




MEMORANDUM

TO: Mayor and City Council Members

FROM: Veronica Briseño, Assistant City Manager 

DATE: January 10, 2025

SUBJECT: **Short-Term Rental and Preservation Bonus Code Amendments**

I want to share with all of you a preview of the proposed code amendments to be considered at two upcoming joint public hearings as well as separate Planning Commission and City Council meetings scheduled for February and April of this year. These amendments require citywide notice because the changes will apply to a significant number of properties throughout the City.

Short-term rental (STR) regulations will be the focus of the February joint public hearing, with the overall schedule next month as follows:

- Tuesday, February 4, 1 p.m.
Joint Planning Commission and City Council Meeting
- Tuesday, February 11, 6 p.m.
Planning Commission Meeting
- Thursday, February 27, 10 a.m.
City Council Meeting

The second public hearing will focus on increasing the maximum amount of square footage for two new housing units when a property owner preserves an existing housing unit (referred to as the “preservation bonus”). This is the schedule for the Preservation Bonus code amendment:

- Tuesday, April 1, 2 p.m.
Joint Planning Commission and City Council Meeting
- Tuesday, April 8, 6 p.m.
Planning Commission Meeting
- Thursday, April 24, 10 a.m.
City Council Meeting

STR Code Amendments

These amendments are the staff's proposed overhaul of the City's STR regulations. As you may recall, this overhaul is needed because recent court decisions have made the cornerstone elements of the City's STR regulations unenforceable. This includes the distinction between owner-occupied dwellings (Type 1) and non-owner-occupied dwellings (Type 2) that are not multi-family dwellings (Type 3).

To achieve this overhaul, staff are proposing three ordinances. Working drafts of the ordinances that amend Title 25 (*Land Development*) and Title 4 (*Business Regulations and Permit Requirements*) are attached to this memorandum. A third ordinance that amends Chapter 11-2 (*Hotel Occupancy Tax*) will be released before January 28, 2025. In total, the proposed ordinances would achieve the following:

1. Make STRs an additional (accessory) use to all residential uses in all zoning districts with a valid STR license by modifying City Code Title 25 (*Land Development*) to add provisions applicable to STRs as an accessory use and repeal all other existing STR provisions.
2. Regulate STR owners/operators and STR platforms by amending City Code Title 4 (*Business Regulations and Permit Requirements*) to add new regulations, including density caps on STR owners/operators by limiting who can operate a STR on a site with three or fewer units to individuals and requiring 1,000 feet between an owner/operator's STRs;
3. Allow existing STRs to continue provided that the STR does not become a nuisance and property ownership remains the same; and
4. Require STR platforms to collect Hotel Occupancy Tax (HOT) on behalf of their users, which requires adding provisions that explicitly require STR platforms to collect HOT to City Code Chapter 11-2 (*Hotel Occupancy Tax*).

If approved, these ordinances would shift the City's regulatory framework from a zoning/land use framework that focuses on regulating how the structure is used, to a business regulation framework that focuses on regulating STR owners/operators and STR platforms. To further support the overhaul, staff are proposing an ordinance that will require STR platforms to collect HOT.

The proposed amendments were designed with the following objectives in mind:

1. Support the City Council's goals:
 - a. to make STRs more compatible with neighborhoods, including preserving the residential nature of neighborhoods and quiet enjoyment of those who live in residential areas,
 - b. to recover HOT, and
 - c. to avoid further exacerbation of affordability issues; and
2. Provide additional enforcement options; and
3. Regulate within the bounds of today's STR-related legal landscape.

These amendments also support the direction provided in Council [Resolution No. 20221208-064](#) and [Ordinance No. 20231207-001](#) (HOME Phase 1). Lastly, the amendments are aligned with the STR-related recommendations promulgated by the Tourism Commission and Arts Commission.

