



City of Fredericksburg

City Council and Planning and Zoning Joint Special Meeting Agenda
Tuesday, March 28, 2023 ~ 9:00 AM
Lady Bird Golf Course - Cardinal Room
341 Golfers Loop
Fredericksburg, Texas 78624

Jeryl Hoover, Mayor
Tony Klein, Councilmember
Bobby Watson, Councilmember/Pro Tem

Sharon Joseph, Councilmember
Emily Kirchner, Councilmember
Clinton Bailey, City Manager

The City of Fredericksburg City Council will meet in a regular session on Tuesday, March 28, 2023, at 9:00 AM. Link to City of Fredericksburg YouTube Channel (Fredericksburg, Texas USA - YouTube <https://www.youtube.com/c/FredericksburgTexasUSA>).

The City Council welcomes citizen participation and comments at all City Council Meetings on Agenda Items.

Comment Card for Written or Verbal Comments-submitted by 4:00 p.m. the day before the meeting.

- i. Complete the Comment Card online at www.fbgtx.org;
- ii. Make sure to check the appropriate box (verbal or written);
- iii. Only one (1) agenda item per Comment Card.

Sign up in person between 8:30 a.m. and 9:00 a.m. at the meeting location.

- i. Only one (1) agenda item per Comment Card;
- ii. Speakers will be limited to 3 minutes to speak. **Please Note:** The Mayor can reduce the number of minutes for any speaker during Public Comment on a single agenda item depending on the number of people who sign up for it.
- iii. Any citizen with handouts should provide them to the City Secretary before speaking. If you wish the City Council to receive your handouts for the meeting, please provide ten (10) copies; if not, the City Council will receive your handouts the following day.

1. CALL TO ORDER

2. BUSINESS ITEM

- A. Mayor Hoover's Short-Term Rental Task Force Recommendations (Jeryl Hoover, Mayor)
 - i. Presentation
 - ii. Discuss and provide direction regarding recommendations

- iii. Discuss next steps regarding proposed ordinance amendments

3. ADJOURN

CERTIFICATION

This is to certify that I, Shelley Goodwin, posted this Agenda at 3:00 p.m. on March 24, 2023, on the bulletin board of the City of Fredericksburg City Hall, 126 W. Main St., Fredericksburg, Texas.



Shelley Goodwin, TRMC/CMC
City Secretary



CITY COUNCIL AGENDA MEMO

DEPARTMENT: Development Services
TO: Mayor & City Council Members
FROM: Anna Hudson, Interim Director of
Development Services
MEETING DATE: March 28, 2023

CATEGORY: BUSINESS ITEM

CAPTION: Mayor Hoover's Short-Term Rental Task Force Recommendations (Jeryl Hoover, Mayor)

- i. Presentation
 - ii. Discuss and provide direction regarding recommendations
 - iii. Discuss next steps regarding proposed ordinance amendments
-

PRESENTATION:

SUMMARY:

The Short-Term Rental Ordinance was last amended in March of 2022. On November 9, 2022, Mayor Hoover commissioned a citizen-based task force to be seated for a 90-day period. The stated goal was to work to find consensus where possible and provide recommendations to the City to improve the overall management of Fredericksburg's short-term rentals (STR's).

The STR Task Force recommendations were presented to City Council during the March 7, 2023 City Council meeting.

BACKGROUND:

Short Term Rentals have impacts on different focus areas, including land use/zoning, violations/code enforcement, and permitting/compliance.

Mayor Hoover's objectives for the STR ordinance are to stop the spread of STRs in residential areas, establish effective enforcement and return R1, R2, and R3 zones to residential or long-term rentals.

FUNDING SOURCE: Hotel Occupancy Taxes
Short Term Rental Application Fees

FINANCIAL IMPACT:

STAFF RECOMMENDATION:

COMMUNITY VISIONING/STRATEGIC INITIATIVES:

Business Visioning
Government Vision
Family Life Vision
Quality of Life Vision

ATTACHMENTS:

1. STR Task Force Ordinance Revisions
2. FINAL STR Task Force PP Report Mar 7

APPROVAL/REVIEW:

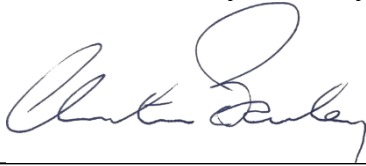


Garret Bonn, Assistant City Manager

Date: March 24, 2023

William McKamie, City Attorney

Date: March 24, 2023



Clinton Bailey, City Manager

Date: March 24, 2023

Sec. 2.100. - DEFINITIONS.

LOCAL CONTACT PERSON

The Owner, Operator, or person over the age of 18 designated by the Owner or the Operator, who shall be available 24 hours per day for the purpose of responding to concerns or requests for assistance related to the Owner's Short-term Rental. A maximum of two persons may be designated as the Local Contact Person for an STR, one of which must meet the above criteria at all times the STR is rented.

Sec. 5.401. - Additional requirements for short-term rental uses.

General Requirements: All ~~short-term rental~~STR uses shall be subject to the following requirements, in addition to those set forth otherwise in the City of Fredericksburg Code of Ordinances:

1. Food Service:
 - a. Only overnight guests may be served meals except in zones permitting restaurant use.
 - b. Such meals shall be limited to continental-type breakfast consisting of pastries prepared by a licensed provider, milk, cereal, fruit, fruit juice and coffee unless the facility meets the State of Texas and Gillespie County Health Division requirements for commercial food service.
2. Signs:
 - a. All signs must comply with the City of Fredericksburg Sign Ordinance, as applicable, set forth in Chapter 29 of the Code of Ordinances. ~~Short-term rental~~STR uses may erect a nameplate sign, which shall be considered a sign exempted from certain regulations under Section 29-5(3) of the Code of Ordinances, provided that such sign is not more than two (2) square feet in area and is attached to the structure.
3. Americans with Disabilities Act (ADA) and the 2012 Texas Accessibility Standards (TAS):
 - a. All ~~short-term rental~~STR structures and facilities must comply with all applicable Federal, State, and City of Fredericksburg building codes for existing or new construction, including ADA and TAS standards when required.
4. ~~Short-term rental~~STR uses shall comply with the regulations for Fire Protection set forth in the appropriate NFPA 101 Life Safety Code and the International Construction Codes, the latest versions adopted by the City at the time of construction or conversion to ~~short-term rental~~STR use using the "Lodging

and Rooming Houses" regulations.

a. Exceptions:

- i. Short-term Rental, ~~Unoccupied, Short-term Rental, Accessory, and Short-term Rental, B&B~~ shall not be required to install automatic fire suppression sprinkler systems.

