- six years later we need to think of something based on frequency. So for my safety, I promise not to step in front of a yard again and do something like that. I'll let somebody else do that one. But the insurance that somebody has to have, my wife says I am -- I'm worth multi millions of dollars, okay, I'm a million dollar plus. So I think she's underestimating my worth. [Laughter] So out of that one. So I would have had my head stomped in. You say personal insurance, real quick one here, trying to figure out who was wrong, who is at the cause of this, the owner of the property says, no, it wasn't my fault. I rented it to somebody else.

[Buzzer sounding] Really quick. Whenever it went back to -- they said, well, it's the air b&b, it's home. Home away. It's not there. So they kept on blaming everybody else but nobody, nobody owned up to it. Thank you.

>> Casar: Thank you.

[Applause]

>> [Off mic] My bus went about three hours ago. If anybody is heading to north Austin?

[Laughter]

>> Casar: Thank you all so very much for holding out late like this for us and so now we will begin deliberation on I think both the resolution that will be brought forward by the code department this Thursday and the resolution that's also posted on the agenda by councilmember Gallo.

[12:44:57 AM]

Considering that we have that resolution posted by the councilmember, I would like for you to lay out for us which sections of your resolution you would like for us to see debated this coming Thursday and which ones would be coming a separate week. And then once we get through those, then I think that it's appropriate for us to take a look at the code department's recommendations since those will be a part of a resolution this coming Thursday and get the feeling from the committee as to how many of those we feel comfortable recommending on Thursday since the council will be looking for that guidance. So mayor pro tem, if you're all right with that approach, I would like for councilmember Gallo to lay it out, but I don't think --

>> Tovo: That's fine. I wanted to also mention I have some amendments as well.

>> Casar: We'll also recognize your amendments. And, sir, if you had -- questions about the public comment and thought you were left off for whatever reason, please touch base with my staff and if it was in my error, very possible, we will call you up here amid deliberations.

>> Gallo: I was just asking Taylor, so to you everyone for staying as long as you did, you know, and speaking. Obviously this issue is very important to a lot of people but I want to thank staff for continuing to be here. I want to thank our council staff for being here.

[Applause] Anyone that tells you a council job is 9:00 to 5:00 is lying.

[Laughter] You know, this process started back in may. We made a commitment in our -- my council office, district 10, to really start reach being out and going to different neighborhood association meetings and really trying to be in touch with what was going on in the community. And is there were several neighborhood meetings that we went to, and this problem of the noncomplying, non-licensed -- well, and noncomplying short-term rentals was being brought to my attention.

[12:47:06 AM]

And it was present in about five different neighborhoods just in district 10 and then I knew that the other councilmembers were also having problems with noncomplying short-term rentals in their neighborhoods also. So as we talked about what to do and began to really see the declare we had before us -- began to see the issue we had before us I joined with some of the other councilmembers in sponsoring a resolution that would address some of these problems and started talking to code compliance, the code department, to find out what roadblocks that they were facing with trying to enforce the noncompliance and realized that perhaps some of the discussion that should have happened a couple of years ago with the ordinance didn't. But I think often that happens, you start something and once it's implemented you go down the road and after a couple of years or a short amount of time you really begin to find that maybe you should have done something differently. So that's been this process. It has been a lengthy process already. We've been at this for about three months so the reference to taking our time in discussion is one that I want to listen to, but I also want to make sure people are aware of the fact that this has been going on for about three months, about two months ago, the middle of June, we had a press conference and there were industry people there. I think there Easter mentioned he was there, Joel was there from the Austin rental alliance. And so, you know, I think the community, both the industry and the neighborhoods, were aware that this problem was going on and that we were going to start working on trying to come up with some resolution to how to enhance the code enforcement's ability to shut down the operators that were not operating properly and were really being bad neighbors. Then on June 15 we took a resolution to this committee, actually, and this committee passed it on to the council. The council voted on and approved the first resolution, and there were a handful of items in that already.

[12:49:10 AM]

We directed the city manager to come back to the council in August, and give our -- give his presentation with recommendations. We did a parallel process at that same time because we felt like we had been working so much with the neighbors and with the industry people that we wanted to make sure that all of the comments that people had made and the e-mails they had sent us and the meetings they had attended were referenced in our resolution and we got about 90 different suggestions from people. We took all of that. We put it together and we put it into the resolution that we're talking about today. The -- back in the June meeting, that the council committee, we kind of established the procedure for what we would do, the process that we would have this come back to the council from the city manager. But then we would pass it directly onto this committee to talk about, which is what we've been doing yesterday and today. So that's where we are right now. The -- in our discussions, there are a group of items that I feel like are supported on both sides. And as I said before, I think this is a problem not just for the neighbors, neighborhoods that are dealing with the noncomplying bad actors, but I think it's also an issue for the short-term rental owners that are operating in compliance and are good owners of the property and are good neighbors because I think, as the bad owners are out there, acting badly and not in compliance, it gives y'all a bad name. And I don't think you want to have that happen either. So as we've talked, there are some parts of both codes resolution -- or codes recommendation and the council's resolution that I think pretty much everyone agrees to and feels like that they're good steps in moving us in the right direction. So the recommendation I would make, as I've got a list of those, and I would suggest that we send those directly to council next week.

[12:51:18 AM]

And then there are some other items that I think we are still discussion, and we have heard people that still want us to have some conversation on and I know that there has been some difficulty with groups, both neighborhood groups and also industry groups and getting appointments with the council staffs over this last week because we have been knee deep in the middle of budget and in meetings most days every day. So that would be my suggestion at this point. The ones that we don't send to council this week, I would make the recommendation that they come back to us for our next meeting. I'm looking at our chair as I say this -- at our next meeting so they would then go to council the following council meeting.

>> Casar: Pass that down to him, the whole thing.

>> Gallo: All of them?

>> Casar: All of them. Whole thing.

>> Gallo: Thank you. I don't know how you want to do this. I've got a list of what I would recommend we move forward and take on.

>> Casar: My preference would be that we -- I've lettered your resolution a through P. It might be numbered on yours, 1 through 12 or 15 on changes and so what I would -- what I would like for us to do is since you have a resolution this Thursday, to hear from you which portions of that resolution you would like to see a recommendation from this committee on for this Thursday.

>> Gallo: Okay.

>> Casar: And then we can consider amendments from committee members, the mayor pro tem just passed out four of hers, which we can consider in conjunction with your resolution. When we're done with what it is that you would like to see recommended by this committee for Thursday, we can assign the rest of the resolution for another committee meeting date, for vetting and comments by this committee.

[12:53:21 AM]

Once we're done with your resolution, there will be, my understanding, a resolution from the code department on their recommended changes. Those changes that we have not addressed through your resolution, I think it would be wise to take those up or to at least decide which ones of those we want this committee to provide a recommendation on for Thursday since those will also be posted for Thursday. So we'll very -- most likely, going through your resolution, cover some of the codes department's recommendations but some may not be covered so we'll walk it through that way. Your resolution first, with amendments from this committee, and then the code department's recommendations that are the difference.

>> Gallo: This may be beyond my brain power at this point. I'm going to try.

>> Casar: We've got powers combined, we'll work our way through it.

>> Gallo: One of the suggestions I might make, I've got also recommendations from the code and a lot of the code recommendations are duplicated in the resolution and rather -- try to figure that out right now, I would say let's go through both lists, grab what we implant we can combine the duplicates to what goes to council on Thursday, so if that's okay rather than --

>> Casar: I think we can bring up the tobacco, identify it either in your resolution or in the code department's recommendation, but what I want to do is provide some level of clarity of what this committee recommended from the two items that are posted on the agenda, just procedurally, I think it will be easier for both staff and for the council to have an explanation about what we recommended in those postings rather than general topics, which will then, I think, lead to potential confusion about what we really recommended. So I guess what I would ask is just you go through your list, mention what's number 1 and we'll either identify it in the resolution or in the code department's recommendation.

>> Gallo: So we'll start with the resolution list. This would be the group that would go to council this week.

>> Casar: This Thursday, yes.

>> Gallo: Once again, I'm going to say you just because we are delaying the discussion on some of these items does not mean I don't support the items.

[12:55:26 AM]

I'm going to be very clear about that. But I think they're the ones that are a little bit more complicated that I feel like we're either in the process of getting information on or there are voices that still would like to have a chance to visit with some of the council offices about these, and I think it's fair to give people that opportunity since we've been so difficult to set appointments with over the last couple of weeks. First, on the resolution would be number 1, which is adding the existing requirement to include the license number and advertisements -- in advertisements. Number 2 would be the bad actors --

>> Casar: Sorry, councilmember Gallo, let's recommend them one by one, make our way through it this way, unless we want to recommend -- or do you want to just vote on all of them as listed in your resolution from these items?

>> Gallo: Whatever your reference is. You tell me.

>> Casar: Why don't we -- what I would prefer is for you to -- for us to take a look at your resolution and perhaps just identify if we want to blanket -- if we just want to blanket vote through the items that you've identified that would also be fine. I'm having trouble mixing the code department's recommendation with your resolution. Let's do your resolution then. We will vote in aggregate or I will hear councilmembers want to go -- committee members wanting to separate the license number advertisement. So that's the -- perhaps what may be helpful is if we put the resolution up on the screen here so we all know what we're looking at. Because the first it be resolved I see on on your resolution is

the city manager utilizing existing enforcement tools under city code, including the authority to suspend licenses, advertised -- yeah.

>> Gallo: So the first be it resolved, the first section of the resolution are actually the tools that the city already has and code department already has, that we're just reminding everyone that they have and they need to use.

[12:57:33 AM]

So that would be the first be it resolved.

>> Casar: And you want us to recommend that for Thursday -- that section for Thursday? You want that on the discussion for Thursday?

>> Gallo: Yes.

>> Casar: So I --

>> Gallo: These are already part of the ordinance.

>> Casar: Great.

>> Gallo: I don't know that it needs to be part of the resolution because it's not changes to it.

>> Casar: So do you want this committee to recommend that for Thursday or are you planning on striking it? I guess, I'm trying to get a feel on whether you want us to vote on that section or not. I only have one very brief question if we do want to recommend it.

>> Gallo: Okay. I would say we want to go and leaf it in -- leave it in as a recommendation then.

