



# City of San Antonio

## Agenda Memorandum

**File Number:**  
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**Agenda Item Number:** {{item.number}}

**Agenda Date:** April 22, 2024

**In Control:** Select Meeting Type

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**DEPARTMENT:** Development Services Department

**DEPARTMENT HEAD:** Michael Shannon

**COUNCIL DISTRICTS IMPACTED:** Citywide

**SUBJECT:**

Short Term Rental (STR) Ordinance Updates

**SUMMARY:**

Consideration and recommendation of amendments to Chapter 16 of the Municipal Code, Licenses and Business Regulations, Article XXII Short Term Rentals.

**BACKGROUND INFORMATION:**

The San Antonio City Council adopted the first Short Term Rental ordinance on November 1, 2018. The original ordinance established regulations to allow for the safe operation of short term rentals throughout the City, while protecting the integrity of neighborhoods. As of April 16, 2024, there are currently 2,954 active short term rental permits. Of these, 698 are Type 1 (24%) and 2,256 are Type 2 (76%). Currently, it is believed that approximately 1,100 STRs are operating without a permit resulting in a permit compliance rate is 76%.

In November 2023, the Planning and Community Development Committee (PCDC) directed Development Services Department to convene a task force to review and propose enhancements to the existing ordinance. Specifically, PCDC identified seven (7) focus areas for the task force to review:

1. Permit compliance
2. Hotel Occupancy Tax (HOT) compliance
3. Enforcement and violation strategies
4. Events and party violations
5. Permit fees
6. LLC vs individual property owner regulations
7. Platform obligations

The task force consisted of 24 voting members, plus alternates. City Council offices were invited to appoint neighborhood leaders to represent their districts and the balance of the task force was comprised of representatives from the San Antonio Short Term Rental Association, San Antonio Apartment Association, AirBnB, Expedia Group (VRBO), short term rental operators, as well as the Texas Organizing Project, and housing advocates.

Through a four (4) month long review process, the STR task force met six (6) times to study these focus areas. The task force logged 1,549 hours of volunteer time and 235 hours of staff time to generate the proposed enhancements.

The following are proposed to address the focus areas outlines by PCDC:

- **Permit compliance**
  - Mandate that platforms remove listings without legitimate permit number
  - Apply a one year penalty on subsequent applications for providing false/misleading information
- **Hotel Occupancy Tax (HOT) compliance**
  - Mandate that platforms remit HOT to the City directly, on a monthly basis
- **Enforcement and violation strategies**
  - Added required quiet hours' notice
  - Created alternative paths in addition to existing criminal enforcement, to bring properties into compliance including:
    - Require a Compliance Meeting with the Director of Development Services
    - Civil Enforcement (Injunctions in District Court)
    - Administrative Hearing Officer (AHO) adjudication
    - Expanded window for citations to accrue resulting in permit revocation from six (6) months to three (3) years
- **Events and party violations**
  - Clarified that the max occupancy for an STR is calculated in accordance with the San Antonio Property Maintenance Code and the number of guests present at an STR property must not exceed those approved in the original permit
  - Compliance Meeting with the Director intended to solve “numerous complaints or complaints of a habitual nature”
- **Permit fees**
  - Increased permit fees from \$100 to \$300 for a three (3) year permit

- **LLC vs individual property owners**
  - Allow owners to change designated operator without reapplying for a permit
- **Platform obligations**
  - Mandate that platforms remove listings without legitimate permit number
  - Mandate that platforms remit HOT to the City directly, on a monthly basis

#### **ISSUE:**

The City's current STR ordinance strikes a reasonable balance between protecting the rights of property owners to operate Short-Term Rentals and the need to protect affordable housing stock in San Antonio. The task force's recommended enhancements allow City staff to more effectively administer rules and regulations related to STRs, and provide additional options to ensure compliance for permitting, hotel occupancy tax collection, and nuisance abatement. The Board of Adjustment is asked to review the amendments as the Board is the appellate body for challenges to staff's determinations for STR permit applications.

#### **FISCAL IMPACT:**

**This proposal includes the increase of STR fees from \$100.00 for a three (3) year permit to \$300.00 for a three (3) year permit. The current \$100.00 fee for a permit generates \$550,000.00 dollars in revenue every three years, while costs to administer the program are \$1,571,571.00 dollars. Increasing the fee to the proposed \$300.00 for a three (3) year permit will generate \$1,650,000.00 dollars in revenue, which allows the department to recover the costs associated with administering the ordinance. Revenues for STR permits are deposited into the Development Services Enterprise Fund.**

#### **ALTERNATIVES:**

The Board of Adjustment could support the recommended edits to the STR ordinance or make alternate recommendations if they fall into one of the seven (7) focus areas identified by the Planning and Community Development Committee.

#### **RECOMMENDATION:**

COSA staff recommend forwarding the task force's recommendations to Planning and Community Development Committee for further review.