5. External lighting:

- a. All external lighting shall comply with the City's Outdoor Lighting ordinance set forth in Article XV of Chapter 5 (Buildings and Building Regulations) of the City Code of Ordinances and the additional requirements set forth in Subsection 5.401(11)(b)(ii).

TASK FORCE FOOTNOTE

a. No. 1

6. Occupancy: Maximum occupancy for an ~~short term rental STR~~ shall be limited to the lesser of: a) two (2) Occupants per bedroom, plus two (2) additional Occupants, or b) one occupant per 200 square feet, but in no case shall maximum occupancy exceed a combined total of ~~twelve-eight (812)~~ Occupants. Maximum occupancy under this subsection is only applicable to the number of persons eighteen (18) years of age or older that are ~~renting the temporary transient lodgingresiding at the STR for a specified period of occupancy,~~ and excludes any other persons visiting the Occupants but not residing at the STRat the location of the temporary transient lodging.

TASK FORCE FOOTNOTE

~~6.~~ No. 2

- i. Additional guest beds may be placed in bedrooms that sleep two (2) occupants, provided that the bedroom has at least fifty (50) square feet of bedroom area for each occupant, and the maximum occupancy limit is not exceeded.
- ii. Commercially zoned properties in the Historic Overlay

District shall be developed in accordance with the base zoning district and all other City regulations and ordinances.

7. Utilities

- a. Short-term Rental, Accessory and Short-term Rental, B&B uses shall be served by a single water and electrical meter.
- b. Short-term Rental, Condominium and Short-term Rental, Facilities ~~shall are typically be~~ served by a master meter, and may be sub-metered by the property owner, however some Short-term Rental, Condominium units may be individually metered.

8. Trash & Solid Waste

- a. Each STR shall provide a minimum of one (1) ninety-six gallon (96 gal) bulk garbage container capacity, or equivalent, for every six (6) Occupants, based on the maximum permitted occupancy for the STR.

~~i. This subsection shall apply to all new and existing STRs.~~

~~ii.~~i. This requirement does not apply to those properties that utilize commercial trash pickup or dumpsters.

9. Quiet Hours

- a. Each STR use shall have one or more signs posted in prominent locations in the rear yard, near pools, hot tubs, and fire pits, and near other common gathering areas, providing the occupants and guests with notice of the Nighttime Hours, as set forth in Section 20-207 of the City's Noise and Sound Level Regulation ordinance. All signs posted under this subsection must comply with the City of Fredericksburg Sign Ordinance, as applicable, set forth in Chapter 29 of the Code of Ordinances.

10. Permitting: It shall be unlawful for any person or entity to rent, or offer to rent, any ~~Short-term Rental~~STR without a valid Short-term Rental Permit issued under this Section 5.401.

- a. A separate ~~Short-term Rental~~STR pPermit application and application fee must be submitted for each individual ~~Short-term Rental~~STR dwelling unit.

- i. An applicant shall apply for a ~~Short-term Rental~~STR ~~p~~Permit using a format and method promulgated by the City Manager or his/her designee.
- ii. An applicant for an ~~Short-Term Rental~~STR ~~p~~Permit shall pay to the City the permit fees as set forth in Sec. 5.450 of Appendix A - Fee Schedule, of this Code of Ordinances.
- iii. Each STR permit shall be valid for one year from the date of issuance and may be renewed annually thereafter by filing a renewal application and paying the permit fees as set forth in Sec. 5.450 of Appendix A - Fee Schedule, of this Code of Ordinances.

TASK FORCE FOOTNOTE

No. 3

- ~~ii.~~iv. Upon receipt of an STR permit the Owner shall initiate operations of the STR within 90 days. Failure to so initiate operations shall cause the permit to lapse and the Owner shall have to reapply for new STR permit.
- b. Each individual ~~Short-term Rental~~STR dwelling unit shall be assigned a unique permit number upon permit issuance by the City. This permit number will remain the same and will remain with the dwelling unit.
 - i. Upon issuance of the ~~Short-term Rental~~STR ~~p~~Permit, the Owner will be issued a unique identification number and sticker for the City's Business Emergency Contact (BECA) program. In lieu of a BECA sticker, the City may develop and issue an alternative sticker. The BECA sticker. Whichever sticker is issued by the City shall be placed in a visible location, no greater than three (3) feet from the front entrance of the structure, to assist in notifying any City officials or law enforcement of the Owner and Local Contact Person information.

TASK FORCE FOOTNOTE

No. 4

- ii. The City shall maintain an on-line database or interactive map accessible to the public which at a minimum for each STR permit issued and applied for, list the permit number, the street address, the maximum permitted occupancy, the number of on-site parking spaces provided, and the number of street parking spaces allowed. The contact information for the Local Contact Person may be listed with the Owners consent.

TASK FORCE FOOTNOTE

i. No. 5

- c. Prior to issuance of an Short-Term Rental STR pPermit, the Operator shall allow an on-site inspection of the Short-Term Rental STR Unit by the City ~~staff~~, to ensure compliance with City's ordinances and regulations.
 - i. Inspections shall also be required when an STR permit is allowed in accordance with Subsection 5.401(10)(d) to be transferred to another owner, every two years at the time of submitting an STR permit renewal application, upon complaints regarding violations of the City's zoning code, and/or when additions or modifications are performed to the property which requires a City building permit and ~~that~~ enlarge or change the existing layout of the structure. All STR's shall be subject to inspections may also be required upon request by City staff. Inspections shall be scheduled with the Operator to minimize the impact on any guests, but no later than thirty-six (36) hours after being requested by City staff.
 - ii. ~~This subsection 5.401(10)(c) shall apply to all new and existing STRs.~~
 - d. STR permits which are issued based on STR permit applications submitted on or after the effective date of this Ordinance may not be transferred to new owners of an STR. Generally, STR permits issued based on STR permit

applications submitted prior to the effective date of this Ordinance may be transferred to new owners, provided that, upon inspection, the property remains in compliance with all City regulations. Changes or modifications to the property that result in non-compliance with any City regulations shall subject cause the void the existing permit to revocation be revoked and not transferred.

TASK FORCE FOOTNOTE

d. No. 6

- e. Where transfer of a permit is allowed in accordance with Subsection 5.401(10)(d), a new owner of an STR shall submit an STR permit transfer application to the City within ten (10) business days after the change in ownership and notify the City in writing, within ten (10) business days after the change in ownership, notifying of any changes in ownership, contact information, management company information, and local contact person. A new owner of an STR shall submit a transfer of permit application to the City within ten (10) business days after the change in ownership.