>> Casar: Great. My only question about this it says the city manager is directed to immediately utilize all those tools. Does it -- but if we already have the tools available, it seems to me that the management I would want to offer to that fiction -- amendment I would want to offer, if somebody would move the amendment, is that I would just want instead for the city manager to bring back to us what criteria will be used when those tools are utilized. For when those tools will be utilized. Instead of directing the city manager to use tools they have at their disposal, that doesn't, I think, provide any clarity to me or to the public about when we are going to be revoking folks' licenses. It's just asking the city manager to use those tools but I don't know how often or when or how. So it seems to me that what folks are looking for is clarity about why the city manager isn't using these tools enough because it seems to me that the tools aren't being used very often. And so instead of just reminding the city manager that these tools are available, I would just want to report back on if the city manager does have these tools and it seems helpful to start revoking people's licenses who are bad actors, what criteria can the public take a look at for when we're going to start using them. Does that make sense? I can word it very simply. I would just say the city manager is directed to utilize existing enforcement tools under the city code.

[12:59:36 AM]

>> Gallo: Immediately.

>> Yes.

>> Casar: Certainly.

[Applause]

>> Gallo: That cuts to the chase.

>> Casar: The reason that I caution on this is because we are up -- and the reason for this is just very strictly, I think, are powers under the city charter and our responsibilities so we are a policy-making body and so we -- you know, we can't vote to tell the police chief who to arrest and who not to arrest is my understanding and so what we can ask for -- we can ask for is what criteria are going to be used -- I think what would be helpful is to hear criteria would be used -- maybe the law department can clarify this for me but it just seems -- I don't want this resolution to be interpreted as us directing the city

manager to suspend short-term rental licenses in every single instance we have the power to and I don't know we have the power to do so. I think what we hear is

>> I think what this committee could very well do is recommend that they be used more if possible and to hear from the city manager what criteria might be used to start implementing those tools.

>> I'm assistant city attorney. One way to look at this first be it resolved is the council is encouraging and supporting the city manager's efforts to use those existing enforcement tools. You could add additional direction that provides some additional information from the department about how they will you'll see those tools just so that folks will know. The code does set out when they can suspend the license and so staff will be following that. But how it's actually implemented, the council could ask for an update about how it's being implemented.

[1:01:40 AM]

>> Casar: Certainly. So would you see the current language resolution as doing that sort of encouragement and support for utilizing the tool? Because if so, I feel comfortable with it. I just want to make sure that's what's communicated by this sort of language.

>> Yes.

>> Casar: Okay. Great. In that case I feel comfortable with it. If you want to amend so that we can get more information for the public about when the tools will be utilized, I think that would be helpful. That's what I've asked for in regards to the properties, is how often are we taking people to district court and under what sort of criteria so we can move that conversation along, but we can also leave it as is. I'm fine with that. Do you want to leave it as is? Okay. We'll just leave it as is.

>> That's okay.

>> Casar: Okay. Great. So I'm comfortable leaving sort that sort of as a consent issue. Number 2, your second be it resolved is the city manager providing more information to residents on how to make a complaint.

>> Uh-huh.

>> Casar: I imagine that we'll have consent on that. Your third be it resolved is the city manager reevaluating existing processes to track complaints. I imagine we'll have consent on that issue. Your next one is the city manager taking immediate steps to implement the objectives about statements in the short-term rental applications, a funding proposal, and improved communications with the sheriff's office. I imagine we'll have consent on all of those issues. My only question, because I don't have constituents in the limited purpose district, is for law, again, regarding what our jurisdiction is for the short-term rental incidents that we're concerned with in that limited purpose area.

>> The city's limited purpose jurisdiction covers public health and safety and zoning ordinances. So those are -- that is why an str and limited purpose is subject to the licensing requirement because it is part of our zoning regulations.

[1:03:40 AM]

>> Casar: But our code department does not have jurisdiction there?

>> The issue that I -- from what I understand is, the provisions of the code that are not public health and safety and zoning that may still be issues for str's, short term rentals, so that's -- code's jurisdiction does not extend past the public health and safety and zoning ordinances.

>> Gallo: So if I could just jump in, where we run into issues in the limited purpose is that code can enforce code everywhere in Austin, limited purpose also, but when we get to the noise ordinance issues, the police department enforces that. So in our limited purpose areas, that's not APD, it's actually the sheriff's office. So it's the collaboration of the other ordinances that we need the collaboration -- that

we need the help with the sheriff's department on because APD doesn't do that. I've actually talked to one of the county commissioners whose precinct is that area, and they are -- they're getting the calls also, so they're more than happy to collaborate with us to try to figure out how to do that better. So --

>> Casar: So it wouldn't be just strictly limited to the short-term rental ordinance, but the short-term rentals and the issues related to them in general, that the Travis county sheriff's office would be collaborating on.

>> It would be the ordinances that our police department -- our police or fire department enforce outside in limited purpose areas. It would be the county police and fire that would enforce those.

>> Casar: Okay.

>> Gallo: So in those certain areas, definitely to the western part of the city, and I'm not sure about the eastern part of the city, but where we have a lot of limited purpose areas, the sheriff's department and their fire department's have to enforce those codes where, in the city limits, the Austin police department and Austin fire department would do those.

[1:05:48 AM]

>> Casar: Great. Well, I think that this section would also be something that I imagine we'd all consent to, unless there's any questions. Mayor pro tem?

>> Tovo: Yeah, I am happy with this passage, I would just -- I would just ask councilmember Gallo and maybe all of us to reflect between now and Thursday on whether there needs to be an adjustment to the language. I understand that I'm responsible for complying with any deed restrictions and restrictive covenants prohibiting in response to the individual who spoke earlier about deed restrictions in some areas being things like, you know, only caucasians are live on that property. Now, I would think that example is not included within prohibiting certain uses, that that doesn't fall into that. But I think the other, for example, that was offered was not being able to consume alcohol on the premises, so --

>> Gallo: You know, it's -- perhaps legal can speak to this also. This same statement is found on building permit applications that -- that the person signing and applying agrees that this that is not going to be in violation of deed or neighborhood restrictions, and they sign that they agree that it's not, but actually the city can't enforce that. So this is just -- and maybe you can --

>> Tovo: And again, I don't have any discomfort about supporting it here today, so maybe the answer is that I'll talk with law between here and Thursday. If you've investigated the issue and you feel comfortable with the resolution, that's good enough.

>> Casar: Councilmember, perhaps -- the reason I feel very comfortable with this is that you included that the application should include language similar to the following, so if legal had any questions, I'm sure you could adjust because, obviously, we won't be asking people to comply with deed restrictions that are unconstitutional or have other issues.

>> Correct.

>> Casar: Great. Thank you. So the next section of it is really the meats of your resolution.

[1:07:50 AM]

And so now that we sort of packaged that first part together, I would entertain a motion for us to recommend that entire -- all those sections of your resolution for Thursday. All the previous sections that we just discussed. So that would be -- therefore be it resolved one, the next -- the be it further resolved after that, the next be it further resolved, which is reevaluation, the next be it further resolved, which is the objectives that include the statements on the applications, and the funding proposal, and the improved communication.

>> Gallo: So moved.

>> Casar: Is there a second?

>> Renteria: So are we going to take this up at the last --

>> Casar: We're going to take up the next piece next.

>> Renteria: And I will second it.

>> Casar: All in favor, please say aye.

>> Aye.

>> Casar: Passes unanimously so we recommend all those sections for Thursday. So now is your be it further resolved that I think has a lot of the crossover with the code department so I think this will be a little more clear. So which sections in this be it further resolved you would like to discuss tonight before Thursday?

>> Number one, add the existing requirement to include license number in the advertisements. That is already part of the requirement under the current ordinance, but it needs to be addressed. This is a legal recommendation that needs to be addressed this way in this section to tighten it. So if lease agreements to add lease -- so if legal wants to add any description to that, it's basically already there, this is just a recommendation from legal on putting it where it needs to be so the enforcement ability is appropriately located.

>> Casar: Any further comments? I think that we can take these one by one then, so if that's a motion, then we'll need -- if you want to motion to recommend section 1.

[1:09:57 AM]

>> Tovo: Second.

>> Casar: Mayor pro tem seconds it. All in favor, please say aye. So that is recommended unanimously. Second 2 with a bad actor clause.

>> Gallo: And I would recommend that we add this for Thursday.

>> Casar: Okay. So the bad actor clause would be a way for us to preclude people from obtaining licenses if they -- if they have been found in violation in the past.

>> Uh-huh.

>> Casar: Okay. Great. And did you move that?

>> Gallo: So moved.

>> Casar: Sorry, this may start getting a little goofy as we get later into the night. Seconded by the mayor pro tem. Any discussion in all in favor, please say aye. Aye. Opposed? So that is recommended unanimously. And, again, that is just recommending to the council that we initiate that code amendment, but obviously it will be processed over time because this is a very skeletal version of what that penal code amendment would say. Adding -- number 3 is adding short-term rentals to section 1301 in the city code 25-12.213, which is inspection requirements in chapter 13 of the local amendments. I'm going to need a little explanation and help on what the intent is behind this one if you want it for Thursday.

>> Gallo: Okay. Actually, number 3 and 4 I would recommend that we move to the next -- bring them back to the committee meeting. I've heard from several councilmembers that have not been as deeply indebted in this discussion as we have been, and they just feel like that they would need -- they would like some additional time. This is something that's obviously a code recommendation, important to code from the standpoint of being able to help enforce. We heard some concerns with some of the owners about the inspections. I think there are ways to be able to do the inspections that we can address all of the concerns and work together to provide the benefit, but I think this one needs just a little bit more work and a little bit more tweaking.

[1:12:04 AM]

And like I said, there's a few councilmembers that just feel like they haven't had a chance to really talk to people to make a determination on where they would be on this.

>> Casar: So it's your intent to move -- have discussion of sections as a separate resolution in the September planning and neighborhoods committee meeting, and that is the inspection requirements under city code 2512.213, and require inspection under application and approval process of all short-term rentals.

>> Gallo: Yes.

>> Casar: It would be your intent then to strike these from this coming Thursday's agenda --

>> Gallo: I make a motion to bring them back to our next committee meeting in September.

