

This version includes Council's findings, which begin on pg. 16.

Version 2
Item 40

ORDINANCE NO.

AN ORDINANCE AMENDING CITY CODE SECTION 4-18-25 TO REMOVE REFERENCES TO SHORT-TERM RENTAL TYPES; AMENDING CITY CODE TITLE 4 TO ADD REGULATIONS FOR SHORT-TERM RENTAL OWNERS, OPERATORS, AND PLATFORMS; CREATING OFFENSES; AND ESTABLISHING PENALTIES.

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF AUSTIN:

PART 1. The City Council adopts the findings described in Exhibit A, which is attached to this ordinance.

PART 2. Subsection (F) of City Code Section 4-18-25 (*Certification*) is amended to read:

§ 4-18-25 CERTIFICATION.

- (F) For developments with one or more affordable units, the agreement required in Subsection (C) must, at a minimum:
- (1) include the applicable affordability requirements;
 - (2) prohibit discrimination on the basis of an individual's source of income as defined in Section 5-1-13 (*Definitions*),
 - (3) require dispersion of affordable units throughout the residential units;
 - (4) require equal access and use of on-site amenities, common areas, and parking facilities;
 - (5) require shared access routes for affordable units and market-rate units;
 - (6) require that affordable units include interior components that are functionally equivalent to market-rate units;
 - (7) limit the use of an affordable unit as a [~~Type 2~~ or ~~Type 3~~] short-term rental (STR);
 - (8) require the applicant to incorporate lease provisions that are consistent with a tenant's right to organize under 24 C.F.R. 245.100, the lease addendum required as a condition to receive City of Austin Housing Finance Corporation funds, or City Code requirement; and
 - (9) address any obligations described in Division 2 (*Redevelopment Requirements*), if applicable.

31 **PART 3.** City Code Title 4 (*Business Regulation and Permit Requirements*) is amended
32 to add a new Chapter 4-23 to read:

33 **CHAPTER 4-23 SHORT-TERM RENTALS**

34 **ARTICLE 1. GENERAL PROVISIONS.**

35 **§ 4-23-1 DEFINITIONS.**

36 In this chapter,

- 37 (1) APPELLANT means an applicant or an operator who appeals a decision.
- 38 (2) AUSTIN METRO AREA means the five-county metropolitan area that
39 surrounds the City of Austin.
- 40 (3) DELIST NOTICE means a written notice that complies with the requirement
41 set out in Section 4-23-23 (*Obligation to Delist Short-Term Rentals*).
- 42 (4) DIRECTOR means the director of the Development Services Department or
43 successor department.
- 44 (5) EMERGENCY CONDITION means an unforeseen combination of
45 circumstances or the resulting state that calls for immediate action or an
46 urgent need for assistance or relief. This term includes, at a minimum, any
47 fire, natural disaster, power outage, gas leak, noise violation, disturbance,
48 criminal activity, or medical emergency.
- 49 (6) GUEST means a person who rents or occupies a short-term rental during a
50 rental period, including their invited guests.
- 51 (7) HOUSING UNIT means a dwelling or mobile home.
- 52 (8) INDIVIDUAL means a natural person.
- 53 (9) NEIGHBOR means a person who is entitled to notice under Section 4-23-44
54 (*Notification Requirements*).
- 55 (10) OPERATOR means a person who owns and operates a short-term rental.
- 56 (11) PLATFORM means a person who provides a means to advertise or promote
57 a short-term rental or facilitates short-term rental bookings.
- 58 (12) SHORT-TERM RENTAL means the rental of a housing unit or a portion of
59 a housing unit for periods of less than 30 consecutive days. This term does
60 not include an extension for less than 30 consecutive days of a previously
61 existing rental agreement of 30 consecutive days or more or a rental between
62 the parties to the sale of that housing unit.

63 (13) USER means a person who uses a short-term rental platform to advertise a
64 short-term rental.

65 **§ 4-23-2 RULES.**

66 The director may adopt administrative rules, as needed, in accordance with Chapter
67 1-2 (*Administrative Rules*) to administer, implement, and enforce this chapter.

68 **§ 4-23-3 APPEALS.**

69 (A) An applicant may appeal:

- 70 (1) a requirement to implement and maintain mitigation measures;
- 71 (2) a denial of an application for an operator's license; or
- 72 (3) a denial of a renewal application.