TASK FORCE FOOTNOTE

No. 7

- e.f. The Owner of an STR shall notify the City within ten (10) business days, in writing, of any changes to information submitted under this Section 5.401 as part of an STR permit application, an STR permit renewal application, or an STR permit transfer application.
- i. The Owner shall notify the City within ten (10) business days, in writing, of any changes to information submitted as part of a Short-Term Rental Permit application under this Section 5.401.
- ii. This subsection 5.401(10)(d) shall apply to all new and existing STRs.
- f.g. Generally, STR permits may be transferred to new owners,

~~provided that, upon inspection, the property remains in compliance with all City regulations. Changes or modifications to the property that result in non-compliance with all City regulations shall void the existing permit.~~

- ~~h.~~ An application for ~~an Short Term Rental~~STR pPermit ~~may~~shall be denied if the Owner has had an ~~Short Term Rental~~STR pPermit suspended or revoked during the previous ~~365 days~~365 calendar year days.

TASK FORCE FOOTNOTE

~~g.~~ No. 8

- ~~h.i.~~ Subdivision Deed Restrictions and Covenants

- ~~i.~~ This Section 5.401 is not intended to repeal, abrogate, or impair any other existing ordinance requirements or easements, covenants, or deed restrictions. Where this Section 5.401 and another ordinance or, easement, covenant, or deed restriction are in conflict, whichever imposes the more stringent restrictions shall prevail.

- ~~j.~~ For purposes of this subsection 5.401(10), a change in ownership of a property covered by an STR permit has occurred at any time when 20% or more of the ownership of the property has come to be held by owners different from those who initially acquired the permit, except where such change of ownership is held by descendants of the original owner. In the event a legal entity owns a property covered by an STR permit, a change in ownership of a property covered by an STR permit has occurred at any time when 20% or more of the ownership of such entity comes to be held or controlled by owners different from those of the entity when it initially acquired the permit, except where such change of ownership is held by descendants of an original owner of the entity.

TASK FORCE FOOTNOTE

~~i.~~ No. 9

11. General Operational Requirements

- a. The Operator shall post the following Guest liinformation in a prominent location within the Short-Term Rental Unit, using a

form promulgated by the City:

- ~~ii.i.~~ The unique Short Term Rental Permit number assigned to the ~~Short-Term Rental~~STR Unit;
 - ~~iii.ji.~~ Operator name and phone number;
 - ~~iv.iii.~~ Local Contact Person name and phone number;
 - ~~v.iv.~~ The location of ~~any-all on-site~~off-street and ~~off-site~~on-street parking spaces ~~available-allowed~~ for Occupant's use;
 - ~~1. The Owner must limit the Occupants' vehicles to the number of off-street parking spaces provided.~~
 - ~~2. The number of on-site and off-site parking spaces available for Occupants shall be included in any advertisement of the short-term rental unit. This Subsection 5.401(11)(a)(iv)(2) shall apply to all new and existing STRs.~~
 - ~~vi.v.~~ The ~~maximum~~ Owner's maximum desired rental occupancy, which shall not be in excess of the maximum permitted occupancy as prescribed under Subsection 5.401(6)-;
 - ~~vii.vi.~~ Instructions to Guests concerning disposal of garbage and handling of garbage containers;
 - ~~viii.vii.~~ Notification that the Guests are responsible for compliance with all applicable laws, rules and regulations pertaining to the use and occupancy of the Short- Term Rental, and that Guests may be fined by the City for violations of this Section 5.401.
- b. The Operator shall post the following "House Rules" in a prominent location within the ~~Short-Term Rental~~STR ~~u~~Unit, ~~and shall include the following "House Rules" in an advertisement or contract for occupancy of the Short Term Rental (this Subsection 5.401(11)(b) shall apply to all new and existing STRs):~~
- ~~i.~~ Observe the City of Fredericksburg Quiet Hours (10pm to 7am in residential zones) when no noise can exceed 55 db and there can be no outdoor amplified sound of any kind .

i. —

- ii. The City of Fredericksburg is a Dark Sky Community with outdoor lighting restrictions. All outdoor lighting is encouraged to be turned off when no one is present to use the light. All exterior string-lights and flood lights shall be turned off during the City of Fredericksburg Quiet Hours (10pm to 7am in residential zones).

TASK FORCE FOOTNOTE

ii. No. 10

- iii. Observe the designated ~~on-site and off-site~~off-street and on-street parking spaces.
- iv. Place all trash in designated containers.
- c. In addition to the House Rules, the Operator shall post the following "Welcome Statement from the City of Fredericksburg" in a prominent location within the STR unit:

- i. "Welcome Statement from the City of Fredericksburg, Texas: Willkommen and Greetings. We are happy you have considered a stay in our small town and look forward to your visit. Because this home is in, or adjacent to, a residential neighborhood, we wish to make you aware of several things so that your visit is as enjoyable and trouble free as possible.

Our town places a high value on the quality of life of its residents. And the quiet enjoyment of their homes is key to that. Toward that end, the City strictly enforces the limits on noise, exterior lighting, occupancy and parking that apply to this property, and are set forth in this advertisement or posting. We want you to enjoy your stay here while being aware of, and respectful to, the residents who make their homes in the surrounding neighborhood."

TASK FORCE FOOTNOTE

No. 11

~~e.d.~~ The Operator shall operate an ~~Short-Term Rental~~STR in compliance with the following:

- i. Zoning regulations prescribed for the zoning district in which such ~~Short-Term Rental~~STR is located, set forth in Appendix B of the Code of Ordinances.
- ii. City of Fredericksburg Sign Ordinance, as applicable, set forth in Chapter 29 of the Code of Ordinances and as allowed in Subsection 5.401(2)(a) above.
- iii. Maximum permitted occupancy limits prescribed in Subsection 5.401(6), ~~or by the City Fire Marshal pursuant to the International Fire Code as adopted in Chapter 17 of this Code of Ordinances, whichever is lower.~~
- iv. City of Fredericksburg Hotel Occupancy Tax Ordinance, set forth in Chapter 41 of this Code of Ordinances.
- v. City of Fredericksburg Noise and Sound Level Regulation Ordinance, set forth in Chapter 20 of this Code of Ordinances.
- vi. City of Fredericksburg Garbage Collection Ordinance, set forth in Chapter 32 of this Code of Ordinances and as prescribed in Subsection 5.401(8) above.
- vii. The Owner shall limit the Occupants' vehicles to the off-street parking spaces provided and the on-street parking spaces allowed as prescribed in Table 7.863.