>> Casar: I'm happy to do that without a motion as long as there's consent here on the dais.

>> Tovo: Tell me again which ones, 3 and 4?

>> Gallo: 3 and 4.

>> Casar: So would you like to discuss number 5?

>> Gallo: I will. This is going to be another one that I'm going to recommend we bring back because once again I've heard from a couple of the council offices who just feel like they haven't had the opportunity yet to be able to meet with the people they want to meet. Insurance came up quite a bit, and Stephanie, Stephanie is still here, Stephanie brought this to our attention from the standpoint of a neighbor to a short-term rental property that was really concerned about the safety of her property, and so she -- she started looking into it, brought it to our attention, and we actually had a meeting with the state board of insurance last week, I think it was last week. Last week. And what we found out -- and this is what I would wait -- I would make a position to delay this one for a little bit longer because I think we do need - - there's some other pieces that we just haven't had a chance to be able to get scheduled that we want to find out. But basically what we thought was that the Sr 2's would be the issue but actually the Sr 2's are not the issues. And the term for insurance is so varied that you say commercial and people freak out but it's actually a landlord's policy. And it's the same policy that an Sr 2 would get, and landlord of a long-term rental would get.

[1:14:09 AM]

Same policy. It covers the property, it covers the liability for both the residents and anything the residents do. The bigger issue was actually the type 1 short-term rentals, because a lot of the homeowners, people, if they live in the property also, they have a homeowners' policy, and what we found out is the homeowners' policy has a term of -- allowed for occasional rental. And what we found out is, there's really no definition and legal was going to -- city legal was going to see if they could find some cases where the definition of "Occasional" had been determined, because what concerned us is that I think there are a lot of type 1 short-term rental owners who think that their homeowner's policy will cover them when they rent their property as a type 1, but with that "Occasional" phrase in there, what does that mean? Does that mean once a year? Does it mean every weekend? So what we were told, there are actually riders that owners can purchase to take out the "Occasional" so that they are covered for renting their short-term rentals on their homeowners' policy. So there are some pieces out there that, not to burden short-term owners, but that I think it's important for that community to know, too, and for us to get more information on from the insurance companies on. So that's a long-winded explanation, but I heard enough comments about the insurance, it's certainly not to burden people, but I think every owner of any rental property, whether it's the home they live in and they're renting occasionally or the home they don't live in that they're renting, wants to make sure that they are covered from a liability standpoint, both to protect the people that are occupying the property, but

certainly to protect the neighbors from the actions of those residents. So this is one that we feel like we just need a little bit more work on. So that would be number 5.

>> Casar: So without any objection, I don't think we need a motion for me to put it on the September agenda and then for me to trust that councilmember Gallo will strike that from the resolution for Thursday, pending our discussion next month.

[1:16:19 AM]

>> Gallo: Uh-huh.

>> Casar: Okay. Number 6, did you want that discussed before Thursday?

>> Gallo: This is the guest registry, and -- I really don't understand why you wouldn't have one to log in your guest, so I think we should add it to the agenda for this Thursday. I did hear from some of the short-term rental owners that that may be cumbersome to them, but I think we've got a couple of days between now and Thursday to be able to hear from those owners, and I'd really -- I'd like to know and really understand why that would be a burden to keep that. I know if I owned a rental property, I would want to know and want to keep a log of people that had been in the house. So that would be added this week. That's number 6.

>> Casar: Is there a motion on this section, to recommend it?

>> Gallo: Yes.

>> Casar: Moved by councilmember Gallo, seconded by councilmember Renteria. Is there any discussion from anybody else? I have some pause in recommending this, but I want to hear briefly from director smart because this was a recommendation that came from the code department and perhaps from law. So I do understand the concerns with -- and councilmember Renteria highlighted this several times, how we can prove occupancy. And I know the occupancy is a difficult one to crack. So talk to me just briefly about your recommendation for the guess registry and what -- what, if any, other options you analyzed for us to try to get you the tools you need to handle over occupancy and why this was the recommendation that came from the department.

>> Mr. Chairman, the recommendation was made because of the problems that we've incurred in trying to enforce the issue of maximum occupancy.

[1:18:21 AM]

Right now the code says no more than six unrelated in single-family homes and four unrelated in the mcmansion area. We thought that -- we think that the -- having the guess registry will certainly help to identify who's staying in the home and how many persons are staying in the home. It would help the property owner to know who's staying in their homes, and if they know that information, then they can be at liberty to share with us the exact number of persons who are staying there, versus the number of people who may have been attending the party or whatever there. So the key is, I think it would help property owners to know how many people and who's staying in their homes, and it would also help the city to be able to address issues of overoccupancy in the properties.

>> Casar: , So Mr. Smart, if we included this in the land development code, then explain to me what the remedy would be -- actually, I'll ask this of law. I'll ask you questions for you, since you're standing here right now, I'm sorry. You all pop up and pop down. So the idea would be that we would take someone -- we would potentially cite someone in ways that we have in the past over occupancy, and it seems that in the courts we've had difficulty proving that, and so code or the city would request that that be brought in as evidence, the guest register center I to prove the occupancy? Is that where we're thinking about using this? I guess what's interesting to me is, when would the city use that guess registry as a tool in our enforcement toolbox.

>> I think if we got a situation where we ended up in a courtroom typesetting in order to deal with a case, then it would be certainly a useful tool to of the owner come and testify as to who, on their register, was at the property during that weekend. So, yes, I think it would come in handy in that respect.

[1:20:21 AM]

>> Casar: Would we use it at any other point or is it really in court that you contemplated that this would be where we would use the guest registry?

>> That's correct. If we're in municipal court or other court, even the administrative hearing process, it would come in handy. And it also can be used on the owner's side, as well as the city's side. The owner might use the registry to show that it was not more than six persons living there. Then, again, it may show that it was more than six.

>> Casar: So the guest registry, in your view, would require whoever was staying there overnight to be on it.

>> That's correct.

>> Casar: Okay. Now I have my questions of law. I know this isn't going to land development code. I'm sorry, I got a little confused there.

>> It is actually going in the land development code.

>> Casar: Okay.

>> Just for everyone's -- there's specific regulations for short-term rentals in 25-2, which are our zoning regulations. Some of the licensing in terms of suspension and inspections and those kind of type of topics are also in the land development code, but they're in 25-12, which is our technical code under the property maintenance code, which are property health and safety regulations.

>> Casar: So in this case, we would -- sorry, the public health and safety is in the -- is in the land development code, whereas the licensing is in the -- is just an ordinance.

>> They're all in the land development code. One is in zoning and one is in the property maintenance code.

>> Casar: And in this case the guest registry code would go into --

>> We can put it into the zoning regulations.

>> Casar: The zoning regulations. So the idea being that it would be a requirement for zoning under this recommendation, in our zoning code, that you maintain a guest registry for who occupied the structure, and so the city, if the registry was not properly maintained, what would our recourse be if we determined that somebody was not putting people in the guest registry that stayed there overnight?

>> In the event that we were able to show that somebody was not complying with that requirement, that would be a violation of their license, which then could potentially lead to the suspension of the license.

[1:22:28 AM]

>> Casar: Okay. And do we require a guest registry at hotel, motels, or bed and breakfasts?

>> In 25-2782, which is the requirements for bed and breakfast, we do require a register. I do not believe, though, that it is in the licensing section, the regulated lodging establishments of the property maintenance code.

>> Casar: So what is the --

>> The distinction?

>> Casar: The distinction there, yeah.

>> The regulated lodging establishment is hotel-motel, boarding house, rooming house, short-term rentals. That's the whole group of them. And bed and breakfast actually have their specific regulations in addition just as short-term rentals do.

>> Casar: So if someone stays for a bed and breakfast to properly operate under their license, they have to maintain a guest registry of every person that stayed there overnight, and the city may inspect that guest registry at any time, or is it just in court?

>> The city could request it, how we handle someone refusing to turn over that information is a longer discussion that we would have to address as we go through this process.

>> Casar: Okay. It seems to me that this is something that I will have to review a little bit more between now and Thursday. I do -- I do want us to figure out how to crack the occupancy issue, but at the same time I'm asking -- I -- the witnesses' testimony about feeling as a type 1 str operator, the sort of creepiness, mandated by stowed, to keep a list in a book that the city comes and reads of everybody that stayed at your place, that resonated with me, so I could be inclined to change my mind between now and Thursday, but I think I'll probably be the dissenting vote on this.

[1:24:58 AM]

I just wanted to see if I could get across the river on that one.

>> Gallo: I would guess most of the people that are still here would agree, I think the number of occupants is probably the biggest issue that we have with short-term rentals that are not operating in compliance, and that are very negative to the neighborhoods. So although there may be -- there may be things that cause us pause in what we're requiring, if it helps us to get to the point that code can enforce the occupancy, it's something I think we should look really hard at doing.

[Applause]

>> Casar: And -- and I understand the challenges with enforcing occupancy, and as we consider this, it will be interesting to hear the discussion about whether we think people will comply with this guest registry if it's noted on the application that only six people can stay there, whether six people will log in. I understand the continuing challenges with that. And so I'm committed to figuring out how we enforce that occupancy. It seems to me, just at this point, at this hour, that the guest registry doesn't resonate with me as the tool for doing that, but that's not to say that I'm not in favor of us enforcing occupancy.

>> I'd like to make a motion to include the item 6.

>> Casar: I think the motion has been made, and so all we have to do it vote on it.

>> Renteria: I'll second it.

>> Casar: It's been seconded so we can take a vote on it. For Thursday, I'll think this through and perhaps this will be something I'd prefer to just see in type 2s, as opposed to type 1s. I know we've got a lot left to talk about so I won't stall us on this one any longer. All in favor, raise your hands. And anyone opposed? So that one passes 3-1.

>> Gallo: Okay. The next one is easy.

>> >> Mayor Leffingwell: Nice to have a few easy ones in here. This is to require short-term rental license holders to comply with noise requirements. This is really more of a cleanup provision than anything else because right now the noise and amplified sound ordinance does not -- does not governing the properties that are in the limited purpose or etjs.

[1:27:10 AM]

And so what this does is, it would add those areas -- they would add this ordinance, the sound ordinance to those areas, so that all of the short-term rental properties in the Austin area included limited purpose and etj would be under the same noise and amplified sound ordinance.