73 (B) An operator may appeal:

- 74 (1) the revocation of a short-term rental license; or
- 75 (2) a nuisance declaration issued by the director.

76 (C) Requirements for an appeal.

- 77 (1) An appeal must be submitted to the director.
- 78 (2) The deadline to submit an appeal is 10 days after the date the director takes
79 an action described in Subsections (A) or (B).
- 80 (3) An appeal must be in writing and identify the reason the action is being
81 appealed.

82 (D) Appeal Hearings.

- 83 (1) An appeal under this section must be heard by a hearing officer appointed by
84 the city manager.
- 85 (2) The director must provide written notice of the hearing to the appellant.
- 86 (3) The director and the appellant may present evidence, testimony, and
87 argument.
- 88 (4) A hearing must be held within 21 days of receiving the appeal.
- 89 (5) A decision on an appeal must be issued no later than the 10th day after the
90 hearing, must be in writing, and must be sent to the director and appellant.

- 91 (E) While an appeal is pending, an operator may not accept new bookings or rentals
92 but may honor bookings or rentals accepted before:
- 93 (1) the operator’s license was revoked;
 - 94 (2) the application to renew the operator’s license was denied; or
 - 95 (3) the director issued the nuisance declaration.
- 96 (F) If the appellant fails to appear for the appeal hearing, the appeal is denied. The
97 director is not required to present evidence, testimony, or argument when an
98 appellant fails to appear for an appeal hearing.

99 **ARTICLE 2. PLATFORMS.**

100 **§ 4-23-21 APPLICABILITY.**

101 This article applies to a platform that advertises or promotes short-term rentals or
102 facilitates short-term rental bookings within the city.

103 **§ 4-23-22 REQUIREMENTS FOR ADVERTISEMENTS AND PROMOTIONS.**

104 A platform must require each user to include a license number in a short-term
105 rental advertisement or promotion on the platform.

106 **§ 4-23-23 OBLIGATION TO DELIST SHORT-TERM RENTALS.**

- 107 (A) A platform must remove an advertisement or promotion for a short-term rental
108 within 10 days from the date the director sends a delist notice.
- 109 (B) A delist notice must:
- 110 (1) be in writing;
 - 111 (2) identify the short-term rental’s web address and, if known, physical address;
112 and
 - 113 (3) provide the reason that the advertisement or promotion must be removed.
- 114 (C) A platform must provide the director with an electronic email address that can
115 receive delist notices.

116 **§ 4-23-24 DOCUMENTATION OF HOTEL OCCUPANCY TAXES COLLECTED.**

- 117 (A) A platform must make documentation available to users that demonstrates the
118 amount of hotel occupancy taxes collected on behalf of the user.
- 119 (B) The documentation must be accessible to a user on at least a quarterly basis.

120 **§ 4-23-25 ACCEPTING FEES FROM CERTAIN SHORT-TERM RENTALS**
121 **PROHIBITED.**

- 122 (A) A platform may not accept a fee to facilitate a booking for a short-term rental if the
123 short-term rental is not the subject of a valid operator’s license.
- 124 (B) A platform that complies with Sections 4-23-22 (*Requirements for Advertisements*
125 *and Promotions*) and Section 4-23-23 (*Obligation to Delist Short-Term Rentals*), is
126 presumed to comply with Subsection (A).