TASK FORCE FOOTNOTE

~~vi.~~ No. 12

- viii. During any period when an ~~Short-Term Rental~~STR is occupied or intended to be occupied by Guests, ~~the at least one~~ Local Contact Person shall have their name and contact information on file with the City and be available within Gillespie County 24 hours per day for the purpose of responding to concerns or requests for assistance related to the condition, operation, or conduct of Guests of the ~~Short-Term Rental~~STR.

TASK FORCE FOOTNOTE

vii. No. 13

1. The Local Contact Person, or their designee, shall respond by phone within 20 minutes of the Local Contact Person being contacted by City staff or law enforcement regarding the condition, operation, or conduct of Guests of the STR, and shall take immediate remedial action as needed to resolve concerns.

4.2. The Local Contact Person, or their designee, shall respond on-site within 30 minutes of the Local Contact Person being so requested by a City police officer or code enforcement officer to provide notified of concerns or requests for assistance regarding the condition, operation, or conduct of Guests of the Short-Term Rental STR, and shall take immediate remedial action as needed to resolve such concerns or requests for assistance.

2.3. Failure to respond in the required timeframe comply with this Subsection viii shall be a violation of this Ordinance.

e) Any advertisement that promotes the availability of an Short-Term Rental STR, listed in any medium, including but not limited to newspaper, magazine, brochure, website, or mobile application, shall include:

- i. the current Short-Term Rental STR pPermit number assigned by the City,
- ii. the Owner's desired maximum rental occupancy, which shall not be in excess of the maximum permitted occupancy prescribed in Subsection 5.401(6), and
- iii. the maximum number of off-street and maximum number of on-street available parking spaces provided allowed for each the rental unit STR,
- iv. the "House Rules" prescribed in this Subsection 11(b) above,

- v. the “Welcome Statement from the City of Fredericksburg” prescribed in this Subsection 11(c) above, and-
- vi. any advertisement which incorporates pictures shall include a picture of the front of the STR and a picture with the street address number visible in the picture.
- f) Annually, prior to March 1st of each year, the owner of each permitted STR shall file an annual report under oath reporting for the prior year the following information for such STR: number of nights rented, total revenue collected (including all fees and charges), amount of HOT paid, and dates of each HOT payment.

TASK FORCE FOOTNOTE

No. 14

12. Compliance and Penalty Provisions

- a. It shall be unlawful for any person or entity to violate any provision of this Section 5.401. Proof that a violation of this Section 5.401 occurred at an ~~an Short-Term Rental~~STR shall create a rebuttable presumption that the Owner of said ~~Short Term Rental~~STR committed the violation.
 - i. Any violation of this Section 5.401 may be:
 - 1. adjudicated under the civil administrative hearing process for violations of ordinances as set forth in Chapter 2, Article VII (Administrative Adjudication of Violations) of this Code of Ordinances, provided said violation is described in Texas Local Government Code Section 54.032; and the fines and penalties set forth in Section XXX of Appendix X – Fines and Penalties Schedule, of this Code of Ordinances shall apply to the maximum extent permissible under Chapter 2, Article VII

of this Code of ordinances; ~~and/or~~

2. prosecuted in the Municipal Court under the penalty provisions set forth in Section 6.301 of this Zoning Ordinance and the fines and penalties set forth in Section XXX of Appendix X – Fines and Penalties Schedule, of this Code of Ordinances shall apply.

TASK FORCE FOOTNOTE

2. No. 15

- ~~ii.~~ Penalties provided for in this Subsection 5.401(12) are not exclusive and are in addition to any other available criminal or civil remedies that the City may pursue under federal, state, or local law.

ii. _____

iii. Any property operated~~ing~~ as an ~~STR-Short-Term-Rental~~, without a permit, shall be prohibited from applying for or receiving an ~~Short-Term-Rental~~STR permit for ~~a minimum of one~~two (2) years from the last date of such operation or the date of a violation or conviction for such operation, whichever is later in time.

TASK FORCE FOOTNOTE

iii. No. 16

13. Permit suspension or revocation; appeal

~~a.~~ Upon conviction for one or more~~a~~ violations of this Section 5.401 for an STR, where the fines and penalties set forth in Section XXX of Appendix X – Fines and Penalties Schedule, of this Code of Ordinances prescribe that the STR permit shall be suspended or revoked, the City Manager or his delegate shall ~~may~~ suspend or revoke any the Short Term Rental PermitSTR permit as prescribed for the subject STR issued for the same Short Term Rental where the violation occurred. Notwithstanding the foregoing sentence, the City Manager may not suspend or revoke any Short Term Rental Permit for convictions related to the City Noise and Sound Level Regulation Ordinances (Article VI of Chapter 20), the City Sign ordinances (Chapter 29), the City Garbage Collection ordinances (Chapter 32), the City Outdoor Lighting ordinances (Article XV of Chapter 5), or the City Water Conservation ordinances (Article II of Chapter 47).

a.

b. The City Manager, or his delegate, shall notify an Owner of a suspension or revocation under this Subsection 5.401(13) in writing, delivered by Certified Mail, Return Receipt Requested, and mailed to the address of the Owner as set forth on the most recent ~~Short-Term-Rental-Permit~~STR permit application submitted to the City. A suspension or revocation under this Subsection 5.401(13) shall become effective on the

11th business day following the date said notice of a suspension or revocation was deposited in the U.S. Mail.

b.C. An Owner may appeal a notice of suspension or revocation under this Subsection by filing a written appeal with the ~~City Manager~~Judge of the Municipal Court, with a copy to the City Manager, within ten business days following the date said notice was deposited in the U.S. Mail. Following a timely filing of a written appeal hereunder, the Owner is entitled to a stay of the suspension or revocation, pending exhaustion of appeals under this Subsection. The Owner may present evidence to the ~~City Manager~~Judge of the Municipal Court related to the suspension or revocation under this Subsection. Following the ~~City Manager's~~Judge of the Municipal Court's final decision on an appeal, the Owner may appeal an adverse decision of the ~~City Manager~~Judge of the Municipal Court to the City Council, by filing a written appeal with the City Secretary within five business days following the date of receipt of the ~~City Manager's~~Judge of the Municipal Court's final decision on an appeal.

TASK FORCE FOOTNOTES

FOOTNOTE No. 1 - More Restrictive Lighting Requirements

This Draft: Lighting and other regulations which are more restrictive than the city codes that all residential properties must follow can legally be imposed on STRs. STRs are a recognized nuisance in many neighborhoods and noise and light disturbances of residences is a key issue. By having outdoor “party lights” turned off at 10 PM, guests will be encouraged to move indoors, where disturbance is less likely.

Oppose: STRs should be governed by the same codes as residents, and not more strictly.

