

Case Number:	BOA-23-10300206
Applicant:	Mu Zhang
Owner:	Mu Zhang
Council District:	8
Location:	15703 Grey Fox Terrace
Legal Description:	Lot 137, Block 32, NCB 14782
Zoning:	“R-6 MLOD-1 MLR-2 ERZD” Residential Single-Family Camp Bullis Military Lighting Overlay Military Lighting Region 2 Edwards Recharge Zone District
Staff Representative:	Ashley Leal, Senior Planner

### **Request**

An appeal of the Administrator’s decision to revoke the short-term rental permit, located at 15703 Grey Fox Terrace.

### **Applicable Code References**

#### **Chapter 16, Article XXII**

##### **Sec. 16-1110(c)**

*Violation of any section of this article shall constitute an offense resulting in permit revocation in accordance with subsection 16-1111, revocation procedures.*

#### **Chapter 16, Article XXII**

##### **Sec. 16-1110(d)**

*Failure to timely pay any applicable hotel occupancy tax is a violation of this section, and shall result in permit revocation if arrearage is not paid within ninety (90) days of the issuance of a delinquency notice, in accordance with subsection 16-1111, revocation procedures.*

#### **Chapter 16, Article XXII**

##### **Sec. 16-1111**

*The director is authorized to suspend or revoke a short term rental permit issued under the provisions of this chapter wherever the permit is issued in error, or on the basis of incorrect information supplied, or where it is determined that the building, structure, unit, or portion thereof is in violation of any ordinance or regulation or any of the provisions of this article. In addition, if any violations have been committed and not corrected within the time specified, the director shall begin the procedures to revoke the short term rental permit in accordance with the following:*

- (a) The director shall give written notice to the owner/operator regarding the revocation.*
- (b) If a short term rental permit is revoked, the owner/operator may not reapply for the same property for a period of twelve (12) months.*

## **Executive Summary**

The applicant obtained a Hotel Occupancy Tax account number and began operating without a Short Term Rental permit on November 2021. The subject property initially applied for a Short Term Rental (STR) permit on January 10, 2022. After review of the application, the permit to operate a Short Term Rental was approved by staff and issued on February 8, 2022.

STR operators are required to report revenues to the City's Finance Department on a monthly basis, this includes reporting \$0 revenues. Section 16-1110(d) clearly stipulates that failure to do so constitutes a violation of the chapter.

The City's Finance Department, who manage reporting and collections services for the City of San Antonio, notified the owner of the STR, via email, on March 7, 2023.

Section 16-1110(d) states that failure to timely report and pay Hotel Occupancy Tax within 90 days "shall result in permit revocation." No payment was made within the 90 days, therefore the permit was revoked on June 23, 2023 in accordance with Sec. 16-1111 of the City's Code of Ordinances.

## **Estimated Hotel Occupancy Tax (HOT) Due**

The City of San Antonio contracts with a third-party vendor that gathers online booking and rate data and reports that information to the City. Based upon this information, the City's Finance Department states no revenue reports have been made for November 2021 to April 2022 and June 2023. In July 2023, after revocation, the operator paid the Hotel Occupancy Tax for May 2022 to May 2023 in the amount of \$4,277.99.

## **Code Enforcement History**

No pending Code Enforcement cases.

## **Permit History**

Short Term Rental Permit Number: STR-22-13500143

Application Submission Date: 01/10/2022

Permit Approval Date: 02/08/2022

Original Expiration Date: 02/08/2025

Date Property is Eligible for New Permit: 06/23/2024

## **Zoning History**

The subject property is legally zoned for a Short-Term Rental. Per the ordinance Short-Term Rentals are prohibited only on properties zoned "C-3" General Commercial District, as well as all Industrial Districts.

## **Board of Adjustment**

The Board of Adjustment is asked to determine whether staff made the correct decision in revoking the STR permit. The Board of Adjustment has the authority to review and consider the appeal, investigate facts, weigh evidence, and draw conclusions. The Board may reverse or affirm, in

whole or in part, the administrative decision brought forward by the appellant and discussed in this report.

If the Board reverses Staff's decision, and approves the appeal, the owner/operator's STR permit will be reinstated until the original expiration date. The STR permit will be eligible for renewal.

### **Staff Recommendation**

Staff recommends Denial of the applicant's request for an appeal of the Administrator's decision to revoke the Short Term Rental permit, based on the following findings of fact:

- 1) The ordinance requires that staff revoke the permit for the violation described in this report; and
- 2) The owner/operator of the Short-Term Rental permit violated the Short Term Rental ordinance by failing to timely report revenues and pay the associated Hotel Occupancy Tax payments; and
- 3) The owner/operator failed to comply with the ordinance, even after attempts were made to inform the applicants on March 7, 2023, by City staff.