Preservation Bonus Code Amendment

In December of 2023, the City Council approved [Ordinance No. 20231207-001](#) (HOME Phase 1), which authorized up to three housing units on a site and created provisions to encourage property owners to utilize the new provisions and to slow the pace of ongoing demolitions of older existing homes. Specifically, these provisions allow a property owner to exclude the square footage of the existing home from the floor-to-area (FAR) calculations (i.e. how a property owner calculates the site's maximum square footage limits) in exchange for preserving an existing structure. Currently, the two new units are limited to the greater of .55 or 3,200 square feet.

In July, the City Council adopted [Resolution No. 20240718-090](#), which initiated an amendment to City Code Title 25 (*Land Development*) to increase the maximum square footage limits for two new units when the property owner preserves the existing housing unit. Specifically, the Resolution requested a code amendment to allow two new units to achieve the greater of 0.65 or 4,350 square feet. A working draft of the proposed amendment is attached to this memorandum.

Next Steps

The notice for the upcoming joint public hearings will be mailed to property owners and account holders in the coming days. The notice will cover both sets of amendments. City staff will also place ads and make social media posts about the upcoming joint public hearings, Planning Commission meetings, and City Council meetings.

Between January 21 and 27, City staff will hold community meetings to review the proposed STR amendments. On January 28, 2025, staff will provide the City Council with a briefing on the STR regulations. These community meetings are intended to inform and educate the public about the amendments.

Please contact Daniel Word, Assistant Director of the Development Services Department at 512-974-6559 or Daniel.Word@austintexas.gov if you have any questions.

cc: T.C. Broadnax, City Manager
Myrna Rios, City Clerk
Corrie Stokes, City Auditor
Judge Sherry Statman, Presiding Judge
Mary Jane Grubb, Municipal Court Clerk
CMO Executive Team
José Roig, Director, Development Services Department
Patricia Link, Division Chief, Law Department

Attachments: A. STR Regulations (Chapter 4-23) Draft Ordinance
B. STR Regulations (Chapter 25-2) Draft Ordinance
C. Preservation Bonus (Section 25-2-773) Draft Ordinance

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ORDINANCE NO.

1
2 **AN ORDINANCE AMENDING CITY CODE SECTION 4-18-25 TO REMOVE**
3 **REFERENCES TO SHORT-TERM RENTAL TYPES; AMENDING CITY CODE**
4 **TITLE 4 TO ADD REGULATIONS FOR SHORT-TERM RENTAL OWNERS,**
5 **OPERATORS, AND PLATFORMS; AND CREATING AN OFFENSE AND**
6 **PENALTY.**

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

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

10 **§ 4-18-25 CERTIFICATION.**

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

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

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CHAPTER 4-23 SHORT-TERM RENTALS

ARTICLE 1. GENERAL PROVISIONS.

§ 4-23-XX DEFINITIONS.

In this chapter,

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

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

§ 4-23-XX RULES.

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

§ 4-23-XX APPEALS.

68 (A) An applicant may appeal:

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

72 (B) An operator may appeal:

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

75 (C) Requirements for an appeal.

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

81 (D) Appeal Hearings.

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

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

ARTICLE 2. PLATFORMS.**§ 4-23-2X APPLICABILITY.**

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

§ 4-23-2X REQUIREMENTS FOR ADVERTISEMENTS AND PROMOTIONS.

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

§ 4-23-2X OBLIGATION TO DELIST SHORT-TERM RENTALS.

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

§ 4-23-2X 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.

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119 (B) The documentation must be accessible to a user on at least a quarterly basis.

120 **§ 4-23-2X 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-XX (*Requirements for Advertisements*
125 *and Promotions*) and Section 4-23-XX (*Obligation to Delist Short-Term Rentals*),
126 is presumed to comply with Subsection (A).

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

128 **§ 4-23-3X ELIGIBILITY TO OPERATE A SHORT-TERM RENTAL.**

129 (A) An operator must own the 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), a person may operate more than one short-
133 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, a housing unit is owned by an individual when the unit is owned:

137 (1) only by one or more individuals;

138 (2) by a trust and each trustee and beneficiary are individuals; or

139 (3) by a single member limited liability company and the single member is an
140 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.

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- 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.

