




MEMORANDUM

TO: Mayor and City Council

FROM: José G. Roig, Development Services Director 

DATE: February 25, 2025

SUBJECT: Staff Consideration of Planning Commission Recommendations regarding Short-Term Rentals Ordinance

On February 11, 2025, the [Planning Commission](#) (PC) heard the proposed code amendments for Short-Term Rentals (STRs) and provided recommendations for Staff and the Austin City Council's consideration. Development Services and Law Departments have reviewed the recommendations and have provided a response below:

PC Recommendations Included in Staff Recommendation

Azhar 2/ Haney – passes unanimously

Staff to consider the possibility that in the case of the designation of a local contact, the operator may submit an alternate local contact/s to designate when the primary local contact is unavailable. The application fee and renotification fees should be waived when only the primary or alternate local contact are changed.

Woods 2/ Azhar – passes unanimously

Amend the ordinance as follows:

4-23-4A To obtain a new operator license, a person who owns the housing unit to be licensed as a short-term rental must apply on a form approved by the director and they and their designated local contact must complete an online training course approved by the director.

4-23-4B9- proof of completion of the online training course including for their designated local contact

PC Recommendations Already Included in Staff Recommendation

Cox 3/ Johnson – passes unanimously

4-23-2X OBLIGATION TO DELIST STRs. Add a section (D): subject to legal feasibility analysis by staff, a platform that fails to satisfy their obligation to delist a short-term rental shall be assessed a fine of \$500 per day, per listing, until the delisting obligation in this section is satisfied.

Cox 4/ Maxwell – passes unanimously

Amend 4-23-3X OPERATIONAL REQUIREMENTS, (E) An operator must make a copy of the information packet as described in Section 4-23-XX and Section 4-23-3X (Operational Requirements) (F), (G), and (H) available to each guest.

PC Recommendations Not Included in Staff Recommendation

Maxwell 1/Haney – Require a 12-month report. Passes unanimously

If Council wants to include a reporting requirement, staff recommends keeping the reporting parameters broad, which will allow staff to provide the most relevant information.

Azhar 1/Cox – Passes unanimously, Anderson off dais: language:

Revise § 4-23-3X - Eligibility to Operate a Short-Term Rental as follows:

- On a site with more than four but less than 51 dwelling units, an owner may operate at least one but no more than 20% of the units
- On a site with more than 50 but less than 101 dwelling units, an owner may operate at least one but no more than 10% of the units
- On a site with more than 100 but less than 251 dwelling units, an owner may operate at least one but no more than 5% of the units
- On a site with more than 250 dwelling units, an owner may operate at least one but no more than 3% of the units

Staff recommends a 25% cap applied to all properties with 4 or more, as this matches with the current maximum cap for multifamily properties under today's regulations and would prevent the creation of "non-complying/grandfathered" licenses for multifamily property.

Substitute to Hempel 1: Barerra Ramirez /Johnson – passes unanimously

If there are three or more nuisance activities that involve a violent criminal activity at a unit, an owner cannot operate an STR in a unit in perpetuity or a considerable amount of time, subject to legal review, until there is a change of ownership of the unit.

Staff does not recommend modifying the nuisance provisions. The 12-month limitation is based on existing state law that applies to nuisance cases based on certain types of criminal activity.

Woods 1/ Maxwell – passes unanimously

General recommendation to staff to consider establishing single city phone number for STR complaints/compliance issues, not to replace 911, and establish a system to first route those calls to the local contact for the STR before routing them to compliance staff.

Staff does not recommend including this provision in the ordinance as it concerns an operational matter. That being said, staff recommends the public utilize the City's 311 system and the information DSD provides to neighbors.

Cox 1/ Azhar – passes unanimously, Anderson off dais

Direct staff to review the feasibility of assessing of a separate fee for STR's paid at license application and/or renewal for contribution to and recognition of the additional City staff time required for adequate enforcement of these STR regulations.

Staff does not recommend changing the City's fees at this time.

Haney 1/ Cox – passes unanimously, Anderson off dais

Upon issuing a notice of violation for operating an unlicensed short-term rental, the director shall also refer the matter to the State Comptroller's Criminal Investigation Division and the City Comptroller.

Staff does not recommend including this recommendation in the ordinance as it concerns operational matters. The State currently receives HOT payments directly from the major online STR platforms, instead of from individual STR owners. This means it is likely the State is receiving its funds. Staff will work with the City Controller's Office to explore the creation of an automated method that notifies the City Controller's office about properties that receive a Notice of Violation related to operating a STR without a license.

Maxwell 2/ Woods – passes unanimously

Direct staff to assess considering allowing a tenant to operate an STR, as long as they meet the requirements of the ordinance and are allowed to do so by their landlord, in limited cases.

Staff does not recommend allowing a tenant to directly obtain a STR license. If tenants are able to obtain a license to operate a STR, this will cause the City to get involved in private contract disputes, which we avoid because the City is not able to enforce the contracts that do not involve the City. However, if the landlord and tenant agree that the unit can be used as a STR, the landlord could obtain a STR license if the landlord is eligible (e.g. the new license does not result in the landlord being out of compliance with the limits on the number of licenses the property owner can hold). The tenant could be the local contact. If a landlord and tenant use this approach, the City will go after the property owner for violations.

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