Footnote No. 2 - Lesser of 200 ft OR bedroom count & 8 vs 10 max occupancy

This Draft: The current calculation of using only a bedroom count to determine max occupancy allows small houses with lots of bedrooms to have too high of a density of occupants. Example: a 1000 sq ft home w/3 BR is allowed 8 occupants. That is only 125 sq ft ea! 200 sq ft per guest is the common fire code limit for transient guest accommodations. Using a “lesser of” calculation is the best way to prevent too high of an occupant density. It is not complex and Staff can handle sq ft calculations given that few new permits can be expected. For renewals they can rely on GCAD to verify footage. A maximum of 8 occupants should be the new limit for any STR. This will decrease density and minimize disturbances for new STR permits. History shows higher density party houses yield more complaints.

Oppose: This is overly complicating and opens up loopholes – recommend 2 per bedroom plus 2, with a max of 10 occupants

Footnote No. 3 - Permits valid for one year with annual renewal.

This Draft: Having a permit that is valid for a year and renewed annually is consistent with existing practice and ensures some level of staff focus on each permit annually.

Oppose: Recommend a 2 year permit with associated 2 year fee. This would reduce workload on City staff and free up time for enforcement and other duties.

Footnote No. 4 - BECA Sticker.

This Draft: The BECA sticker regime was originally proposed by City staff. City attorney believes this sticker regime is for benefit of law enforcement, and if City sees a need for a sticker, it could develop its own sticker regime. City should make this determination if it sees a sticker as a benefit for police response or code enforcement.

Oppose: Do we need a sticker regime? Generating and administering it would be one more thing City staff would have to keep up with, allowing them less time to devote to enforcement.

Footnote No. 5 - On-line STR Database / Interactive Map.

This Draft: The purpose of the on-line database or interactive map is for the public to know which houses are STRs and what their occupancy and parking restrictions are for each unit. The City stated during the drafting of the 2022 ordinance that resident awareness of the STRs in their neighborhoods is a key to successful enforcement. The language as drafted provides the information residents need to observe whether an STR is complying with its permit without divulging any personal information, unless the STR operator chooses to do so in order to establish good relations with its neighbors. Resident's awareness of this basic information may reduce inquiry calls to City staff and nuisance complaints not grounded in facts regarding the permit.

Oppose: City should maintain a data base or interactive map showing only active STRs and their permit numbers. No other information should be displayed to the public to prevent potential harassment or targeting situations. The exposure of

private information to the general public could present a safety issue for rental owners. 65% of STR owners are women.

Footnote No. 6 - Prospectively – new permits will not be transferable.

This Draft: We believe that this provision makes it clear that all permits issued after the effective date of this proposed ordinance revision would not be transferable to new owners. By NOT allowing permits for STRs permitted in the future to be transferable, the City's hands are not tied and it can manage the density and location of future STRs as it deems advisable. This violates no property right as applicants would be on notice at the time of acquiring a permit that it is personal to them and can't be transferred to others?

Oppose: We disagree with this subsection entirely. STR owners do not support terminating property owner rights. There is no language in here that specifies just new permits. All existing permits should continue as non-conforming 2018 ordinance.

Footnote No. 7 - 10 Day Time frame for Notice of Transfer .

This Draft: The 10 day notice time frame has been in the STR ordinance for almost one year. Parties in Fredericksburg are aware of it and it is reasonable to require timely notice be given the City when a purchaser of a property acquires an existing STR business operating on that property and desires to continue operating that business without interruption. This time frame can be easily met with planning during the real estate closing. Notices to utility companies of a transfer of service are required on a much shorter time frame and have been managed for years. The City attorney merely commented that this is a short time frame and "the local title companies and real estate brokers must be fully up to speed with this requirement ". They are, and it is current practice here.

Oppose: Based by comment by city attorney should this 10 day window be expanded to properly address the attorneys concern.

Footnote No. 8 - 365 day denial for owner with suspension or revocation

This Draft: A version of this restriction is in the 2022 ordinance. Both suspensions and revocations are serious offenses and they should rarely occur. When a suspension does occur, it is a sign of a careless operator who's existing operations should be watched for a year before they are allowed to apply for a permit for a new STR business.

Oppose: Remove the word suspended. A 365 day ban should only be in effect if the permit has been revoked.

Footnote No. 9 - LLC Change of ownership language

All Task Force: We recognize that there is a need for this type of provision so that LLC's can't be bought and sold as a way of avoiding a change of ownership restriction in this and future STR ordinances. Additional City Council guidance and legal work is required to draft this provision so that it accomplishes this goal.

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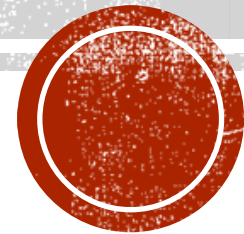
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Oppose: Should be maximum of 1 year to apply for permit. This time frame could be extended by city depending on the type of infraction.

STR TASK FORCE

FREDERICKSBURG TEXAS

March 7, 2023



TASK FORCE MEMBERS

- **Mimi Bartel**
- **Randy Briley**
- **Mike Mahoney**
- **Belinda McDonnell**
- **Ray Rodgers**
- **Tami Smith**
- **Bill Snyder**

SPECIAL MESSAGE FROM THE TASK FORCE

As the Mayor's STR Task Force reaches the conclusion of our 90-day period, the group passionately debated a number of important items, and we have also agreed on a number of those issues. One of the unanimous agreements was the acknowledgment and recognition of the service to our community of Janelle Chapman, Shelby Collier, and the newest member of the STR administrative team, Jan Musgrove. We quickly saw the "can do spirit" and ingenuity they displayed in support of our city's charter. We collectively believe their efforts benefit our neighborhoods, the STR community, and the City of Fredericksburg.

Thanks to you all!

AGENDA

- Task Force Overview
- Mayor Hoover's Objectives
- Research Data

TASK FORCE OVERVIEW

- On November 9, 2022, Mayor Hoover commissioned a citizen-based task force to be seated for a 90-day period.
- The stated goal was to work to find consensus where possible and provide recommendations to the City to improve the overall management of Fredericksburg's short-term rentals (STR).

MAYOR HOOVER'S STATED OBJECTIVES:

- Stop the Spread of STRs in Residential Zones
- Empower Effective Enforcement
- Return R1, R2 and R3 to Residential or Long-Term Rentals



Indicates the Task Force had unanimous agreement.



Indicates that the Task Force did not reach consensus.

Stop the Spread of STRs

 Impose a specified time-limited suspension for accepting new STR permit applications for R1 and R2 in order to gain maximum control over data, enforcement and adjudication procedures, and for Council to deliberate amending April 2022 ordinance.

 Specify the prohibition of STRs in R3.