>> Casar: And, councilmember, because this -- because it is linked with the license holders, would this then make it such that we could start considering compliance with noise requirements as requirement of keeping your license and the license being renewed?

>> Gallo: Absolutely.

>> Casar: And, law, is that your reading of what this code amendment, if we initiated it -- what it would do?

>> Yes.

>> Casar: Great. I imagine this is something we'll all consent to, but -- so with that objection, would you like to move that we recommend this?

>> Gallo: Uh-huh.

>> Casar: Seconded by the mayor pro tem. All in favor, say aye. Okay. Recommend that one, too.

>> Gallo: Okay. Number 8 is the occupancy limit. As I just mentioned, the number of occupants over -- over our code is the biggest issue that causes problems in the neighborhood when it's not in compliance, and as I've heard over and over again, both from the neighbors and also from code and also from legal, the difficulty in enforcing, when it is unrelated -- I mean I remember seeing -- I think it was on K -- one of the TV stations not too long ago within the last week where they actually went out with code enforcement to go to a rental property, and as code turned around after all these people were saying -- just kind of looked at the camera and shook their head. We really have to figure out how to make this work. You know, I would support the six adults because that is -- I'm actually going to -- let me preface everything by saying I'm going to recommend that we do this, not Thursday, but we give us a little bit more time on this because I do think there's some other councilmembers that want to weigh in on this, too.

[1:29:16 AM]

I would support six adults because I think that is a very clear way of determining overoccupancy, but one of the concerns that has come up that I would like to have a chance to address, both with industry and also with neighbors, is, what about the family reunion? What about if you travel with your kids and all of a sudden, as a lot of our kids are, they're adults now. So could you take a trip with your family and have eight adults, but they're related? You know, then it goes back, I don't want to add that unrelated in there, but maybe there's something in there that we can do that the burden of the proof is on the owner to prove that they're unrelated if it's a family situation. So I just -- my goal is to get to six adults, but I want to have a little bit of a conversation about, you know, do we need to have something in there if it's truly a family gathering and there's -- you know, you end up with extra related people. Children would not count. I think there was somebody that mentioned something earlier about couldn't travel with their family, but children would not count in this, this would be strictly adults. So --

>> Casar: So we'll proceed with that one as we have proceeded with the others that we are delaying until our September conversation unless there's any objection to doing so.

>> Gallo: And I would like to hear -- I mean, it's really important to me to find out from the neighborhood if there's any situation with a family gathering, a family reunion -- and I don't want to have the conversation right now because I think we're all tired and it's late, but I do think that that is something that I just want to get some input on and see where we stand on that, but, you know, at this point, like I said, I'm really supporting the six adults because code has said that's what they need to be able to enforce the overoccupancy.

>> Casar: Mayor pro tem?

>> Tovo: Yeah. I just want to acknowledge. I see some very disappointed faces out there. I know you said, councilmember Gallo, this is a very important issue and you're committed to seeing it through.

[1:31:20 AM]

So I will go with the will of the group today in terms of how to deal with this, but I think as you've said, it is really critical that this issue be addressed. And I'm trying really hard to envision when we would have three -- you know, even if it were a family, that allows really three couples and their children to stay in there, so that -- I mean, you could have a family reunion. Now, you couldn't have a family reunion with five branches of your family because that would exceed the six, but six is -- six still allows three couples and, you know, maybe two kids per, and so that's a pretty good size -- what you've got in here is -- I think would allow for most families to come and stay, so I'm supportive of what you've got in here, if you wanted to move forward on Thursday. I acknowledge --

[applause]

>> Tovo: I know you said there are some other councilmembers who want the opportunity to weigh in, which they can do on Thursday, is what you're saying, they need the ability to talk with others out in the community about it between now and --

>> Gallo: That was the impression I got. I do know that it's been very difficult for people to get into the council offices. You know, this occupancy limit to adults instead of unrelated is different from long-term rental regulations, and so I just -- I just want to make sure that we've really had a chance for other councilmembers to spend the time that they need to really feel comfortable with that and, once again, because we're deviating from the rental -- occupancy policy on long-term rentals and doing something different, more stringent, I think it needs to be done because of the abuses, but I do think it's worth a little bit of extra time if other councilmembers ask asked to get a little bit of extra time.

>> Renteria: Well, I really feel like we should include this. I mean, this is what's gotten in -- got us in truck in the first place.

[1:33:23 AM]

[Applause] Everybody's saying [inaudible], you know. If we don't -- if we put family in there, we might as well just forget about all this work that we've done because they're going to say -- all of them are going to say, well, we're all related, you know, we're cousins and this is my brother-in-law and we're just going to go right back to having ten to fifteen people in there. So I don't see how we can get around that one, you know.

>> Gallo: I agree with you completely. I've just been asked by a couple of the other councilmembers if we could give them a little bit more time to deal with that, but I do agree with you.

>> Casar: I think that there's -- and I share the same sentiments about trying -- I appreciate the -- the ability for people to occupy the structure with their family members when it's a long-term rental. I think we have seen some serious issues with the short-term rentals on this, and so I think there's general consensus in this committee that this is a good idea, but I would, you know, respect the process that you brought this forward with, as sponsoring, so unless there's an objection, we can move forward to taking a vote on this in September. But obviously I would also respect the ability of any member of this committee to object and make a motion as well.

>> Renteria: Well, I would like to make a motion. I don't know if I'm going to get a second -- to include item 8.

[Applause]

>> Tovo: You know, I'll second that. I really appreciate all the discussion, and councilmember Gallo, I appreciate very much all the work you've put into this and can understand wanting to hear from -- or respect other councilmembers' interest in talking about this more. I would say that I believe we might have that opportunity, though, in the code amendment process to tweak it if it needed to be because

it's my understanding that this would go to planning, this particular code provision would have to go through the boards and commissions process.

[1:35:24 AM]

>> Gallo: Correct.

>> Tovo: So, you know, that's -- I mean, very often, it seems to me that the council initiates a code amendment and the planning commission may make a slightly different recommendation as it goes through the process. So I think there would be that ability for the planning commission and other groups along the way to present some ideas about how to tweak that so it's not capturing -- it's not capturing the families that we might want to be able to stay there and not having unintended consequences, but more directly getting at the occupancy issue. I'll think about it more between now and Thursday but I'm pretty comfortable forwarding this for now.

>> Casar: So it's been moved and seconded. Is there any discussion? I do have one quick question for law. Thanks for entertaining my questions. I'm going to feel comfortable passing this along to council, but with one question related to occupancy and short-term rentals versus longer term rentals. So when we kicked off this discussion in June, I think that it makes sense for us to define occupancy and short-term rental as staying -- sleeping there overnight, for one night. I don't think that it's my intention and I don't think it was a majority of the council's intention last year to define occupancy in long-term rentals or places where homeowners are ordinance occupied by homeowners -- homes occupied by homeowners for that occupancy to be one night, because if you have a duplex in central Austin with four adults living in it, two on each side, then you have reached the occupancy limit, and if they are living there full-time, that means that they can't have a friend or relative stay overnight with them without them breaking stowed. And I wouldn't want to set up -- without breaking city code. I wouldn't want to set up that precedent in traditional homes owned by folks. I just want to make sure as we pass this, we are being very clear that we want the -- and I know it doesn't sound pertinent to this conversation but I want to make sure that we are taking care of -- not creating code problems for people who are having their friends stay overnight where they live.

[1:37:42 AM]

So I just want to be very clear that this -- that the occupancy limit is being -- is codified in short-term rentals as one night and codified differently in our land development code generally.

>> Gallo: So what we would do, if council was to initiate this code amendment, we would amend 25-2511, which is our dwelling occupancy limit and remove short-term rentals from that list and we can take the short-term rentals, specific occupancy limit, and put it in 25-2, 789 in that area, where short-term rental regulations are now.

>> Casar: Then we could list occupancy definition as residing there for overnight, which could then differentiate this from the land development code.

>> Correct.

>> Casar: That would be helpful and positive, I think, so that's good. Thank you. So if we do it that way, I feel comfortable recommending it for Thursday, but I will be -- if several councilmembers have serious questions, then we can bump it to September. So you will have tried your best to respect their opinions and we will -- all right. Any further discussion? All in favor of passing this along to council, raise your hand. Opposed?

>> Gallo: I'm going to abstain from that. Once again, I support the six adults, I just feel real uncomfortable when I was asked by several of the other councilmembers to give them a little bit more

time to push something a little bit faster than what they were asking for, so it's not that I don't agree with it because I do, I just -- like I say, I want to be respectful of people that have asked.

>> Casar: Yeah, I think many of our opinion is to recommend it, but that doesn't mean that we will necessarily get this done on Thursday if councilmembers need more time. Okay. That was number 9.

[Applause]

>> Casar: Oh, sorry, that passed on a vote of 3 to 0 to one, with one abstention, that being councilmember Gallo.

[1:39:47 AM]

>> Gallo: Number 9, prohibit occupancy of a short-term rental when the building permit permits occupancy of the structure. This is -- it's stating something that ought to be common sense, but, obviously, we have to state things. It's just going to make it very clear to str owners that they are not allowed to rent their property if they have an open building permit that prohibits the occupancy of the structure. And this is absolutely needed, like I said, common sense would say that you wouldn't do it, but just for public safety, it's certainly -- it certainly is needed.

>> Casar: And is there -- so does this create any substantive change to what we already have in code?

>> Gallo: I'm going to let legal answer that.

>> It should not, if the building official determines during the building review permit review process that it shouldn't be occupied during the renovations or changes to the property, then this would be consistent with that. This would just be clearer. And we could also look at addressing the impact that has on someone's license during that time frame.

>> Casar: So as the substance -- sounds like the substantive difference that I'm hearing then is that if someone has a record of occupying short-term rentals when the building permit prohibits occupancy, we could now, if this is included as a code change, we could consider that, for example, in a bad actor policy, we could consider that, and right now we don't have the ability to consider that the way that our code is written?

>> If -- the way the code is written now, if a provision of the code is violated, it's grounds to suspend the license, based on chapter 13 of the property maintenance code. The issue here really will be what impact will that have on someone's license, just to ensure that they're not using it in a way that they should not be. I think that councilmember -- councilmember Gallo's concern was making sure that the occupants are protected and they're not being allowed to rent something when it's -- when it shouldn't be occupied at all.

