



# City of San Antonio

## Agenda Memorandum

**File Number:**

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

**Agenda Date:** December 1, 2022

**In Control:** City Council A Session

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**DEPARTMENT:** Finance Department

**DEPARTMENT HEAD:** Troy Elliott

**COUNCIL DISTRICTS IMPACTED:** Citywide

**SUBJECT:**

Contract for Short Term Rental Permitting, Collections, and Compliance Services

**SUMMARY:**

This Ordinance approves a six-month extension of the Professional Services Agreement with Host Compliance, LLC in an amount not to exceed \$100,000.00 to provide Short Term Rental registration, permitting, compliance and collection services. Funding in the amount of \$100,000.00 is available from the Hotel Occupancy Tax Fund Budget.

**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 and Host Compliance LLC was selected to provide the services. 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, one year options to extend the agreement. The agreement was renewed for its first one 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-year renewal term beginning December 21, 2020 and ending December 20, 2021. The agreement was amended upon the same terms and conditions for its third one-year renewal term beginning December 21, 2021 and ends December 20, 2022.

The Development Services Department is in the process of converting their use of Host Compliance, LLC for STR permitting to Accela. As such, the Finance Department developed a Request for Proposals (“RFP”) specifically for the collection of HOT with components related to compliance and monitoring. This RFP was broadened from the City’s current contract to incorporate the collection of HOT for STRs and Hotels including the collection of the Tourism Public Improvement District (“TPID”) assessment fees. On October 4, 2021, the City issued a Request for Proposals for Short Term Rental Monitoring and Compliance Services (“RFP”) and selected Avenu Insights & Analytics, LLC to provide these services for both STRs and Hotels.

The item for consideration is a request to amend the term of the agreement with Host Compliance LLC and extend for a six-month term, to commence December 21, 2022 and end June 20, 2023 upon the same terms and conditions. This extension with Host Compliance LLC of the current contract will allow for proper conversion from one system to another and provide seamless services to STR owners paying the HOT.

#### **ISSUE:**

Due to a significant increase in STR activity, consultant services are necessary to assist the City with the discovery and monitoring of STR properties for Code Compliance permitting, to bring them into compliance with the collection of HOT, and to provide a user-friendly online payment system.

On October 4, 2021, the City issued a Request for Proposals for Short Term Rental Monitoring and Compliance Services (“RFP”) and selected Avenu Insights & Analytics, LLC to provide these services for both STRs and Hotels. This extension with Host Compliance LLC of the current contract will allow for proper conversion from one system to another and provide seamless services to STR owners paying the HOT.

#### **ALTERNATIVES:**

On October 4, 2021, the City issued a Request for Proposals for Short Term Rental Monitoring and Compliance Services (“RFP”) and selected Avenu Insights & Analytics, LLC to provide these services for both STRs and Hotels. The City has the option not to authorize the contract extension with Host Compliance LLC; however, this extension is necessary to provide for a smooth transition of HOT collection and STR monitoring services from one provider to another.

**FISCAL IMPACT:**

This Ordinance approves a six-month extension of the Professional Services Agreement with Host Compliance, LLC in an amount not to exceed \$100,000.00 to provide Short Term Rental registration, permitting, compliance and collection services. Funding in the amount of \$100,000.00 is available from FY 2023 Hotel Occupancy Tax Fund Budget.

**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 for a six-month term to commence December 21, 2022, and end June 20, 2023 under the same terms and conditions.