



# City of San Antonio

## Agenda Memorandum

**File Number:**

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

**Agenda Date:** December 2, 2021

**In Control:** City Council A Session

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**DEPARTMENT:** Finance Department

**DEPARTMENT HEAD:** Troy Elliott

**COUNCIL DISTRICTS IMPACTED:** Citywide

**SUBJECT:**

First Amendment To And Third Extension of Professional Services Agreement For Short Term Rental Permitting, Collections, and Compliance Services

**SUMMARY:**

This ordinance approves an amendment and extension of the Professional Services Agreement with Host Compliance LLC, a wholly owned subsidiary of Granicus, LLC to provide Short Term Rental permitting, collections, and compliance services to the City of San Antonio for a one (1) year term commencing December 21, 2021, and ending December 20, 2022.

**BACKGROUND INFORMATION:**

On November 1, 2018, the City Council approved an ordinance for the regulation of Short Term Rental (“STR”) properties in the City. In anticipation of a significant increase in STR activity, the Finance Department researched services and software available to assist with the discovery and monitoring of these properties to improve the Hotel Occupancy Tax (“HOT”) reporting and collections process and to bring them into compliance with collection of HOT.

The City issued a Request for Proposals for Short Term Rental Monitoring and Compliance Services (“RFP”) on December 13, 2017. On October 2, 2018, the proposals were scored by an

Evaluation Committee consisting of representatives from the Finance and Development Services departments. Host Compliance LLC received the highest ranking and was recommended for award. On November 15, 2018, the City Council approved an ordinance selecting Host Compliance LLC to provide Short Term Rental Permitting, Collection and Compliance Services for a term beginning December 21, 2018 and ending December 20, 2019, with two (2), one (1) year options to extend the agreement. The agreement was renewed for its first one (1) year renewal term beginning December 21, 2019 and ending December 20, 2020, upon the same terms and conditions. The agreement was renewed upon the same terms and conditions for its second one (1) year renewal term beginning December 21, 2020 and ending December 20, 2021. This item for consideration is a request to amend the agreement and extend for one additional one (1) year term, to commence December 21, 2021 and end December 20, 2022 upon the same terms and conditions.

This extension is necessary to allow additional time to implement the STR permitting functionality in Accela which is the system that the Development Services Department is transitioning to for STR permitting.

**ISSUE:**

The utilization of Host Compliance LLC to provide STR permitting, collections, and compliance services has allowed the City to effectively manage STR activity. This extension will provide the City with continued assistance with discovery and monitoring of STR properties for Code Compliance permitting and HOT collection.

**ALTERNATIVES:**

The City has the option not to authorize the contract; however, these services are necessary to effectively manage STR activity. If the contract is not approved, the City will not be able to identify all STRs that are operating and will have to rely on STR self reporting and limited compliance which will result in less HOT revenues collected for STR activity.

**FISCAL IMPACT:**

This ordinance approves the amendment and extension of the contract for the monitoring, compliance and collection of hotel occupancy taxes for short term rentals. The cost for the contract extension is an amount not to exceed \$199,994 for the services included in the scope of work and an additional amount not to exceed \$47,400 for optional services with a total compensation not to exceed \$247,394.00. Funding is available in the FY 2022 Adopted Budget in the Hotel Occupancy Tax fund.

**RECOMMENDATION:**

Staff recommends approval of a contract with Host Compliance LLC, a wholly owned subsidiary of Granicus, LLC to provide Short Term Rental permitting, collections, and compliance services to the City of San Antonio for a one (1) year term to commence December 21, 2021 and end December 20, 2022 under the same terms and conditions.