[1:41:57 AM]

>> Casar: I guess what I'm trying to sort out is what this does that isn't already in code, and I'm asking that just genuinely to find out what the change will be if council initiates this code amendment, puts it through a laborious process, what it is we're going to get at the other side.

>> It is making it -- it's making the short-term rental license be consistent with how code is operating right now. So it's just clarifying that, that that cannot -- and if an owner chooses to continue to rent, if an owner who has a short-term rental license continues to rent when a building permit has been pulled and work is being done, then they would be in violation because this would be prohibited specifically within the license, so that would be a violation of the license.

>> Casar: And right now this is not prohibited within the license, it's prohibited somewhere else, so we wouldn't be able to pull the license? I guess I'm -- that's what I'm trying to get sorted through, is whether we already can do this and what we need to do is administratively push for this to work, or if

this is really, considering the work that has to go through with the code amendment, if this is going to bring added value to the city's enforcement mechanisms.

>> It will make it very clear in the code that just because you have the str license, if you are under a building permit and you're not allowed to occupy the property, nobody else is as well.

>> Casar: So it's a clarifying code amendment, but the substance -- I'm not hearing that there's a really substantive difference in our enforcement capabilities?

>> No. Not specifically. I mean, if the building official doesn't want the property occupied while the building permit is pulled, that would apply regardless of who's occupying it.

>> Casar: So we could -- if we had -- if we started using our powers to pull people's licenses or to not renew people's licenses for violations of ordinances, this ordinance language already exists somewhere else and so we could cite it and say you're not getting a license because you violated this part of code, even though it's in another part of code and not in the str part of code.

[1:44:12 AM]

>> That is correct. We could do that.

>> Casar: So generally I understand why it is that we want to be as clear as possible, but at the same time I'm wary of recommending land development code changes that don't have -- won't really change the way the city works. So I guess I leave it up to the committee about whether or not we want to be recommending out changes to the land development code that are -- that are not substantive.

>> I think -- no, no, no, I think that it does become important if you're trying to build a case against an owner who is not operating properly and continues to violate the license requirements. So it may be a stand-alone. It doesn't seem like it's that important, but I think if it's very clear that that is a violation of the license, then if there are other violations of the license, that can be added to it. I mean, an example is, there was an str that had a fire, and so, basically, what this does is allow that license to be suspended until the building permit is -- the work is done and the certificate of occupancy is issued, and the building permit is finalized. And it makes it very clear that it cannot be rented during that time. So, for example, if the code noticed that this owner was advertising for that period of time where the building permit had not -- the work had not been complete, the building permit had not been finalized, then that would be a violation. And there may be -- code may want to come in and talk about how this is helpful to them, as far as --

>> Casar: Sure. I think that would be helpful for me.

>> Gallo: I think those were the questions you were saying.

>> Casar: I think if -- if I'm understanding this correctly, if code is able to deny a license right now for these very reasons, I don't want to communicate to the public that we can't enforce this today exactly the way that it's written because perhaps then the question is not should we process a land development code amendment which could take months or a year, but instead we should start enforcing what you have done in the resolution now.

[1:46:28 AM]

But perhaps you need this in the short-term rental ordinance to start enforcing it now. So --

>> Mr. Chair, I think that, yes, I think that we currently watch closely the building permits and we're able to take action now, based on those building permits. But I'm going to allow Mr. Marcus Elliott, who's our division manager, so actually respond to that. He probably has some situations already he's dealt with very similar to situations described in this particular item.

>> Good morning, everyone.

>> Gallo: You just had to say that, didn't you?

>> I did. I did. Thank you for allowing me to speak. We currently have a process in place where if we have an active code violation or something involves a building -- active building permit or any other type of building permit that would be a safety concern or a health concern, that we would actually, if they did have a license, suspend that license or deny the renewal. So that's something that's already in place for us to use at this point.

>> Casar: So I guess what I'm trying to understand from you, councilmember, and our city staff is, if initiating that code amendment is what we need to do to enforce against bad actors that are operating when a building should not be occupied, or if we can just start doing that now, today, and I'm not trying to be nitpicky, but I think the reason being that sort of chairing this committee, I'm trying to make sure that what it is we're passing along and recommending to the full council is something that the council needs to act upon, and if -- and if we don't need to act upon it, then perhaps the proper direction would just be to help support our code department to enforce -- since this is already in code. Are we okay with that?

>> Gallo: That's fine. I mean, I -- unfortunately, through this whole process, what I've realized is that things that should be fairly simple and people should understand and operate accordingly, sometimes we have to beat them over the head and really explain to them that they can't do things.

[1:48:29 AM]

So that was just -- the reason for this --

[applause]

-- To me, there's no real positive reason to not include it, it helps code and if it helps remind short-term rental owners that they shouldn't be renting their property when they have a building permit pulled and work is being done and the permit hadn't been finalized, to me it's worth the effort to add it to it, just to that, once again, we're as clear as we can be, because that really is a safety issue.

>> Casar: And councilmember, I don't want to fight you on it, so we'll just take a vote on it. I just don't feel comfortable recommending that we initiate a land development code change when we already have it in the law and there's -- I haven't had erred from law or from code or from anyone what this will do to improve enforcement. It sounds to me like instead of having our council and planning commission talk about this code amendment we should be talking about how we can enforce this code amendment that already exists in city code. But anyway, that's my piece. I think we shouldn't send to council because we shouldn't communicate to them we don't have this in code when we do. So was there a motion on the table to --

>> Gallo: So moved.

>> Casar: Moved by councilmember Gallo. Seconded by councilmember Renteria. All in favor? Raise your hand? Those opposed? So that will be recommended three to one. Okay. Tell us what else do you want in your resolution for Thursday.

>> Gallo: The next -- the next item is number 10, which is the thousand-foot rule. And this would include a prohibition against locating any type 2 short-term rentals within a thousand feet of another existing license type 2 short-term rental.

[1:50:33 AM]

This would also include a grandfathering clause for the existing type 2 short-term rentals that comply with city code. This -- this is one, again, that I've had some questions and requests from some of the councilmembers to give them a little bit more time to look into this. I would say this is something I would probably support. The group home restriction is a thousand feet. I mean, excuse me, the bed and breakfast is a thousand feet. The group home is half a mile, which would be -- actually, at this point I

can't even divide, 27 -- 2700 feet-ish. So I think it does kind of fall in line. We heard some concerns about clustering. I think some areas have some issues with that. But, once again, I've heard from a couple of the councilmembers that really would like a little bit more time because this one is a little bit more complicated, just to be able to ponder it.

>> Casar: So would you like that --

>> Gallo: Ask that --

>> Casar: So, so would you like it on the September agenda?

>> Gallo: Uh-huh.

>> Casar: Without objection, we'll consider this in September, but I'm willing to hear any objection now to that move.

>> Tovo: I'm fine to wait. I just want to say I think this makes good sense to consider. It is what we do for bed and breakfasts, and I think as we -- as the council heard back in 2012, you know, we do have different standards for short-term rentals than we do for bed and breakfasts, so to some extent that's for the fair, so I think this would make good sense in addressing the clustering issue.

>> Renteria: Chair, I also agree, you know, we just had a report from Mr. Smart -- director smart about you know, how many short-term rentals that we have in our neighborhood, and he had a report that stated that there were like 1100.

[1:52:35 AM]

And then he said there was really 1200 because that's how fast we're getting these short-term rentals in our neighborhood. So I think the sooner we get to it, you know, the better that we're going to be off. So I'm going to be supporting this.

[Applause]

>> Mayor Adler: Okay. What's next?

>> Gallo: Are we going to move that --

>> Casar: I think you said you wanted this to be on the September agenda.

>> Gallo: Yes. I'm sorry. The brain is leaving me. All right. Number 11 is authorizing the code official to suspend or revoke a license when false information is included in a license application and when the license is issued in error. This actually is another one of those situations where it -- the director, the department already has the authority to do that. This makes it very clear that the department has the authority to do that, and I think given issues that we've had with people not listening or hearing -- I'm not talking about the department, I'm talking about owners, that I think being very clear about this is important to do. So once again, it's just taking it one step further to make sure that the language is very clear and that code -- that code enforces their authority to suspend the license on the grounds of information.

>> Casar: I'm supportive of this. I think if we're going to be giving out licenses and asking for applications, they should be truthful, and I think that considering some of the challenges we have with short-term rental operators who see the penalties as just part of the cost of doing business, finding ways to revoke licenses from those folks that are really causing a problem should be our top priority with this work. I think that's what we heard from almost everyone today, so I'll be supportive of this, and I imagine that as it goes through land development code, amendment process, that there will probably have to be some rights of appeal if you get -- if you don't get it renewed, just like in our food truck land development code portion, there will be due process clauses, that this will be well thought out.

[1:54:50 AM]

But I think that not renewing licenses for people causing problems will be the easiest way to deal with the issue so I'm very supportive of moving this forward for Thursday.

>> Renteria: I am, too, but I'd like to ask a question from either legal or staff about what was brought up by Stewart about allowing the building and standard commission to be the resource for setting penalties, license suspensions, and -- in order to vacate an unlicensed facility. What would be the -- how would you go around looking and trying to get some information about whether we could do that?

>> Currently the building and standards commission responsibility as it concerns str licenses, they are the appellate body, if the director decides to suspend or deny a license, the individual who's applied or the operator can appeal to the building and standards commission to get the building and standards commission to review that decision. The issue of -- the buildings and standards commission would be involved in short-term rentals if they're substandard or dangerous conditions, agency they would with all properties in the city. And they have -- if they have situations where it is -- needs to be vacated because it's not safe, they would still have that authority. They have that authority under the property maintenance code now. So I'm not sure -- is there another question?

>> Renteria: Well, yeah, because I will just -- you know, he had been bringing that up here in the last three weeks, since we've been meeting, discussing this item, and he was saying that we should be running it through the building -- I was just trying to find out -- get some more information about what would -- actually, what we'd accomplish by doing that.

>> Gallo: Maybe we could at that to the September -- the items that we're going to come back and discuss --

[1:56:54 AM]

>> Renteria: Sure, that would be fine.