§ 4-23-3X OPERATOR LICENSE REQUIRED.

- 166
- 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.

§ 4-23-3X LOCAL CONTACTS.

- 178
- 179 (A) Each operator must designate a local contact.

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

§ 4-23-3X OPERATIONAL REQUIREMENTS.

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

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- 209 (D) In the kitchen of a housing unit, an operator must post:
- 210 (1) a floor plan of evacuation routes and exits; and
- 211 (2) the location of fire extinguishers and smoke alarms.
- 212 (E) An operator must make a copy of the information packet described in Section 4-
- 213 23-XX (*Requirements to Obtain an Operator's License*) available to each guest.
- 214 (F) An operator or guest of a short-term rental may not use or allow the use of sound
- 215 equipment that produces sound in excess of 75 decibels at the property line
- 216 between 10:00 a.m. and 10:00 p.m.
- 217 (G) An operator or guest of a short-term rental may not use or allow use of sound
- 218 equipment that produces sound audible beyond the property line between 10:00
- 219 p.m. and 10:00 a.m.
- 220 (H) An operator or guest of a short-term rental may not make or allow another to make
- 221 noise or play a musical instrument audible to an adjacent business or residence
- 222 between 10:30 p.m. and 7:00 a.m.

§ 4-23-3X MINIMUM INSURANCE REQUIREMENT.

223 An applicant must maintain \$1 million in liability insurance.

§ 4-23-3X MITIGATION REQUIREMENTS.

- 224 (A) The director may impose mitigation requirements on an operator.
- 227 (B) A mitigation requirement must address one or more of the confirmed complaints
- 228 received about the operator's short-term rental.
- 229 (C) An operator must implement and maintain any mitigation requirements when
- 230 imposed by the director.
- 231 (D) A mitigation requirement imposed under this section must be provided to the
- 232 operator in writing and may be appealed.

ARTICLE 4. SHORT-TERM RENTAL OPERATOR LICENSE APPLICATIONS.**§ 4-23-4X REQUIREMENTS TO OBTAIN AN OPERATOR'S LICENSE.**

- 235 (A) To obtain a new operator license, a person who owns the housing unit to be
- 236 licensed as a short-term rental must apply on a form approved by the director and
- 237 complete an online training course approved by the director.
- 238 (B) At a minimum, an applicant must provide the following information:

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

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- 269 (2) restrictions on noise applicable under Section 4-23-XX (*Operational*
270 *Requirements*), including limitations on the use of amplified sound;
- 271 (4) parking restrictions;
- 272 (5) trash collection schedule;
- 273 (6) information on relevant burn bans;
- 274 (7) information on relevant water restrictions;
- 275 (8) information on applicable requirements of the Americans with Disabilities
276 Act; and
- 277 (9) other information applicable to short-term rentals.

§ 4-23-4X REQUIREMENTS TO RENEW AN OPERATOR’S LICENSE.

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

§ 4-23-4X APPLICATION DENIALS.

- 297 (A) The director must deny an application to obtain or to renew an operator’s license
298 if:

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- 299 (1) the application and applicant do not comply with the applicable
300 requirements in Section 4-23-XX (*Requirements to Obtain an Operator’s*
301 *License*) or Section 4-23-XX (*Requirements to Renew an Operating*
302 *License*); or
- 303 (2) the applicant or operator is ineligible under Section 4-23-XX (*Eligibility to*
304 *Operate a Short-Term Rental*).

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

- 308 (1) poses a hazard to life, health, or public safety based on the third-party
309 inspection;
- 310 (2) is the subject of at least two separate disturbances that impact the quiet
311 enjoyment of others; or
- 312 (3) is the subject of at least two violations of federal law, state law, or City
313 Code.

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

316 (D) A denial may be appealed.

317 **§ 4-23-4X NOTIFICATION.**

318 (A) Before approving an operator’s license, the director must provide notice to each
319 property located within 100 feet of the short-term rental.