127 **ARTICLE 3. SHORT-TERM RENTAL OPERATORS.**

128 **§ 4-23-31 ELIGIBILITY TO OPERATE A SHORT-TERM RENTAL.**

- 129 (A) An operator must own the housing unit that will be operated as a short-term rental.
- 130 (B) On a site with three or fewer housing units, an individual can operate a short-term
131 rental.
- 132 (C) Except as provided in Subsection (D), an individual may operate more than one
133 short-term rental if the short-term rentals are located at least 1,000 feet apart.
- 134 (D) On a site with four or more housing units, the greater of one unit or 25 percent of
135 the housing units the person owns can be operated as short-term rentals.
- 136 (E) In this section, an operator qualifies as an individual when the housing unit is
137 owned:
- 138 (1) only by one or more individuals;
- 139 (2) by a trust and each trustee and beneficiary are individuals; or
- 140 (3) by a limited liability company and each member is an individual.
- 141 (F) The 1,000-foot requirement in Subsection (C) applies to an individual who
142 participates in a trust or limited liability company described in Subsection (E)
143 without regard to the name of the trust or the limited liability company.
- 144 (G) A person is not eligible to obtain a new operator’s license for any short-term rental
145 for 12 months if the person was the operator of a short-term rental that was
146 declared a nuisance by a director or a court of competent jurisdiction. The 12-
147 month period begins the later of the date their license was revoked or their appeal
148 of the revocation was denied.
- 149 (H) Except as provided in Subsection (I), a short-term rental that was the subject of an
150 operator’s license that was revoked cannot be the subject of a new operator’s
151 license for:

- 152 (1) six months from the later of the date the license was revoked or the appeal of
153 the revocation was denied; or
- 154 (2) 12 months from the later of the date the license was revoked or the appeal of
155 the revocation was denied if the operator’s license was revoked because the
156 short-term rental was declared a nuisance either by the director or a court of
157 competent jurisdiction.
- 158 (I) A person may apply for an operator’s license for a short-term rental that was the
159 subject of a revoked operator’s license before the time periods described in
160 Subsection (H) expire if the director determines that the applicant is not associated
161 with the prior property owner.
- 162 (1) An applicant may submit a request for a determination under this subsection
163 using a form approved by the director and by providing information the
164 director requires to make a decision on the request.
- 165 (2) The director’s decision is not appealable.

166 **§ 4-23-32 OPERATOR LICENSE REQUIRED.**

- 167 (A) A person must obtain an operator’s license to operate a short-term rental.
- 168 (B) A separate operator’s license is required for each short-term rental.
- 169 (C) An operator’s license:
- 170 (1) is valid for a maximum of one year from the date of issuance, subject to a
171 one-time extension of 30 days at the discretion of the director; and
- 172 (2) may not be transferred and does not convey with a sale or transfer of the
173 property.
- 174 (D) An operator must include the operator’s license number in any advertisement or
175 promotion for the short-term rental.
- 176 (E) A person may not advertise or promote or allow another to advertise or promote a
177 short-term rental if the housing unit is not the subject of a valid operator’s license.

178 **§ 4-23-33 LOCAL CONTACTS.**

- 179 (A) Each operator must designate a local contact.
- 180 (B) A local contact must be:
- 181 (1) an individual;
- 182 (2) complete an online training course;

- 183 (3) present within the Austin Metro Area; and
184 (4) authorized to:
185 (a) make decisions regarding the short-term rental and its guests; and
186 (b) take action to resolve emergency conditions.
- 187 (C) An operator may serve as a local contact.
- 188 (D) Within two hours of being contacted about emergency conditions occurring at the
189 short-term rental, the local contact must:
190 (1) respond by phone or text message if contacted by a City employee or
191 neighbor; or
192 (2) respond through the platform's application or in the manner preferred by the
193 guest if contacted by a guest; and
194 (3) take action to resolve the emergency conditions.
- 195 (E) A local contact must be present at the short-term rental within two hours if
196 requested by a City employee.
- 197 (F) An operator may designate an alternative local contact.

198 **§ 4-23-34 OPERATIONAL REQUIREMENTS.**

- 199 (A) An operator is responsible for:
200 (1) complying with all local, state, and federal laws;
201 (2) maintaining property and liability insurance;
202 (3) ensuring that each guest of the operator's short-term rental complies with all
203 state, local, and federal laws; and
204 (4) when applicable, implementing and maintaining mitigation requirements.
- 205 (B) When the information provided in an application to obtain a new operator's license
206 or to renew an operator's license changes, the operator must update the information
207 within five days after the information changes.
- 208 (C) If the short-term rental does not include an entire housing unit, an operator must
209 provide a guest with the exclusive use of a sleeping room and shared use of a full
210 bathroom.
- 211 (D) In the kitchen of a housing unit, an operator must post:
212 (1) a floor plan of evacuation routes and exits; and

213 (2) the location of fire extinguishers and smoke alarms.

214 (E) An operator must make a copy of the information packet described in Section 4-
215 23-44 (*Requirements to Obtain an Operator's License*) available to each guest.