>> Gallo: Would that be okay?

>> Renteria: Sure asks do I see a motion to recommend this for Thursday? Seconded about I the mayor pro tem. All in favor, say aye. Passes unanimously. And on to --

>> Gallo: There's one be it further resolved. And this is, the city manager is directed to bring the proposed code amendments to council for conversation within 150 days. Changes that do not require code amendments should be fully implemented within six months with monthly updates to be provided until all the changes have been implemented. Any of you that know me know that I like things done yesterday, and so when we first started talking about days, I was like, okay, let's do 60 days. How about that. And then the process was explained to me, so I just wanted to share that so people understood why it seemed like forever. So this is -- this is a code change so it has to go through the full process. Once the council passes the resolution that instructs the city manager to prepare the ordinance, staffer and city manager do that, legal becomes involved, and then it goes -- the proposed ordinance goes through a process, it gets heard by a subcommittee at the planning commission, and then by the planning commission, then comes back to council. So it is a pose determined by calendars, it's strange to be talking about this in August, but in November and December we start having holidays hit, so this is the longest that I've been promised it would take, and it could very well be a month or two shorter than that, but probably because of the holidays we may be pretty close. But we will keep pushing it because yesterday --

>> Casar: I don't think there needs to be a committee vote on this section. I think we can move on until people really feel like voting on it. I think everybody should be fine with that.

[1:58:56 AM]

>> Gallo: Perfect.

>> Casar: So we've dispensed with that and we will look at the code department regulations to see if there's anything we haven't tackled there, which I think there may be a few. We will take the first five up -- up, I think, because those have been sort of in a group. Those were up in the five, then presented to us in the past. That's adding the penalty for operating without a license for non-compliance equals license, adding the occupancy limit statements, adding a penalty for operating with an expired license, adding the inspection requirements for str's and then striking the gauging the testing the waters provision. All five of those have been discussed by this committee. I have questions around two of them and if those two questions are answered I would be ready to recommend all five at once. There are any questions from the committee members about any of these five or would we like to break them up? I just have clarifying questions on two.

>> Gallo: Okay. Councilmember.

>> Gallo: Number 4 is the inspection? Which I think we said that that would be in September.

>> Casar: Thank you. Great. So 4 has already been punted to September. One, two, three and five, I would be ready to vote on as a batch except that I would have one quick question about number 5. So you will move -- adopting one the co--department's recommendations 1, 2, 3, 5, is there a second? Seconded by councilmember Galo. I don't think this would be as much a -- a potential recommendation that the testing the waters provision I think for str's type 2s should go. I think that will make it much easier for the code department to process this.

[2:01:01 AM]

I fear with our current registration dollar amount every day type 1 folks may continue to test the waters without paying that fee. In it is intervening days between now and Thursday I want my committee members to know -- want to know if there's potential ways for type 1s, perhaps issue them a cheaper license to sort through making sure that they don't just not register their property. Because I think that just knowing the folks and having conversations with folks that have type 1 at their home, they often times aren't investors or big companies, if they have to pay 250 bucks to find out if somebody is going to represent out their room when they are gone during south by, we may end up losing, which I think adds to the enforcement problems rather than supports the enforcement issues. Because there's a lot of consensus on the council and here to remove the provision genora, I will support removing it, I want to look my committee members know I will brainstorm and ask the community to brainstorm as we process this code amendment ways that we can help those type 1 folks comply -- I don't want to -- I just want to see if we can balance both. If we can't we can't. If we can get type 1 homeowners to test the waters with the license, perhaps a cheaper license then I think would be the preference of the entirety of the committee. I think. So I'm ready to recommend it, but just with that comment that -- that either three of the code change processes between now and Thursday, we will see if we can think of a way to get those type 1 people to continue complying.

>> Casar: With my comments, I'm ready to vote unless there's further comments. All in favor say aye.

[2:03:02 AM]

>> Aye.

>> Casar: That passes unanimously, recommendations 1, 2, 3, 5, those are the penalties and the striking the testing the waters provision. Number 6 is requiring registries of str guests, that has already been passed a 3-1 vote. Number 7 establishing occupancy limits that's already been passed along to council on a 3-0-1 vote. Number 8 is increasing the non-compliance penalties. That I do not think has been discussed yet in councilmember Gallo's resolution, is that something that the committee wants to discuss before it's voted on, on Thursday Renteria I would support it.

>> Gallo: I would support it, too.

>> Casar: Is that a motion from anyone? A motion from councilmember Renteria and a second from the mayor pro tem. I think that what I'm trying to sort through is the difference between no. 8 from the other penalties that we have assessed, I think I'll be supportive. I just want to -- to hear the difference.

>> Mr. Chair, on this particular item we're recommending that the county or the fee for operating without a license for type type 2s be higher than those for type 1s. For type 1s, I think items 1 and 3 we talked about earlier, the too he for operating without -- the fee for operating without a license be equal to the cost of the low pressure system itself. So if -- of the license itself. If the license is 235, then normally the additional fee would be another 235, making it 470. But if it's a type 2, in this particular item, type 2, then double that. So the fee would be twice the 235, which is \$470, plus the 235 needed for the Normal license.

[2:05:09 AM]

So it's increasing the amount of the non-compliance penalty for type 2s.

>> Casar: Okay. I understand, I'll be supportive of that. Any further discussion or questions?

>> Gallo: Staff, can I just direct a question. Is this the penalty that legal was saying that it actually has to be based on your cost?

>> Yes, ma'am.

>> And so what I'm hearing then is you're saying that the cost to actually process a -- a violation for a type 2 is actually more staff cost than a type 1.

>> That's correct.

>> Gallo: Okay, just wanted to make sure that I was clear. Thank you.

>> Casar: Without seeming like there's further discussion, I would be ready to call a vote on that. All in favor please say aye.

>> Aye.

>> Gallo: I'm going to abstain from the no. 7. Which is the occupancy --

>> Casar: We didn't vote on that.

>> Gallo: I'm sorry, excuse me. I apologize.

>> Casar: I think bars are almost closing, so that's forgivable. So number --

>> Gallo: We can all go down cat mountain drive, right?

[Laughter]. We'll do our own inspections, Marcus won't have to do it tonight.

>> Casar: All right. Number 8 we are voting on the non-compliance penalty, all in favor please say aye.

>> Aye.

>> Casar: So that passes unanimously. No. 9 --

>> What happened to 7?

>> Casar: Number 7 we already discussed it as part of your resolution. No. 9 I think we also postponed as part of your resolution; is that correct.

>> Uh-huh.

>> Casar: By consensus the committee on this and the occupy pane limits and other -- occupancy limits and others that we postponed until November, we will ask the council to not act on these sections until we have a chance to review them in September. Number 10 is requiring the local contact to reside within Austin metro area.

[2:07:14 AM]

And the individual must be present to respond within two hours after being notified by a tenant or a city employee of an emergency during any 24-hour period.

>> Gallo: Could code address that? To me this is one of the places that there's a big gap when there's problems and there's no way to get in on touch with the owner or a management company. So could you -- I know it's a problem, but if you have help explain the proper be that you run into and why you recommended this.

>> Be glad to explain, councilmember. This requirement we're -- there's already a requirement now for local contact, but it doesn't really go in-depth in the code. And we're asking the -- to strengthen this section to make it such that a local contact would be an immediate area and be available in case there's an emergency or there's a big problem at the property. And somebody who could be there within a couple of hours, a responsible person. And we think this would help a lot. If we've got a complaint about a, for example, a big party that's out of hand, it should -- we should be able to call that local contact and have that local contact actually meet us at the property within a couple of hours and hopefully we could get compliance. At that time. If we've got the local contact seeing what the problem is, maybe that will help them to be able to understand what the problems are that the neighborhood might be experiencing and they could help us to police their property and keep it in compliance more.

>> So director smart, if a type 1 owner decides to leave town for a weekend and rents out their property, all they would have to do is make sure on their application they have who the local contact would be that is in town when they leave town.

>> That's correct.

[2:09:15 AM]

>> Casar: So is this something that we would like to recommend for Thursday? Then I would entertain that motion. Moved by councilmember Renteria. I think that I'm allowed to second a motion. I will do that. All in favor say aye.

>> Aye.

>> Aye.

>> Casar: So that passes unanimously. So -- so number 11, we already -- took care of that, that is a cleanup item to make sure that the limited purpose str's are subject to our city noise requirements and then we can consider that in licensing. So thank you for bringing that up. Number 12 is having to do with penalty ranges which I think was described by staff early in the original presentation. Any further questions we can ask -- councilmember tovo or mayor pro tem tovo moves approval of the seconded by councilmember Gallo, any discussion, seeing none, all in favor please say aye. That passes unanimously. That brings us to the last one, which is number 13. Adding parking requirements and staff require -- staff recommends that council require str operators to provide additional parking space for additional bedrooms that exceed four.

>> Gallo: I would really recommend. This is so different. We've not talked about anything close to this. I would really recommend that this go to September just to give everyone a chance to kind of think about it. We've been dealing with so many different parking requirements that it would be nice to kind of give some thought process to how this fits in with everything else --

>> Casar: Director smart, I know in your presentation, in your memo, you said you're still working with the planning and zoning department on this issue. You think you'll have more results from your conversation by September or how much time would you need to make feel -- you seem very confident these recommendations up to no.

[2:11:20 AM]

13. Sounded like you are still having conversations. When do you think those conversations would conclude and we could consider this?

>> Mr. Chair, I think we would agree with councilmember Gallo and the committee that September would be acceptable. That would give us more time to work with planning and zoning as well as development services to really hone in exactly what those parking requirements might look like. We certainly think if the larger properties are allowed to go beyond the maximum of six, if that is allowed, then certainly parking needs to be looked at, parking requirements need to be justified. So September would be fine with us.

>> And I guess my question to this committee would be if -- if we need to take -- as director smart insinuated, if we need to take this up, if we do end up passing (indiscernible) Code amendment to limit it to six adults why we have require paving an extra parking space and adding extra impervious cover once we have determined that six is the maximum allowable str, maybe an open question that I may consider if we move forward with six unrelated adults or six adults, period, unrelated or not. Whether or not we need to be adding parking requirements. Beyond what we would already require for large house.

>> Great discussion for September.