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

- 321 (1) the operator license number for the short-term rental;
- 322 (2) the address of the short-term rental;
- 323 (3) the name and contact information for the operator; and
- 324 (4) the name and contact information for the individuals who are designated as
325 the operator’s local contacts.

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

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ARTICLE 5. SHORT-TERM RENTAL ENFORCEMENT**§ 4-23-5X PENALTY.**

- 330
- 331
- 332 (A) A person who violates a provision of this chapter is guilty of a separate offense for
- 333 each day the violation of this chapter continues.
- 334 (B) Each offense is punishable by a fine not to exceed \$500. A culpable mental state is
- 335 not required and need not be proved.
- 336 (C) After the time to appeal a decision passes or an appeal is denied, the director may
- 337 issue a delist notice for a short-term rental if the license was revoked.
- 338 (D) The director may issue a delist notice for a short-term rental if the director
- 339 determines that the short-term rental is not the subject of a valid license.

§ 4-23-5X LICENSE REVOCATIONS.

- 340
- 341 (A) The director may revoke an operator's license if the director determines that:
- 342 (1) the operator fails to maintain property or liability insurance as required in
- 343 Section 4-23-XX (*Operational Requirements*);
- 344 (2) the housing unit poses a threat to life, health, or public safety;
- 345 (3) the short-term rental qualifies as a nuisance short-term rental as described in
- 346 Section 4-23-XX (*Nuisance Short-Term Rental*);
- 347 (4) a court of competent jurisdiction declares the short-term rental a nuisance;
- 348 (5) the operator fails to implement and maintain applicable mitigation
- 349 requirements;
- 350 (6) the operator fails to comply with a compliance plan;
- 351 (7) the local contact failed to respond within two hours of being contacted; or
- 352 (8) the director determines that the operator's license was issued in error.
- 353 (B) Except as provided in Subsections (C) or (D), the director must provide an operator
- 354 with a written notice of intent to revoke and hold a pre-revocation conference
- 355 before revoking an operator's license.
- 356 (C) The director may revoke an operator's short-term without notice or a pre-
- 357 revocation conference if the director determines that:

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- 358 (1) the operator failed to comply with the compliance plan;
359 (2) the director issued the operator's license in error; or
360 (3) a court of competent jurisdiction declares the short-term rental a nuisance.

361 (D) If the same or similar issues occur within six months from the date the director
362 determined that the operator complied with the compliance plan, the director may
363 revoke the operator's license without:

- 364 (1) issuing an additional notice of intent to revoke; or
365 (2) holding an additional pre-revocation conference.

366 (E) If an operator fails to attend a pre-revocation conference, the requirement to hold a
367 pre-revocation conference is satisfied and the director may revoke the operator's
368 license.

369 (F) A revocation may be appealed under Section 4-23-XX (*Appeals*).

370 **§ 4-23-5X NOTICE OF INTENT TO REVOKE, PRE-REVOCAION**
371 **CONFERENCE, AND COMPLIANCE PLAN.**

372 (A) A notice of intent must:

- 373 (1) state the reasons for revocation; and
374 (2) provide the date, time, and location of the pre-revocation conference.

375 (B) The director must schedule a pre-revocation conference to discuss:

- 376 (1) the issues that triggered the notice of intent to revoke; and
377 (2) a proposed compliance plan that includes corrective measures or mitigation
378 requirements.

379 (C) After the pre-revocation conference, the director must provide the operator with a
380 written compliance plan that:

- 381 (1) states the corrective measures and mitigation requirements required to avoid
382 revocation; and
383 (2) time for compliance.

384 (D) If the operator fails to attend the pre-revocation conference, the director is not
385 required to issue a compliance plan.