216 (F) An operator or guest of a short-term rental may not use or allow the use of sound
217 equipment that produces sound in excess of 75 decibels at the property line
218 between 10:00 a.m. and 10:00 p.m.

219 (G) An operator or guest of a short-term rental may not use or allow use of sound
220 equipment that produces sound audible beyond the property line between 10:00
221 p.m. and 10:00 a.m.

222 (H) An operator or guest of a short-term rental may not make or allow another to make
223 noise or play a musical instrument audible to an adjacent business or residence
224 between 10:30 p.m. and 7:00 a.m.

225 **§ 4-23-35 MINIMUM INSURANCE REQUIREMENT.**

226 An applicant must maintain \$1,000,000 in liability insurance.

227 **§ 4-23-36 MITIGATION REQUIREMENTS.**

228 (A) The director may impose mitigation requirements on an operator.

229 (B) A mitigation requirement must address one or more of the confirmed complaints
230 received about the operator's short-term rental.

231 (C) An operator must implement and maintain any mitigation requirements when
232 imposed by the director.

233 (D) A mitigation requirement imposed under this section must be provided to the
234 operator in writing and may be appealed.

235 **ARTICLE 4. SHORT-TERM RENTAL OPERATOR LICENSE APPLICATIONS.**

236 **§ 4-23-41 REQUIREMENTS TO OBTAIN AN OPERATOR'S LICENSE.**

237 (A) To obtain a new operator license, a person who owns the housing unit to be
238 licensed as a short-term rental must apply on a form approved by the director and
239 complete an online training course approved by the director.

240 (B) At a minimum, an applicant must provide the following information:

241 (1) a certification by the applicant and the applicant's agent that the housing unit
242 is not subject to outstanding City Code or state law violations;

- 243 (2) the applicant's name, street address, mailing address, electronic mail
244 address, and telephone number;
- 245 (3) the local contact's name, street address, mailing address, electronic mail
246 address, and telephone number;
- 247 (4) the proposed short-term rental's street address;
- 248 (5) proof of property insurance and minimum liability insurance that covers the
249 proposed short-term rental;
- 250 (6) a self-certified safety checklist;
- 251 (7) a current certificate of occupancy or other similar documentation;
- 252 (8) the name of each platform that will be used to advertise or promote the
253 short-term rental;
- 254 (9) proof that the operator and each local contact completed the online training
255 course; and
- 256 (10) any other information requested by the director.
- 257 (C) Except as provided in Section 4-23-43 (*Application Denials*), the director is
258 required to issue a short-term rental license:
- 259 (1) after the director determines the applicant is eligible to operate a short-term
260 rental;
- 261 (2) the applicant complies with this section; and
- 262 (3) the applicant pays the application and notification fees that are set by
263 separate ordinance.
- 264 (D) Before issuing an operator's license, the director may require the applicant to
265 obtain a third-party inspection that demonstrates the housing unit does not pose a
266 hazard to life, health, or public safety when the short-term rental is the subject of
267 one or more state law or City Code violations within the prior 24 months.
- 268 (E) When the director issues an operator's license, the director must provide a packet
269 of information with each license summarizing the requirements applicable to short-
270 term rentals, including:
- 271 (1) the name and contact information of the local contact designated in the
272 application;
- 273 (2) restrictions on noise applicable under Section 4-23-34 (*Operational*
274 *Requirements*), including limitations on the use of amplified sound;

- 275 (3) parking restrictions;
- 276 (4) trash collection schedule;
- 277 (5) information on relevant burn bans;
- 278 (6) information on relevant water restrictions;
- 279 (7) information on applicable requirements of the Americans with Disabilities
280 Act; and
- 281 (8) other information applicable to short-term rentals.

282 **§ 4-23-42 REQUIREMENTS TO RENEW AN OPERATOR’S LICENSE.**

- 283 (A) To renew an operator’s license, the operator must:
 - 284 (1) update the information required in Section 4-23-41 (*Requirements to Obtain*
285 *an Operator’s License*);
 - 286 (2) pay a renewal fee set by separate ordinance;
 - 287 (3) pay a notification fee set by separate ordinance if the director must provide
288 notification as set out in Section 4-23-44 (*Notification*); and
 - 289 (4) provide proof of payment of hotel occupancy taxes due as of the date of
290 submission of the application if the operator is not using a platform to collect
291 payments for the use or possession, or for the right to the use or possession,
292 of a short-term rental.
- 293 (B) If the short-term rental is the subject of outstanding state law or City Code
294 violations, the director may require the applicant to obtain a third-party inspection
295 that demonstrates the housing unit does not pose a hazard to life, health, or public
296 safety before renewing the operator’s license.
- 297 (C) As a condition to renew an operator’s license, the director may impose mitigation
298 requirements in accordance with Section 4-23-36 (*Mitigation Requirements*).