>> Casar: Great discussion for September. Okay. I think that's all of those. Now the mayor pro tem handed out some amendments so I will recognize you to walk us through those, unless councilmember Gallo is anything and director smart nothing that we missed on your presentation, we went through everything, right?

>> Tovo: Actually, we are making really good progress. I think mine are pretty easy so we could adopt them all on concept and not even talk about them. No, I just want to start by saying really a big thanks to councilmember gallon there and your sponsors, also to our code, I think the changes we have recommended moving on to council for Thursday are great and are going to make a big difference.

[2:13:33 AM]

Let me just say that I have four amendments. One of them includes what I would regard as sort of smaller issues so I have compiled them all on one sheet and I'll ask -- I will ask, thank you, you to bring them up. A couple of these I'm going to recommend we punt to September because I can -- I'm really quite clear that we're not going to get through them. This one I hope we will. We talked about this one a little bit earlier, well hours and hours ago. The discussion was confusing. I went back and tried to clarify what my intent was. I apologize for that difficult conversation earlier, but I think it helped me clarify exactly where I was going wrong in the language that I had currently in my resolution. Here it is, as we know we talked about today we are contemplating at the same time revisions to the Adu ordinance that would encourage the instruction of more accessory dwelling units. We certainly have heard concerns that we're taking -- that we need more housing and that we need to adopt code measures that create more housing and to me that is at odds with a short-term rental ordinance that allows -- that allows unions to be used as short-term rentals. To prevent that happening in our ads, I'm proposing the following. Let me just cut to the chase. Accessory dwelling units that are built after the effective date of the revisions, ie the ones we are currently contemplating -- [reading graphic] If you are an existing homeowner and you construct an Adu on the back of your site, that's a type 1. To me that does not address our need to encourage the construction (indiscernible) Housing which is where the Adu provisions are being proposed to begin with. Again, if you build after the -- after the current Adu revisions that are being contemplate, you may not use those units at short-term rentals.

[2:15:40 AM]

If you currently have an accessory dwelling unit in your back yard those are now going to be classified as type 2 rentals and will count toward the 3% cap.

[Applause]. We talked about this a bit earlier. This is a concern that I've heard experienced since back in 2011 and I think a few commenters, a few speakers earlier said, you know, some of the -- some of those who have concerned, had concerns back in 2012, still have concerns and certainly I guess that I would cast myself in that group. I had concerns when we considered it back in 2012, I was one of the dissenting votes on that. I am very supportive of type 1 rentals, I think they're a good way to earn extra money during south-by-southwest, limited times. I am extremely concerned about our housing supply. As we saw when we looked at the map, the highest number of short-term rentals do fall within district 9. We know we have challenges in district 9 with school enrollment, families and children moving out of the central city, these are long-term trends, I'm sure nobody wants me to talk about them endlessly at 2:00 in the morning. I will leave it at that. I think we have an obligation to make sure that we're not adding to the problem with what we're doing here. I propose that as an amendment to be forwarded on to the council on Thursday.

>> Casar: Is there a second?

>> Renteria: I want to second for discussion.

>> Casar: Seconded for discussion by councilmember Renteria.

>> Renteria: I support this, but I think that what might get us into trouble in this one is the second part of it. With the existing -- I think we're going to get a lot more resistance. If we could just pass it -- the top one, the first part and then defer that to the October -- September for more discussions on the existing adus, so classify it as type 2 -- defer that to the September 8th meeting or 13th.

[2:18:10 AM]

>> Casar: Do you have a suggestion on the date or can I recognize councilmember Gallo to speak? Sorry, I thought that you were looking at your calendar. So which date [multiple voices]

>> Renteria: Delayed for the other.

>> Casar: Our September planning and neighborhoods committee, you express a preference that we talk about the second sentence of this amendment at that meeting instead.

>> Renteria: Correct.

>> Councilmember Gallo?

>> Gallo: Mayor pro tem, thank you for bringing new ideas forward. At this point at what 2:30 or whatever time it is, these are so drizzle stickally different -- drastically different than anything that we've been talking about in this resolution and code amendments, I would really hope that you would be agreeable to letting this go to September. These are very different and I'm tired at this point. It's 2:30, we've had a day since 9:00 non-stop. We've been very careful about posting thing on the message board, getting emails out to neighborhoods and stakeholders and being very transparent in the process and my concern is that these are all really new and different ideas that are kind of being dropped on us right now. I'm just really uncomfortable with doing this. I would really appreciate particularly how late it is and how tired we all are, if we could move this discussion to September just because it's not been part of the conversation up to this point. Anyway, just a special request.

>> Renteria: The reason why I said because when we were discussing secondary units, ads in section 3 of our agenda today, even the people in support of the secondary units were supporting -- pushing the whole secondary unit saying that they want to also include they will not become short-term rentals.

[2:20:23 AM]

And that's why I was saying that the first sentence would be, you know, fit in right with what they are advocating and selling it to the community that they don't want these new units because they are supposed to be for affordable housing. And I could understand, my colleagues here are concerned about

the second part of it. Because we haven't discussed that one, that's something totally new. But the first sentence is something that we have discussed earlier.

>> Tovo: If that's the will of the group, I'm happy to consider that suggestion. I will say that I think we need to establish some ideas, though, about when and how we can introduce ideas. I certainly have mentioned this particular point at every discussion that we've had about accessory dwelling units and we've had at least two over the last couple of months. We've also talked about short-term rentals and I've explained that point, too. I think if we are going to have a system where things get vetted in the committee, we need to really be able to vet them when they come up with the committee and not then table them to another committee. I appreciate councilmember Gallo that you would like more time to talk about it. But if we're going to use our committee to propose amendments rather than talk about them necessarily at council, then we need the ability to do that. And so I will be happy if councilmember Renteria you were the second on that, if you want to amend it to just consider the first one now and move the second sentence to September, I'm happy to do that. But I will say, too, we have heard from the community in the previous weeks, several speakers tonight talked about this issue. We've gotten email and I think, too, we need to be able to propose amendments at our committee meetings that respond to the comments we've heard.

[Applause]. Including at the meeting itself.

>> Casar: So councilmembers, I want to put my two cents in before we make amendments to this amendment because perhaps that will help y'all calculate sort of where the votes are and what we can do moving forward.

[2:22:23 AM]

For me, we have already banned and I think the planning commission agreed to and what I think all of the advocates who are here on all different sides of the Adu issue agreed to banning ads at type 2 short-term rentals upon codifying any new rules around ads and we successfully -- that is if a house is a rental property, an investment property, that you cannot add an Adu that would also operate under short-term rental license to that property. Now what we're discussing is something different which is if a homeowner owns and occupies their home and then constructs an Adu, that this would make it such that the homeowner would not be allowed to apply for a short-term rental license at any point for that Adu. I think that I would be willing -- I have sort of already formulated enough of an opinion to take a vote today as opposed to September, but we could wait until September if that's the majority will. My view is actually I think the 3% cap is something I'm willing to support as opposed to prohibiting them entirely. Such that we are guaranteeing that we're creating long-term housing, but in those situations where a homeowner under certain market conditions says hey I can rent this out as a short-term rental during south-by-southwest before I start my long term attempt and that's going to help cover some of my costs that the homeowner has the ability to do that, so long as that's not what everyone is doing and this would lead to hitting those 3% cap in those neighborhoods where too many people are doing. I think that I would be supportive that ads count towards that cap but not banning homeowners association from living in their house and representing out their Adu for a week in between leases to make a payment and they would obviously be subject to all of the enforcement mechanisms and this would hopefully push folks to comply and register for a license rather than not tell us what they do that.

[2:24:33 AM]

My preference would be the 3% cap but not the prohibition entirely to short-term rentals and ads. That's what I would be willing to vote on this evening. Of course if you all want a month to think about it, I can't stop you.

>> Renteria: I think it's going to be a big, long discussion on this one, I think we should just table it until the next meeting because this one to me says that I own a secondary unit, then when we pass this, it no longer is a type 1 a. It now becomes a type 2. Am I correct?

>> Casar: So here's what I would recommend as a substitute motion. If somebody makes that substitute motion they may. If they don't actually, councilmember Renteria can I pass the gavel over to you so I can make the motion.

>> Tovo: Councilmember Casar, I certainly applaud your interest in making a motion and if you would like to that sounds fine. I would say, though, that it now strikes me that we have four very different ideas about how to proceed on this. So let's just do table it for September. In the meantime, I'm going to get from code, I would like to get from code, if you've got this information the number of current type 1 accessory dwelling units that we have registered in the city because I think then we'll get a sense of really what the scope of the issue is.

>> Casar: Great, I'll take the gavel back, since we can't always communicate amongst one another when we are not in public meeting, my recommendation for what we do to address the housing stock issue while being thoughtful about the short-term rental use, is that ads requesting new licenses be categorized as a 1 B so still under 1 a but 1 B count towards that 3% cap.

[2:26:39 AM]

So you can still represent out your Adu as a short-term rental, but only if less than 3% of your census tract is utilizing type 2 short-term rentals or adus, my only concern is that there are a lot of areas that are already capped out. What you are doing is someone has had one a granny flat or a unit there, can no longer use it.

>> Casar: They could under what I'm suggesting. My suggestion is that the new ones be categorized as 1 bs. The old ones stay the way they are, but new ones get instead of 1 a, get a 1 B and the 1 B get added to --

>> Renteria: You're --

[multiple voices]

>> Casar: I'm simultaneousing instead of saying no new ones period, we say new ones only if you are under that 3% cap up to the 3% cap instead of saying none period. Such that if you are in a census tract where 0% of the housing stock is type 2 str, you could go ahead and str your Adu but you couldn't do that of course in the census tract where it's already at 3%. That's what I wanted to just put out there as my gut recommendation for today and for everybody to mull over for next month.

>> Renteria: Okay.

>> Tovo: Sure. So I will just say that I think the Numbers from staff will help us assess whether some of those census tracts that are at their 3 percent would have an issue or not, if so how many units. I think it would be certainly something that we could consider that were this amendment to pass as is, with that second piece, if you have an existing Adu and you are over -- yours would push it over the 3%, that those could -- those could eventually phase off as things change. I want to, I think this is appropriate, I understand people are packing up and we've had a lot of amendments, but I've spent a lot of time thinking about these issues over the last three or four years, I would appreciate the opportunity to go through the rest.

