

September 17, 2015

Recent news clippings regarding the state of Austin's neighborhoods and short-term rentals.

"Where have urban Austin's children gone?"

MARTY TOOHEY, AUSTIN AMERICAN-STATESMAN, APRIL 24, 2011

"The 2010 census counted fewer people — and fewer children — in most of Austin's oldest, most established neighborhoods. As real estate prices rose, families with school-age children became rarer over the past decade in places such as Crestview, University Hills, Barton Hills, Bouldin Creek and most all of Central East Austin."

"Multiple Central Austin schools losing students"

JENNIFER CURINGTON, COMMUNITY IMPACT, MAY 28, 2015

"Schools face challenges not only from overenrollment but also from not having enough students. The amount of funds a school receives from the state is determined by how many students the school serves, AISD Chief Financial Officer Nicole Conley said. AISD schools currently do not receive the amount of funding needed to keep their diverse programs alive or pay teachers a competitive salary, she said."

"Increasing property values take toll on neighborhood establishments, residents"

FARES SABAWI, COMMUNITY IMPACT, JUNE 24, 2014

"Property value increases have been a trend for Austin in recent years. In 2013, the average residential market value in Travis County rose 4.9 percent from \$270,805 to \$284,149. The taxable value of the average Travis County home experienced a similar increase of 3.9 percent, from \$214,176 to \$222,486.

Escalations this year, however, were far steeper. The average Travis County property owner saw a jump of more than 12 percent in market value—the amount of property would sell for in the open market—to \$320,032. The average taxable value—the amount taxed upon—went up nearly 8 percent to \$240,139."

"Rental homes becoming unaffordable"

JOE LANANE, COMMUNITY IMPACT, MAY 28, 2015

"Single-family rental homes are becoming increasingly unaffordable for Central Austin renters, forcing more moderate-income residents into apartments—or outside the central core entirely."

08/07/15

"There Goes the Neighborhood"

NATALIA CIOLKO, THE AUSTIN CHRONICLE, AUG. 11, 2015

"In the meantime, Mayor Steve Adler is on an ambitious path to increasing resident housing in Austin by 100,000 units by 2025. In 2013, an amendment made to the short-term rental ordinance allows up to 25% of multifamily units in commercially-zoned areas to be taken off the market for use as STRs. Given that, Tovo said, 'even if every short-term rental owner was a good actor, we would still need to be concerned for long-term planning because we are in a housing crisis.'"

"Neighbors Still Fed Up With Short Term Rentals After Resolution Passed"

ADAM HAMMONS, KEYE AUSTIN, AUG. 22, 2015

"Autumn and Guy Duel say they have no issue with either the renters or the owner of the short term rental homes. They say it's the system that needs to be changed. "It's set up for failure," Autumn Duel said. "It's a mess, and it's sad for us because we really loved this neighborhood and what it had to offer."

Austin-American Statesman Editorial

Austin City Council should not rush decisions on short-term rentals

EDITORIAL BOARD, AUSTIN AMERICAN-STATESMAN, AUG. 19, 2015

"By contrast, Type 2 short-term rentals are homes or condominiums rented for less than 30 days, but year-round to a succession of short-term guests. Owners don't live on the premises. In many cases, investors are buying up properties in neighborhoods for that purpose. The council has gotten an earful on those properties, with residents complaining that they amount to establishing hotels or entertainment venues in residential neighborhoods.

Austin-based HomeAway makes a point that the focus of regulations should be on the few bad apples who are flouting the rental ordinance instead of adding more rules that might hinder short-term rentals or drive them underground. But that point must be tempered by zoning laws — and their intent — that are supposed to protect the quality of life for homeowners in their residential areas. If they aren't compatible, then it is short-term rentals that must bow to homeowners." [emphasis added]

The following editorial was written by Council Members Morrison and Tovo and published in the Austin American-Statesman on June 27, 2012.

Morrison, Tovo: Reconsider short term rental vote

7:52 p.m. June 27

On June 7, the City Council preliminarily voted 5-2 to allow 3 percent of all single-family homes in Austin's neighborhoods to be converted to mini-hotels. Few decisions council will make this decade could have a more detrimental impact on the character, vitality and quality of life in Austin.

We were the two dissenting votes on that initial decision, and we urge our colleagues to reconsider their position for the final vote scheduled for today.

Some Austinites want the ability to rent their home out for a few days during South by Southwest or the Austin City Limits Music Festival, for instance. We support that, because owner-occupied, homesteaded properties which occasionally rent out short-term still retain anchors to the community. Owners, as well as long-term renters, provide stability to an area and "eyes on the street" necessary to deter crime.

Homesteaded short-term rentals are much different than commercial short-term rentals, where homes formerly occupied by long-term residents are rented like hotels to customers by the week or weekend throughout the year. The owners do not live on the premises, and they might not even live in Austin. This type of commercial enterprise is not permitted within residential zoning and should not be allowed. If you don't live near a short-term rental (yet), imagine for a moment that the home next to yours — or several on your block — is converted, and your neighbors are replaced with a continuous stream of strangers. Would your family feel as safe? Would your neighborhood seem as cohesive? How would your sense of community change?

As noted by a ruling in a commercial short-term rental court case from California, "Short-term tenants have little interest in public agencies or in the welfare of the citizenry. They do not participate in local government, coach little league, lead a scout troop, volunteer at the library or keep an eye on an elderly neighbor. Literally, they are here today and gone tomorrow."

Losing residential homes to short-term rentals may well transform our neighborhoods and schools.

Our city demographer has noted the clustering effect of short-term rentals as one factor in the declining populations in our central city. The proposal that the City Council approved on June 7 could decrease residential density in our neighborhoods by at least 3 percent. Already, these hotels concentrate in Zilker, Barton Hills and Travis Heights neighborhoods, with significant commercial short-term rental activity moving into East Austin and neighborhoods to the north.

We could see whole streets in our thriving neighborhoods with more short-term rentals than homes — a trend some call the "hollowing out" of our neighborhoods.

It is unfathomable to consider a policy that could hollow out our neighborhoods at a time of heightened concern about possible school closures. Such a shift could drive families with children out of the urban core and have a devastating effect on our central city schools that are struggling to remain open.

No one can determine how many short-term rentals exist in Austin, but few can dispute that they have increased dramatically and will likely continue to do so. The city auditor's analysis, for example, shows that short-term rental listings increased by hundreds just in the last few months.

Our hotel industry is strong and offers travelers diverse options. We have several hotel projects racing to completion to help fill the demand, which is just one more reason to not sacrifice our neighborhoods for these commercial mini-hotels.

Short-term rentals also make our neighborhoods less affordable. The National Association of Realtors issued a report last year stating, "When property owners elect to rent their homes on a short-term basis rather than renting on a longer-term basis, they essentially squeeze the supply of housing, pushing up the demand, and subsequently, the cost of housing in the community."

This leads to sprawl. When Austinites can't afford to live in neighborhoods near where they work, they must commute, joining the gridlock on Interstate 35 and Mopac Boulevard (Loop 1). We all bear the consequences of increased traffic and decreased air quality — not to mention the broader social consequences of displacing long-time residents of our community.

For these and other reasons, municipalities around the country have begun banning commercial short-term rentals.

Austin is a great place to visit. It's an even greater place to live. Let's keep it that way by striking a better balance with short-term rentals. Let's allow our residents to rent out their homes for the weekend or the week, but ban commercial short-term rentals. Let's not turn our neighborhood homes into hotels.