299 **§ 4-23-43 APPLICATION DENIALS.**

- 300 (A) The director must deny an application to obtain or to renew an operator’s license
301 if:
 - 302 (1) the applicant or operator is ineligible under Section 4-23-31 (*Eligibility to*
303 *Operate a Short-Term Rental*); or

304 (2) the application and applicant do not comply with the applicable
305 requirements in Section 4-23-41 (*Requirements to Obtain an Operator's*
306 *License*) or Section 4-23-42 (*Requirements to Renew an Operating License*).

307 (B) The director may deny an application for a short-term rental license or an
308 application to renew a short-term rental license if the director determines that the
309 short-term rental or proposed short-term rental:

310 (1) poses a hazard to life, health, or public safety based on the third-party
311 inspection;

312 (2) is the subject of at least two separate disturbances that impact the quiet
313 enjoyment of others; or

314 (3) is the subject of at least two violations of federal law, state law, or City
315 Code.

316 (C) When the director denies an application to obtain or renew an operator's license,
317 the denial must include the reason the application was denied.

318 (D) A denial may be appealed under Section 4-23-3 (*Appeals*).

319 **§ 4-23-44 NOTIFICATION.**

320 (A) The director must provide notice to each property located within 100 feet of the
321 short-term rental.

322 (B) At a minimum, the notice must include:

323 (1) the operator license number for the short-term rental;

324 (2) the address of the short-term rental;

325 (3) the name and contact information for the operator; and

326 (4) the name and contact information for the individuals who are designated as
327 the operator's local contacts.

328 (C) If the information provided in the applicant's prior application changes after the
329 operator's license was issued, the director must provide notice to each property
330 located within 100 feet of the short-term rental.

331 **ARTICLE 5. SHORT-TERM RENTAL ENFORCEMENT**

332 **§ 4-23-51 PENALTY.**

333 (A) A person who violates a provision of this chapter is guilty of a separate offense for
334 each day the violation of this chapter continues.

- 335 (B) Each offense is punishable by a fine not to exceed \$500. A culpable mental state is
336 not required and need not be proved.
- 337 (C) After the time to appeal a decision passes or an appeal is denied, the director may
338 issue a delist notice for a short-term rental if the license was revoked.
- 339 (D) The director may issue a delist notice for a short-term rental if the director
340 determines that the short-term rental is not the subject of a valid license.

341 **§ 4-23-52 LICENSE REVOCATIONS.**

- 342 (A) The director may revoke an operator's license if the director determines that:
- 343 (1) the operator fails to maintain property or liability insurance as required in
344 Section 4-23-34 (*Operational Requirements*);
- 345 (2) the housing unit poses a threat to life, health, or public safety;
- 346 (3) the short-term rental qualifies as a nuisance short-term rental as described in
347 Section 4-23-54 (*Nuisance Short-Term Rental*)
- 348 (4) a court of competent jurisdiction declares the short-term rental a nuisance;
- 349 (5) the operator fails to implement and maintain applicable mitigation
350 requirements;
- 351 (6) the operator fails to comply with a compliance plan;
- 352 (7) the local contact failed to respond within two hours of being contacted; or
- 353 (8) the director determines that the operator's license was issued in error.
- 354 (B) Except as provided in Subsections (C) or (D), the director must provide an operator
355 with a written notice of intent to revoke and hold a pre-revocation conference
356 before revoking an operator's license.
- 357 (C) The director may revoke an operator's short-term without a notice of intent to
358 revoke or a pre-revocation conference if the director determines that:
- 359 (1) the operator failed to comply with the compliance plan;
- 360 (2) the director issued the operator's license in error; or
- 361 (3) a court of competent jurisdiction declared the short-term rental a nuisance.
- 362 (D) If the same or similar issues occur within six months from the date the director
363 determined that the operator complied with the compliance plan, the director may
364 revoke the operator's license without:

- 365 (1) issuing an additional notice of intent to revoke; or
366 (2) holding an additional pre-revocation conference.
- 367 (E) If an operator fails to attend a pre-revocation conference, the requirement to hold a
368 pre-revocation conference is satisfied and the director may revoke the operator's
369 license.
- 370 (F) A revocation may be appealed under Section 4-23-3 (*Appeals*).