386 **§ 4-23-5X NUISANCE SHORT-TERM RENTALS.**

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- 387 (A) An operator maintains a nuisance short-term rental when the short-term rental:
- 388 (1) is operating without a license after the director issues a notice of violation
- 389 for operating an unlicensed short-term rental; or
- 390 (2) is the subject of numerous complaints related to:
- 391 (a) repeated violations of local, state, or federal laws; or
- 392 (b) disturbances that interfere with the quiet enjoyment of others.
- 393 (B) A short-term rental is the subject of numerous complaints based on documentation
- 394 of:
- 395 (1) police and code compliance calls for service, including 311 calls;
- 396 (2) police reports;
- 397 (3) gatherings that cause a public disturbance; or
- 398 (4) noise complaints.
- 399 (C) If the director revokes an operator’s license because the short-term rental qualifies
- 400 as a nuisance and the operator appeals the revocation, the appeal must address
- 401 whether the short-term rental qualifies as a nuisance.

PART X. Continuation of Existing Short-Term Rental Licenses.

- 403 (A) A short-term rental license qualifies as existing if the license is valid on [effective
- 404 date for most of the ordinance].
- 405 (B) An existing license remains effective until the expiration date on the short-term
- 406 rental license.
- 407 (C) To renew an existing short-term rental license, an operator must apply to renew the
- 408 license at least 30 days before the license expires.
- 409 (D) Except as provided in Subsection (E), an existing license renewed under this
- 410 subsection is not subject to the eligibility requirements in Section 4-23-XX
- 411 (*Eligibility Requirements*) that apply to individuals.
- 412 (E) An operator will be required to satisfy the eligibility requirements in Section 4-23-
- 413 XX (*Eligibility Requirements*) if the operator fails to renew an existing license as
- 414 set out in this part or if the director revokes the existing license.

415 **PART X. Article 2 (*Platforms*) in Part X of this ordinance takes effect on [90 days later],**

416 **2025. The remainder of this ordinance takes effect on _____, 2025.**

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ORDINANCE NO.

AN ORDINANCE AMENDING CITY CODE CHAPTER 25-2 RELATED TO SHORT-TERM RENTAL USE AND REGULATIONS.

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

PART X. City Code Chapter 25-2, Subchapter C, Article 4, Division 1, Subpart C (*Requirements for Short-Term Rental Uses*) and City Code Section 25-2-950 (*Discontinuance of Nonconforming Short-Term Rental (Type 2) Uses*) are repealed.

PART X. Subsection (D) of City Code Section 25-2-773 (*Duplex, Two-Unit, and Three-Unit Uses*) and Subsection (M) of City Code Section 25-2-779 (*Small Lot Single-Family Residential Use*) are repealed.

PART X. Subsection (C) of City Code Section 25-2-1463 (*Secondary Apartment Regulations*) is amended to read:

§ 25-2-1463 SECONDARY APARTMENT REGULATIONS.

(C) The secondary apartment:

- (1) must be contained in a structure other than the principal structure;
- (2) must be located:
 - (a) at least 10 feet to the rear or side of the principal structure; or
 - (b) above a detached garage;
- (3) may be connected to the principal structure by a covered walkway;
- (4) may not exceed a height of 30 feet, and is limited to two stories;
- (5) may not exceed:
 - (a) 1,100 total square feet or a floor-to-area ratio of 0.15, whichever is smaller; and
 - (b) 550 square feet on the second story, if any. [~~and~~]

~~[(6) may not be used as a short term rental for more than 30 days in a calendar year if the secondary apartment was constructed after October 1, 2015.]~~

PART X. The description of “Short-Term Rental Use” in City Code Section 25-2-3 (*Residential Uses Described*) is amended to read:

§ 25-2-3 RESIDENTIAL USES DESCRIBED.

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- 30 (10) SHORT-TERM RENTAL use is the rental of a housing unit or a portion of a
 31 housing unit [~~residential dwelling unit~~] for a period of less than 30 consecutive
 32 days [~~or accessory building, other than a unit or building associated with a group~~
 33 ~~residential use, on a temporary or transient basis in accordance with Article 4,~~
 34 ~~Division 1, Subpart C (Requirements for Short-Term Rental Uses) of this chapter.]~~
 35 The use does not include an extension for less than 30 consecutive days of a
 36 previously existing rental agreement of 30 consecutive days or more or [~~The use~~
 37 ~~does not include~~] a rental between the parties to the sale of that housing unit
 38 [~~residential dwelling unit~~].