 Remove the CUP option for properties in R1.

 Declare as “lapsed” all submitted applications and granted permits that have not been placed in operation after 90 days.

EMPOWER EFFECTIVE CODE ENFORCEMENT

- ✓ Council and Staff review/alter enforcement procedures with an eye for maximum effectiveness.
- ✓ Clarify the citation and adjudication processes for major/minor code violations.
- ✓ Acquire or create essential software to manage every piece of needed data.
- ✓ Prioritize mastering the software tools.
- ✓ Install a citizen STR Hotline for complaints and alerts of violations.
- ✓ Require street view photo on advertising of STRs in residential areas.

EMPOWER EFFECTIVE CODE ENFORCEMENT

✓ Clarify and codify specific, meaningful financial and revocation penalties for STR violators.

✓ Require annual report from owners filed under oath.

!/? Hold management companies liable for fines/penalties for managing non-permitted STRs.

✓ Create online interactive map of STRs throughout the City.

!/? Reduce occupancy density to 1 guest per 200 sq ft.

? Simplify data by linking permit to property address, regardless of individual structures (R-2 & Commercial).

RETURN R1,R2 AND R3 TO RESIDENTIAL OR LONG-TERM RENTAL

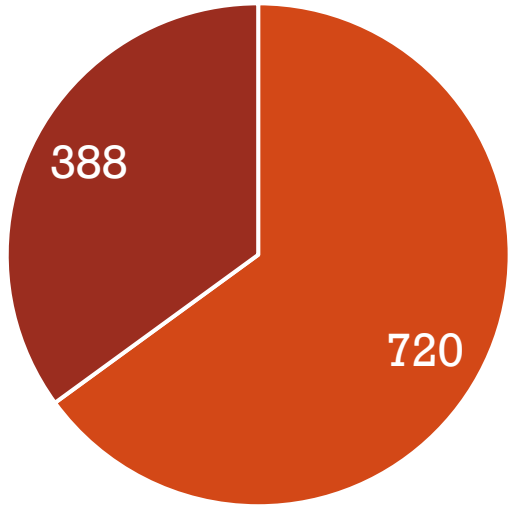
-  Include specific STR zones in the new Comprehensive Plan.
-  Convene a Task Force for addressing this aspect of our housing challenge.
-  Consider incentivizing volunteer surrender of STR permits in R1, R2 and R3.
-  Impose non-transferability of permits acquired in R1 and R2 after the effective date of the amended ordinance.

RESEARCH DATA

KEY FINDINGS - STR POPULATION:

City STR Data by Individual Lots	Advertised STRs (Active)	Non-Advertising (Idle or Inactive)
1179	720	388

388 Panic or Under construction Permits



720 Active STRs

■ Total Acitve ■ Non Advertising

- Notes:
- All “in process” R-1 Permits are renewals. No additional permits have been granted in R-1 since April '22
 - Non-Advertising “Idle” properties are properties that are under construction or “panic permits”

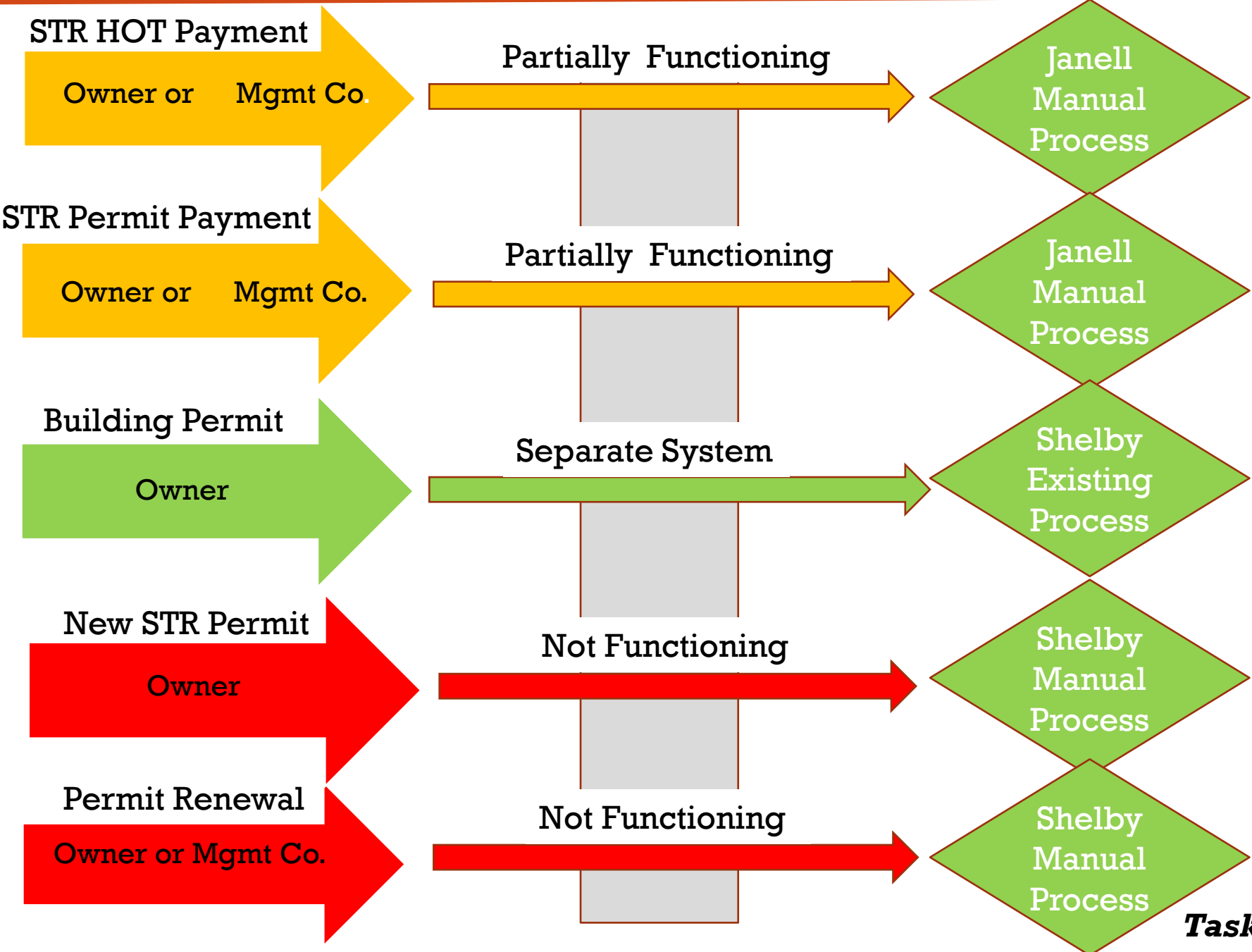
GRANICUS DEFICIENCIES

- Active STR property “web scraping” service 24 x 7 missing.
- Exception reporting for unauthorized STRs marketing/operating.
- Active violation reporting.
- STR permit renewal feature is not active..
- Online HOT remittance via Granicus is not possible for all property owners..
- HOT payment linking properties to tax remittance. This requires staff to call property owners to verify.
- 24 x 7 complaint line services not provided.
- Primary feedback loop to owners/mgmt. companies require city staff call.