[2:28:46 AM]

>> Renteria: We will wait for no. 1 -- [multiple voices]

>> Tovo: Frankly, let me go ahead and say I'll bring 3 and had back in September. I'll post them on the message board, for those of you here I will signal what they are. We have heard from many stakeholders and past weeks in various other forums, fora. The third amendment that I was planning to introduce would implement an immediate suspension on all new type 2 short-term rentals.

[Applause] At least until we see the impact of these code amendments apartment new processes and determine whether they are having any impact in addressing some of the issues. Then the fourth is an idea that also was raised by the public, that is to initiate a phased in process to limit type 2 short-term rental rentals to commercially zoned areas -- [applause] -- and to require conditional use permits for the continued operation of type 2s and single family zoning so it allows for, there is a process, there would be a process for type 2s within residential areas, but it would go back to the original planning commission recommendation which is to provide for a higher level of public process around those and to really consider whether that's an appropriate context for that use. And I'll just say I'm supportive of moving those forward. I think that we have -- again I think when we had this conversation back in 2012 there were concerns about the loss of housing. We had some comments from our city demographer that perhaps short use was one factor in the declining enrollment in our central city schools. I saw a comment from a member of the public a few minutes ago saying I voted against type 1 short-term rentals when -- let me just remind those that have been involved in this debate. I also wrote an editorial right before the second and third reading of this ordinance expressing my strong support for homeowner operated short-term rentals, but my strong concerns about what are in essence hotel/motels operating within our single family neighborhoods which are a commercial type 2

[2:31:09 AM]

[applause]. One other thing that I would like to ask the staff to do, then I will get on to my minor amendments on sheet number 2. I would like to remind the staff and ask for their help in finding the fate of one of the amendments that I proposed, according to the minutes in the transcript it was successful. On August 2nd 2012 I proposed the following amendment and I'll summarize it that the city manager present a report on the effectiveness of the program no later than one year after. It indicated that it was supposed to add language to the ordinance that read the provisions of this ordinance relating to a short-term rental type 2 residential use constitute a pilot program. Then it went on to talk about the report. And then it also asked that the city report back on data on impacts to neighborhood school enrollment, the conversion of long term housing units to short-term rental rental units, et cetera, et cetera. We did revisit the ordinance in a year but it did not really provide, as I recall, information related to school enrollment to impact on long-term rental ratesment and furthermore I don't believe the language that we as a council agreed be added to the ordinance ever made it into the Thursday. Perhaps between now and Thursday or now and September we can track that down. The reason that I bring it up, it relevant to the discussions about whether we might be contemplating amendments that could alter what is currently on the books, whether there was expectations that this was a program that was going to remain intact and that people could bank on. Into the future. I would just say in looking to that, I think we signaled to the community that this was something that we were considering. The city council always has an opportunity to end programs and change zoning and those kinds of things, but in this case, we signaled in a formal way that this was an experiment of sorts and that we were going to keep tabs on it to see if some of the concerns were borne out over the years.

[2:33:09 AM]

[Applause]. Okay. Minor amendments. Some of which we've already taken up. This is sheet number 2, please. So, council, on the sheet that I distributed, number 9, I think we've covered, establish fines. Again these are ideas that came from the public, establish fines sufficient to serve as clear financial deter -- financial deterrents. I'm certainly happy to consider things between here and September, but I think we've covered nine. We have sort of covered 6 in councilmember Gallo's item no. 2. So item no. 2 talked about a bad actor clause. I'm not sure, though, that the bad actor clause is specific to certifying that they have no outstanding code or A.P.D. Violations within the last two years. So I would look to code for that, but I believe that is a legal of detail that we should consider adding. So I would like to make -- to go ahead and suggest that we consider 4, 5 and 6. 4 I think would need additional work, but I think it's in the spirit of what we have discussed. And what the concerns have been in the public. 5, as it says, the license would lapse if no hotel taxes are paid. And then 6 I just addressed.

>> Casar: Can we just go through these really quickly one by one I think is probably the best way to go about doing it. Amendment no. 4 prohibiting strs for gatherings, basically recommending that Thursday we initiate a code amendment to prohibit use of strs for gatherings.

[2:35:13 AM]

Yes? Is that the gist behind number 4.

>> Tovo: That is the gist behind number 4 with the understanding that staff would need to go back to other areas of the code and look to how we define gatherings, various sizes of gatherings and come up with some appropriate limits. Obviously we don't want to prohibit gatherings of six or seven people. We're really talking about the larger scale gatherings such as the ones that we heard about. The kind of instance where you have at the sour patch house, you know, somebody building a stage on the back. That's the kind of gathering that I'm interested in prohibiting. I think I know we don't have our planning and zoning folks here, but we have various definitions of left armer scale gatherings.

>> Gallo: To me the issue is we've eliminated our staff, the zoning is not here to ask questions because my question would be in residential zoning is this an allowed use. I just think we're having discussions where we don't even have staff members present to be able to answer questions. It's -- it's 2:30.

>> Renteria: We have to be

>> Gallo: I think for us to make good, thoughtful decisions, we have to be able to have staff to ask questions to because on number 4 -- I'm not saying these aren't, some of these might not be really good ideas, I'm just concerned about having discussions when we don't have staff to be able to say what is it that's allowed under single family and if we have the type 3s that are in commercial zonings, already, why would we prohibit -- do -- I can't even talk anymore, prohibiting a use that's allowed under that zoning category for the zoning for that property. I'm very uncomfortable talking about this when we complaint ask staff can't ask staff. I'm happy to talk about it but I think we need the appropriate staff members here.

[2:37:14 AM]

>> Tovo: If you would like to delay that until September, I'm happy to do that.

>> Gallo: I just, you know, it's late. We're tired. I really -- I don't want to have more conversation. I think we've got an audience that has been great and been here and we've been here a long time since 4:00 on the dais and I just would rather have thoughtful conversation about all of this and I'm being irritated that we're having to stay to talk about something else. Once again we don't have staff here to ask questions. That's not a good policy to make decisions on things when we don't have staff to be able to join in the conversation. So respectfully --

>> Tovo: As I said, I'm happy to delay that until September. But again if this is our opportunity to bring forward amendments and discuss them and to hear from the public, we need the ability to do that.

[Multiple voices] I will table that until September.

>> Gallo: I think that is an appropriate comment. But I think that would be appropriate to do when it's not 2:30 at night and we don't have staff here. We either make staff stay if we're going to do this or we have these discussions when it is a time that we've got staff present to be able to answer our questions, so thank you. I appreciate that.

>> Casar: Our amendment number 5.

>> Tovo: Yes. Number 5 and number 6 as I said are related, I believe to the amendment that we are forwarding on to council and this would be similar again to the bad actor clause, require the license to lapse if no hotel taxes are paid within one year. I feel like that's a pretty reasonable requirement. Then the next would be that the owner and property manager certify they have no outstanding code or A.P.D. Violences. Again, councilmember Gallo you have looked at the bad actor clause more recently than I have, perhaps that's covered in your item no. 2.

[2:39:17 AM]

>> Gallo: I don't know, I would ask city staff and I would ask legal that question.

>> Casar: To get us through the hump of amendment number 6 before we go to amendment number 5, I think that instead of prescribing no, ma'am code or A.P.D. Violation -- no code or A.P.D. Violations for example an owner can have one code violation that's unrelated to str's instead of proscribing that, can we just make sure that councilmember equal although's initiated -- councilmember Gallo's code amendment we have discussions about code violations and ald violations as -- A.P.D. Violations as we come up with our bad actor clause.

>> Tovo: Fine.

>> Casar: We will just make sure that number 6 is a part of the discussion as we create that code amendment I think there will be a lot of discussion around that code amendment in particular. That's the one that had the most support from all different stakeholders. Number 5 I do see as a separate issue. Which is a requirement that the license lapse, that sounds different than a bad actor clause, sounds like a rule that the license has to lapse. Committee members how do you feel about number 5.

>> Renteria: I think we should just adjourn and take everything back up on September, next meeting. Very important items that I'm going to be discussing tomorrow work session starts at 9:00 in the morning, so -- work session starts at 9:00 in the morning, there are some items that -- that I need to work on because the agenda is very full tomorrow. I'm very concerned that I'm not -- I might not be able to make it in the morning to the meeting, which starts at 9:00. So it's -- I probably won't get home until 3:30. So I -- I just don't feel like, you know -- I looked at all of these items and it's probably going to be another hour discussion, which -- which I think just, you know. I just feel like I have to go home and get some sleep.

[2:41:32 AM]

>> Casar: Mayor pro tem, these are your amendments and I did lay out the process that you would -- that I would allow you to bring these amendments forward at the end of going through the code department's recommendations. But I think you are hearing from two of the committee members that we could lose quorum here. So what are your thoughts about bringing forward these for the September discussion.

>> Tovo: That's fine. Again, just to be clear, pages 3 and 4 I had already indicated we weren't going to discuss tonight. One we have already tabled. So in effect we only had a couple more things on here. That's fine, we can talk about them all in September.

>> Casar: Okay. Well, with that --

>> Gallo: Before we do that I have to say thank you to all of you guys out there and staff. I hope we don't do this again, it's been fun.

>> [Indiscernible]

>> Gallo: Please, absolutely. There were a lot of people that were involved in neighborhood meetings that we've had, sent us emails that we've talked to. Obviously we will still have conversation over the next 150 days or so, thanks for the participation. Thank you for staying here this long.

>> Casar: Before we adjourn, just to make it very clear. We will not be taking additional public comment unless there is a majority motion to do so. Next month on this item. We took all of the public testimony today so we can go ahead and handle these issues. So we won't be taking public comment unless a majority of this committee thinks it's appropriate to open up the public comment so we can work through these additional amendments. Thanks again to you all for all of your strong of sticking it out, thank you to our communications and technology staff who thought they were going to be leaving at 7:00 or 8:00 P.M. Today for keeping us televised all evening, thank you so much.

[Applause], without further ado. We call this meeting adjourned.

[2:43:33 AM]

[Adjourned].

>> Renteria: I hope that we have someone here that knows how to work the air conditioner.

>> Thank you to the chair for putting us through all of this. Thank you, you did a great