



AGENDA MEMORANDUM

First Reading for the City Council Meeting of June 13, 2023
Second Reading for the City Council Meeting of June 27, 2023

DATE: June 13, 2023
TO: Peter Zaroni, City Manager
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Short-Term Rentals Multi-Family Ordinance Amendment

CAPTION:

Ordinance amending Section 5-38 of the City Code to allow for a consolidated permit for short-term rental units within multifamily buildings with a sole operator; providing for a penalty not to exceed \$500 and publication.

SUMMARY:

The City of Corpus Christi is proposing an amendment to the current City Code that allows for short-term rental units within an apartment or condominium building with more than 100 dwelling units to operate under a single short-term rental permit. To qualify, 75% of all short-term rental units within that building must be operated by a single operator that is solely responsible for management of the short-term rental units including collecting and remitting hotel occupancy taxes for the short-term rental units.

To qualify as “solely responsible for management of the short-term rental units”, the operator must have:

1. a centralized reservation system;
2. prohibition of rental outside of the centralized reservation/rental management system;
3. centralized management of all rental units with a centralized check-in on-site;
4. on-site full-time management available 24 hours per day;
5. centralized maintenance and housekeeping; and
6. consolidated collection and reporting of Hotel Occupancy Tax.

BACKGROUND AND FINDINGS:

The popularity of STRs through online marketplaces like Airbnb and VRBO has brought new challenges and concerns for municipalities on how to properly regulate them. In 2021, City Council recognized the importance of creating regulations that allow property

owners to utilize their property for such purposes without causing harm to neighborhoods and requested City staff to conduct a review of the City's needs and draft an ordinance that regulates such activity.

On June 28, 2022, the City Council approved a new Short-Term Rental Ordinance. The ordinance amends the City's Unified Development Code (UDC) to allow short-term rentals (STRs) with restrictions in single-family residential districts citywide but not in single-family residential districts within the Padre/Mustang Island Area Development Plan area. The STR Ordinance requires registration of any property that is rented for less than 30 consecutive days in all areas of Corpus Christi.

ALTERNATIVES:

Reject the proposed amendment and continue to require individual short-term rental permits for each unit.

FISCAL IMPACT:

Revenues generated from the fees and fines collected for STR permitting and penalties will be distributed to the departments that manage the permitting and enforcement program (Code Enforcement, Development Services, and Finance).

FUNDING DETAIL:

Fund:

Organization/Activity:

Department:

Project # **(CIP Only)**:

Account:

RECOMMENDATION:

Staff recommends approval of the amendment to the City Code as presented.

LIST OF SUPPORTING DOCUMENTS:

Ordinance – STR Multi-Family Amendment