STR Community

Granicus

City Staff



VENDOR CONTRACT/PERFORMANCE ISSUES

- No service level agreement was outlined to set the performance expectations for the city.
- No payment milestones were established to ensure the project rollout was meeting the city's expectations.
- Granicus was paid in full on/about April 2022.
- The city was informed 2 days after contract award that they would not receive a full production solution.
- The first software deliverable did not meet the specifications of the RFP as issued by the city.
- The second deliverable (Enhanced portal) was introduced in Oct 2022, a full 7 months after contract award. The second platform does not meet the specifications of the RFP.

GCAD INFORMATION

- Single Family Residence: 4,549
 - Multifamily Residence: 79
 - Commercial Real Properties: 1,358
 - Totally Exempt Properties: 912
 - STR Real Properties (14%): 643
-
- Capturing sales price for properties sold off market is a challenge.
 - Confirmed that STRs average a 7% property valuation increase over similarly priced single-family homes. This is applied to the manually sourced STR data resulting in errors, owner protests are key to correcting a properties status.
 - Assuming the city developed an STR permit surrender program, GCAD would be willing to roll those properties back to pre-permit property valuations.

STRA MESSAGING APPROACH



Work with the CVB to structure STR rental messaging and expectations Into the “love fbgtx” marketing campaign.



Develop messaging with greater detail and expectations concerning noise, occupancy, parking, lighting, hot tubs, to be included in all individual Airbnb, VRBO, local reservation companies and owner listings.



All properties to have clearly posted and detailed house rules and regulations, associated fines, and grounds for eviction.

STRA DEVELOPED MATERIAL



CITY OF FREDERICKSBURG INTEGRATED MESSAGE

- Visitors to Fredericksburg can care for the community just as locals. The guiding principle is to treat Fredericksburg as if it was their hometown.
- Fredericksburg is a place to have fun, relax and reconnect, but remember your vacation rental is part of a neighborhood, so ***treat our local neighbors with care and respect to maintain our hometown atmosphere. Please observe all posted house rules while enjoying your stay.***
- Observe street and traffic signage when heading out to explore and remember that slow moving tractor may be carrying your dinner.



RESERVATION PLATFORM INTEGRATED MESSAGE

Guest Responsibility: A guest reserving this property implicitly agrees to require all members of the rental party to at all times abide by the posted house rules, including but not limited to regulations regarding parking, noise, trash and personal behavior.

Violations: Any violation of the posted rules resulting in citation and fines are the sole responsibility of the reserving guest and additionally may result in loss of your deposit.

Ground for Eviction: In the event any member of the reserving party is non-compliant with any portion of the posted house rules or engages in disorderly conduct, the owner/reservation company reserves the right to evict the entire guest party without refund.

STRA DEVELOPED MATERIAL



ON PROPERTY INTEGRATED HOUSE

(OWNER TO ADD PROPERTY SPECIFIC RULES)

- **Occupancy:** The occupancy of this house may not exceed the permitted guest limits.
- **Noise:** Please respect our neighbors and our community, keep conversations and indoor music at a reasonable level. No amplified noise/music allowed outdoors at any time.
- **Outdoor Quiet Hours:** 10:00pm - 7:00am. Please take the conversation inside.
- **Parking:** Vehicles are to be parked in designated parking areas. On-street parking is limited to two parking spaces directly adjoining the front of this property. Do not park in front of neighboring houses or driveways. Any illegally parked cars are subject to tow.
- **Trash:** Please ensure that all trash is properly placed securely in the provided receptacles. Do not overfill the receptacles. If the receptacle is unable to close completely, place all overflow trash, bagged and tied, inside the property.
- **Violations:** Any violations of the posted rules resulting in a citation and fines are the sole responsibility of the guest who receives the violation. Such action may result in loss of deposit or eviction.
- **Ground for Evictions:** In the event that any member of the reserving party is non-compliant with any portion of the posted house rules or engages in disorderly conduct, the owner/reservation company reserves the right to evict the entire guest party without refund.

STRA PERMIT & INSPECTION FEE STRUCTURE

SHORT TERM RENTAL PERMIT & RENEWAL FEES	
All annual STRs baseline permit fee (based upon one bedroom)	\$150
Each additional bedroom (example: 5 bedroom = \$550)	\$100
* Inspection Fee (every two years after initial permit)	

Penalties are defined as major and minor code infractions:

- **Minor Nuisance Violations: Owner Responsible**

- Watering
- Trash
- Lighting

Revocation of STR operating permits may not occur for any combination of minor offenses, standing city fine structure applies.

- **Major Nuisance Violation - Guest Responsible**

- Noise
- Parking
- Booking over permitted capacity

- **Major Violations - Owner Responsible**

- Operating an STR without a permit
- Single HOT violation: \$1,500 PLUS immediately cease operations for 30 days and remit
- Second HOT violation: \$1,000 per day PLUS one calendar year suspension from operating.

In the event of permit revocation, an owner may appeal by filing a written appeal with the city council within 10 business days following the date of the City Manager's final decision.

STRA DEVELOPED MATERIAL

MINOR OFFENSE CODE ENFORCEMENT FEE STRUCTURE

STR Minor Offences	Standing City Fine Structure Applies
First Offense – Watering – Owner Fine	\$
Second Offense (One Calendar Year)	\$\$
Third and Subsequent Offense (One Calendar Year)	\$\$\$
First Offense – Trash - Owner Fine	\$
Second Offense (One Calendar Year)	\$\$
Third and Subsequent Offense (One Calendar Year)	\$\$\$
First Offense – Parking – Guest Fine	\$
Second Offense (One Calendar Year)	\$\$
Third and Subsequent Offense (One Calendar Year)	\$\$\$
First Offense – Lighting - Owner Fine	\$
Second Offense (One Calendar Year)	\$\$
Third and Subsequent Offense (One Calendar Year)	\$\$\$