39 **PART X.** The table in Subsection (C) of City Code Section 25-2-491 (*Permitted,*
 40 *Conditional, and Prohibited Uses*) is amended to remove “Short-Term Rental Use” from
 41 the table.

42 **PART X.** Article 5 (*Accessory Uses*) of City Code Chapter 25-2 (*Zoning*) is amended to
 43 add a new Section 25-2-904 to read:

44 **§ 25-2-904 SHORT-TERM RENTAL USE.**

- 45 (A) Short-term rental use is subject to the requirements of this section and is allowed as
 46 an accessory use to a residential use in all base zoning districts, special purpose
 47 districts, and combining and overlay districts.
- 48 (B) Short-term rental use cannot be prohibited.
- 49 (C) A person must obtain an operator’s license as set out in Chapter 4-23 (*Short-Term*
 50 *Rentals*).
- 51 (D) This section controls over a conflicting provision in City Code or uncodified
 52 ordinance.

53 **PART X.** This ordinance takes effect on _____, 2025.

54
 55
 56

ORDINANCE NO.**AN ORDINANCE AMENDING SECTION 25-2-773 OF CITY CODE RELATED TO FLOOR-TO-AREA RATIO (FAR) AND SQUARE FOOTAGE MAXIMUM WHEN CONSTRUCTING TWO NEW DWELLING UNITS AND PRESERVING AN EXISTING DWELLING UNIT.****BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF AUSTIN:**

PART 1. Subsection (E) of City Code Section 25-2-773 (*Duplex, Two-Unit, and Three-Unit Residential Uses*) is amended to read:

§ 25-2-773 DUPLEX, TWO-UNIT, AND THREE-UNIT RESIDENTIAL USES.

(E) This subsection applies to the area established in Subsection 1.2.1 of Chapter 252, Subchapter F (*Residential Design and Compatibility Standards*).

(1) In this subsection,

(a) EXISTING DWELLING UNIT means a dwelling unit that is:

(i) legally permitted and occupied before December 7, 2023; or

(ii) described in an application for a residential permit that was submitted on or before December 7, 2023.

(b) GROSS FLOOR AREA means the total enclosed area of all floors in a building with a clear height of more than six feet, measured to the outside surface of the exterior walls, except as provided in this subsection.

(2) Gross Floor Area Exclusions.

(a) For a property that includes an existing dwelling unit that was constructed on or before December 31, 1960, the property owner may exclude the preserved square footage from the gross floor area if the requirements in Subsection (F) are met.

(b) For a property that includes an existing dwelling unit that was constructed on or after January 1, 1961, and is at least 20 years old, the property owner may exclude the preserved square footage from the gross floor area if the requirements in Subsection (F) are met.

(3) Floor-to-area ratio for a duplex or two-unit residential use.

(a) The maximum floor-to-area ratio for the site is the greater of 0.55 or 3,200 square feet.

32 (b) Except for an existing dwelling unit, a dwelling unit may not exceed the
33 greater of 0.4 or 2,300 square feet.

34 (4) Floor-to-area ratio for three-unit residential use.

35 (a) The maximum floor-to-area ratio for the site is the greater of 0.65 or 4,350
36 square feet.

37 (b) Except for an existing dwelling unit, a dwelling unit may not exceed the
38 greater of 0.4 or 2,300 square feet.

39 (c) Except for two existing dwelling units,

40 (i) two dwelling units may not exceed the greater of 0.55 or 3,200 square
41 feet if an existing unit on the site is not preserved; or

42 (ii) two dwelling units may not exceed the greater of 0.65 or 4,350 square
43 feet if an existing unit on the site is preserved under Subsection (F).

44 **PART 2.** This ordinance takes effect on _____, 2025.

45 **PASSED AND APPROVED**

46 _____ §
47 _____, 2024 § _____

Kirk Watson
Mayor

50 **APPROVED:** _____

51 Deborah Thomas
52 Interim City Attorney

ATTEST: _____

Myrna Rios
City Clerk