371 **§ 4-23-53 NOTICE OF INTENT TO REVOKE, PRE-REVOCAION**
372 **CONFERENCE, AND COMPLIANCE PLAN.**

- 373 (A) A notice of intent must:
- 374 (1) state the reasons for revocation; and
375 (2) provide the date, time, and location of the pre-revocation conference.
- 376 (B) The director must schedule a pre-revocation conference to discuss:
- 377 (1) the issues that triggered the notice of intent to revoke; and
378 (2) a proposed compliance plan that includes corrective measures or mitigation
379 requirements.
- 380 (C) After the pre-revocation conference, the director must provide the operator with a
381 written compliance plan that:
- 382 (1) states the corrective measures and mitigation requirements required to avoid
383 revocation; and
384 (2) time for compliance.
- 385 (D) If the operator fails to attend the pre-revocation conference, the director is not
386 required to issue a compliance plan.

387 **§ 4-23-54 NUISANCE SHORT-TERM RENTALS.**

- 388 (A) An operator maintains a nuisance short-term rental when the short-term rental:
- 389 (1) is operating without a license after the director issues a notice of violation
390 for operating an unlicensed short-term rental; or
391 (2) is the subject of numerous complaints related to:
- 392 (a) repeated violations of local, state, or federal laws; or
393 (b) disturbances that interfere with the quiet enjoyment of others.

- 394 (B) A short-term rental is the subject of numerous complaints based on documentation
395 of:
- 396 (1) police and code compliance calls for service, including 311 calls;
397 (2) police reports;
398 (3) gatherings that cause a public disturbance; or
399 (4) noise complaints.
- 400 (C) If the director revokes an operator’s license because the short-term rental qualifies
401 as a nuisance and the operator appeals the revocation, the appeal must address
402 whether the short-term rental qualifies as a nuisance.

403 **PART 4.** Continuation of Existing Short-Term Rental Licenses and Other Requirements.

- 404 (A) A short-term rental license qualifies as existing if the license is valid on March 10,
405 2025.
- 406 (B) An existing license remains effective until the expiration date on the short-term
407 rental license.
- 408 (C) To renew an existing short-term rental license, an operator must apply to renew the
409 license at least 30 days before the license expires.
- 410 (D) Except as provided in Subsection (E), an existing license renewed under this part is
411 not subject to the eligibility requirements in Section 4-23-31 (*Eligibility*
412 *Requirements*).
- 413 (E) An operator will be required to satisfy the eligibility requirements in Section 4-23-
414 31 (*Eligibility Requirements*) if the operator fails to renew an existing license as set
415 out in this part or if the director revokes the existing license.
- 416 (F) An operator with an existing license will be required to comply with Section 4-23-
417 35 (*Minimum Insurance Requirement*) and the insurance and posting requirements
418 in Section 4-23-34 (*Operational Requirements*) at the later of existing license
419 renewal or 30 days from the effective date of this ordinance.

420 **PART 5.** Except for Article 2 (*Platforms*) in Part 3, this ordinance takes effect on
421 _____, 2025. Article 2 (*Platforms*) takes effect on June 1, 2025.
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PASSED AND APPROVED

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_____, 2025

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Kirk Watson

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Mayor

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APPROVED: _____

ATTEST: _____

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Deborah Thomas
Interim City Attorney

Myrna Rios
City Clerk

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DRAFT

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EXHIBIT A. FINDINGS OF FACT

The City Council finds the following:

- (1) Council desires to amend the City’s zoning regulations that apply to STRs, adopt new STR-related regulations for owners, operators, and platforms, and require short-term rental (STR) platforms to collect and remit Hotel Occupancy Tax (HOT).
- (2) Transient occupancies such as hotels/motels are typically located on property that is commercially zoned.
- (3) STRs are structures that are designed and constructed as housing units but operate in a transient nature.
- (4) Unlike most hotels and motels, STRs are predominantly located in single-family and multi-family neighborhoods.
- (5) However, when housing units are utilized solely as STRs, those housing units are no longer available as long-term housing for residents, which can impact housing affordability, neighborhood dynamics, and the quiet enjoyment of one’s home.
- (6) Over the years, the Council has sought to reduce housing costs and to make housing more affordable.
- (7) To that end, Council has adopted recent changes to the City’s Land Development Code that are designed to increase housing supply and includes regulations that allow for (a) additional housing units on properties zoned single-family, (b) smaller residential lots, and (c) residential uses in exchange for income-restricted housing.
- (8) To avoid undoing the work that allows for additional housing units to be constructed, the City must be mindful of how many housing units are licensed as STRs. For this reason, it is necessary to establish density limits on STRs.
- (9) It is customary for sites with four or more units to be:
 - (a) owned by corporate entities; or
 - (b) operated as a condominium regime.
- (10) On sites with four or more units, an overall cap on the number of STRs a person can own is required.

- 469 (11) It is customary for sites with three or fewer dwelling units to be owned by
470 individuals, trusts with individuals as beneficiaries, or limited liability
471 companies with individuals as the sole members.
- 472 (12) In areas that consist of predominately sites with three or fewer units, density
473 is more likely to be controlled when there is:
- 474 (a) a limit on the number of STRs a person can own on a site,
475 (b) a spacing requirement, and
476 (c) a requirement that STRs must be owned by individuals.
- 477 (13) On sites with three or fewer units, it is necessary to limit STR ownership to
478 individuals so that the density limits cannot be circumvented by separate
479 corporate entities that own different properties and dwelling units but are
480 related.
- 481 (14) The Council recognizes that STRs provide opportunities for: (a) property
482 owners who wish age in place or need additional financial assistance to pay
483 property taxes; (b) individuals who visit Austin to stay near friends and
484 family who reside in Austin or to stay in unique and interesting properties,
485 (c) households who live in Austin to stay within the City when their property
486 is being renovated, and (d) another source of income for some individuals.
- 487 (15) Irrespective of whether a property owner lives in Austin or outside of
488 Austin, it is critical to everyone's success that STRs are operated in a
489 manner that is compatible with the surrounding neighborhood.
- 490 (16) When a STR is not operated properly, the activities at the STR disturb long-
491 term residents' quiet enjoyment of their property and the impact of those
492 disturbances can be significant.
- 493 (17) A STR that does not comply with the City Code and is the source of
494 disturbances in a neighborhood is a nuisance.
- 495 (18) Revoking a STR license when a STR is a nuisance is a proper remedy
496 because a property owner does not have a right to operate a nuisance.
- 497 (19) 94% of STR-related calls involve an unlicensed STR.
- 498 (20) Requiring STR platforms to require users/hosts to include a license number
499 in their advertisements can assist the City with ensuring that STRs operating
500 within the City are licensed and will save significant time and resources of
501 City staff.

- 502 (21) STR platforms require their users/hosts to include a license number in
503 advertisements in Galveston, Texas; Denver, Colorado; San Francisco,
504 California; Atlanta, Georgia; and Chicago, Illinois.
- 505 (22) Requiring STR platforms to delist an unlicensed STR, at the request of the
506 City, is an appropriate remedy for unlicensed STRs since maintaining
507 advertisements allows for unlawful behavior (i.e. operating an unlicensed
508 STR) to continue.
- 509 (23) Other cities, including Galveston, Texas and San Francisco, California,
510 require STR platforms to delist unlicensed STRs.
- 511 (24) STR platforms that require license numbers in advertisements and delist
512 unlicensed STRs at the City's request are protected from liability under a
513 "safe harbor" provision.
- 514 (25) STR owners/operators are provided with due process before the City
515 actually revokes their STR license.
- 516 (26) These findings express the purposes, goals, and objectives the Council
517 intends to achieve with its overhaul of the City's existing STR regulations.
- 518 (27) The ordinances:
- 519 (a) reflect the balancing of competing goals and objectives;
- 520 (b) are adopted in accordance with the City's home rule authority to
521 protect public health, welfare, and safety; and
- 522 (c) are adopted consistent with the City's zoning authority and police
523 powers.