STRA DEVELOPED MATERIAL

MAJOR OFFENSE CODE ENFORCEMENT FEE STRUCTURE

Major Offenses (Non-remittance of HOT taxes & operating without a STR permit)	
Single Offense: (Cease operation and obtain a lawful operating permit with 30 days)	\$1,500/One time
Second Offense: (Daily fines until the operator ceases STR operation)	\$1,000/daily
Upon the second offense, the property would not be eligible to apply for a STR permit for 1 calendar year from the offense.	
Major Nuisance Citation Issued – Noise – Parking - Guest Fine	
Citation and fines awarded to the reservation guest per incident	\$150.00
After 3 written violations in a within 90 days – Owner Fine	\$1,500.00
After 6 written violations in a calendar year – Owner Fine	\$2,000

PROPOSED SCHEDULE FINES/PENALTIES

Category	Classification	Initial Fine Each Class		Suspension & Revocation
Minor	Watering, Trash, Parking, Lighting Minor HOT (underpayment less than 10%)	\$250	Subsequent Fine for each classification in 12 mo period doubles prior fine	
Major	3 Minor Violations in 12 months Noise violation Material HOT underpayment (10-50%)	\$500		
	Error in Sworn Statement			
	Advertising violation			

PROPOSED SCHEDULE FINES/PENALTIES

Critical	2 Major Violations in 12 months Operating in excess of permitted capacity	\$5,000		Automatic 90
	HOT underpayment greater than 50%			day suspension
Terminal	2 Critical Violations in 2-year period Operating without a permit	w/o permit		Revocation of any
		\$1,000		permit and
		ea day		prohibition
		operated		of applying for
				any new permit
				for 5 yrs.

TWO VIEWS #1

- **FOOTNOTE No. 1 - More Restrictive Lighting Requirements**
- **This Draft:** Lighting and other regulations which are more restrictive than the city codes that all residential properties must follow can legally be imposed on STRs. STRs are a recognized nuisance in many neighborhoods and noise and light disturbances of residences is a key issue. By having outdoor “party lights” turned off at 10 PM, guests will be encouraged to move indoors where disturbance is less likely.
- **Oppose:** STRs should be governed by the same codes as residents, and not more strictly.

TWO VIEWS #2

- **Footnote No. 2** - Lesser of 200 ft OR bedroom count & 8 vs 10 max occupancy
- **This Draft:** The current calculation of using only a bedroom count to determine max occupancy allows small houses with lots of bedrooms to have too high of a density of occupants. Example: a 1000 sq ft home w/3 BR is allowed 8 occupants. That is only 125 sq ft each! 200 sq ft per guest is the common fire code limit for transient guest accommodations. Using a “lesser of” calculation is the best way to prevent too high of an occupant density. It is not complex, and Staff can handle sq ft calculations given that few new permits can be expected. For renewals they can rely on GCAD to verify footage. A maximum of 8 occupants should be the new limit for any STR. This will decrease density and minimize disturbances for new STR permits. History shows higher density party houses yield more complaints.
- **Oppose:** This is overly complicating and opens up potential for loopholes – recommend 2 per bedroom plus 2, with a max of 10 occupants

TWO VIEWS #3

- **Footnote No. 3** - Permits valid for one year with annual renewal.
- **This Draft:** Having a permit that is valid for a year and renewed annually is consistent with existing practice and ensures some level of staff focus on each permit annually.
- **Oppose:** Recommend a 2-year permit with associated 2-year fee. This would reduce workload on City staff and free up time for enforcement and other duties.

TWO VIEWS #4

- **Footnote No. 4 - BECA Sticker.**
- **This Draft:** The BECA sticker regime was originally proposed by City staff. City Attorney believes this sticker regime is for benefit of law enforcement, and if City sees a need for a sticker, it could develop its own sticker regime. City should make this determination if it sees a sticker as a benefit for police response or code enforcement.
- **Oppose:** Do we need a sticker regime? Generating and administering it would be one more thing City staff would have to keep up with, allowing them less time to devote to enforcement.

TWO VIEWS #5

- **Footnote No. 5 - On-line STR Database / Interactive Map.**
- **This Draft:** The purpose of the on-line database or interactive map is for the public to know which houses are STRs and what their occupancy and parking restrictions are for each unit. The City stated during the drafting of the 2022 ordinance that resident awareness of the STRs in their neighborhoods is a key to successful enforcement. The language as drafted provides the information residents need to observe whether an STR is complying with its permit without divulging any personal information, unless the STR operator chooses to do so in order to establish good relations with its neighbors. Resident's awareness of this basic information may reduce inquiry calls to City staff and nuisance complaints not grounded in facts regarding the permit.
- **Oppose:** City should maintain a data base or interactive map showing only active STRs and their permit numbers. No other information should be displayed to the public to prevent potential harassment or targeting situations. The exposure of private information to the general public could present a safety issue for rental owners since 65% of STR owners are women.

TWO VIEWS #6

- **Footnote No. 6 - Prospectively – new permits will not be transferable.**
- **This Draft:** We believe that this provision makes it clear that all permits issued after the effective date of this proposed ordinance revision would not be transferable to new owners. By NOT allowing permits for STRs permitted in the future to be transferable, the City's hands are not tied, and it can manage the density and location of future STRs as it deems advisable. This violates no property right as applicants would be on notice at the time of acquiring a permit that it is personal to them and can't be transferred to others.
- **Oppose:** We disagree with this subsection entirely. STR owners do not support terminating property owner rights. There is no language in here that specifies just new permits. All existing permits should continue as non-conforming 2018 ordinance.

TWO VIEWS #7

- **Footnote No. 7 - 10 Day Time frame for Notice of Transfer .**
- **This Draft:** The 10-day notice time frame has been in the STR ordinance for almost one year. Parties in Fredericksburg are aware of it, and it is reasonable to require timely notice be given the City when a purchaser of a property acquires an existing STR business operating on that property and desires to continue operating that business without interruption. This time frame can be easily met with planning during the real estate closing. Notices to utility companies of a transfer of service are required on a much shorter time frame and have been managed for years. The City Attorney merely commented that this is a short time frame and “ the local title companies and real estate brokers must be fully up to speed with this requirement “. They are, and it is current practice here.
- **Oppose:** Based on comment by City Attorney, should this 10-day window be expanded to properly address the Attorney’s concern?

TWO VIEWS #8

- **Footnote No. 8** - 365-day denial for owner with suspension or revocation
- **This Draft:** A version of this restriction is in the 2022 ordinance. Both suspensions and revocations are serious offenses, and they should rarely occur. When a suspension does occur, it is a sign of a careless operator whose existing operations should be watched for a year before they are allowed to apply for a permit for a new STR business.
- **Oppose:** Remove the word suspended. A 365-day ban should only be in effect if the permit has been revoked.

SINGLE VIEW #9

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