



City of San Antonio

Agenda Memorandum

File Number:
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Agenda Item Number: 3

Agenda Date: November 13, 2023

In Control: Planning and Community Development Committee

DEPARTMENT: Development Services Department

DEPARTMENT HEAD: Michael Shannon

COUNCIL DISTRICTS IMPACTED: Citywide

SUBJECT:

Briefing and possible action on a plan to review and update the San Antonio Short-Term Rental Ordinance.

SUMMARY:

Briefing and possible action on a plan to review and update the San Antonio Short-Term Rental Ordinance administered by the Development Services and Finance Departments.

BACKGROUND INFORMATION:

Development Services Department (DSD) presented a briefing on the City's Short-Term Rental (STR) ordinance to the Planning and Community Development Committee (PCDC) on October 26, 2023. At that meeting, the Council committee requested DSD return to PCDC at the next available hearing to provide a proposed action plan on forming a balanced task force to study and propose enhancements to the city's STR ordinance.

The City of San Antonio adopted the first Short-Term Rental (STR) ordinance in November of 2018 and took effect on February 1, 2019. Since the adoption of the ordinance, Development Services Department (DSD) has registered thousands of STRs and, in partnership with the Finance Department, collected over \$14 million in Hotel Occupancy Tax (HOT) revenue.

Development Services Department has issued 5,974 total permits since the creation of the ordinance. Of those permits, 3,240 remain active today.

Enforcement strategies have been expanded with third-party services, most recently with Avenu Analytics. During Fiscal Year 2023, DSD revoked 932 STR permits. The majority of revocations were due to Hotel Occupancy Tax delinquency.

The Short-Term Rental Ordinance can be found in Chapter 16 of the San Antonio City Code, Licenses and Business Regulations and Chapter 35, Unified Development Code.

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. This item will propose the creation of a balanced STR stakeholder task force to review the current ordinance with the goal of developing recommendations for updates to be presented to council at a later date.

Based upon the feedback of the PCDC committee at the October 26 meeting, DSD recommends the formation of a balanced STR stakeholder group consisting of equal distribution between operators, industry professionals, and residents/stakeholders within the San Antonio community. It is expected that this group convene throughout the remainder of FY 2024 and focus on Hotel Occupancy Tax collection, overall compliance and enforcement strategies, LLC individual ownership, and STR platform obligations.

FISCAL IMPACT:

There is no fiscal impact associated with this item.

ALTERNATIVES:

The Council Committee may choose for staff to not create a stakeholder task force to review the existing STR ordinance which will result in the ordinance remaining as it is currently stated.

RECOMMENDATION:

Staff recommends the formation of a balanced STR stakeholder group that generally consists of equal distribution between operators, industry professionals, and residents/stakeholders within the San Antonio community with the goal of developing recommendations to update the existing STR ordinance to improve overall compliance with permitting and HOT collections.

