

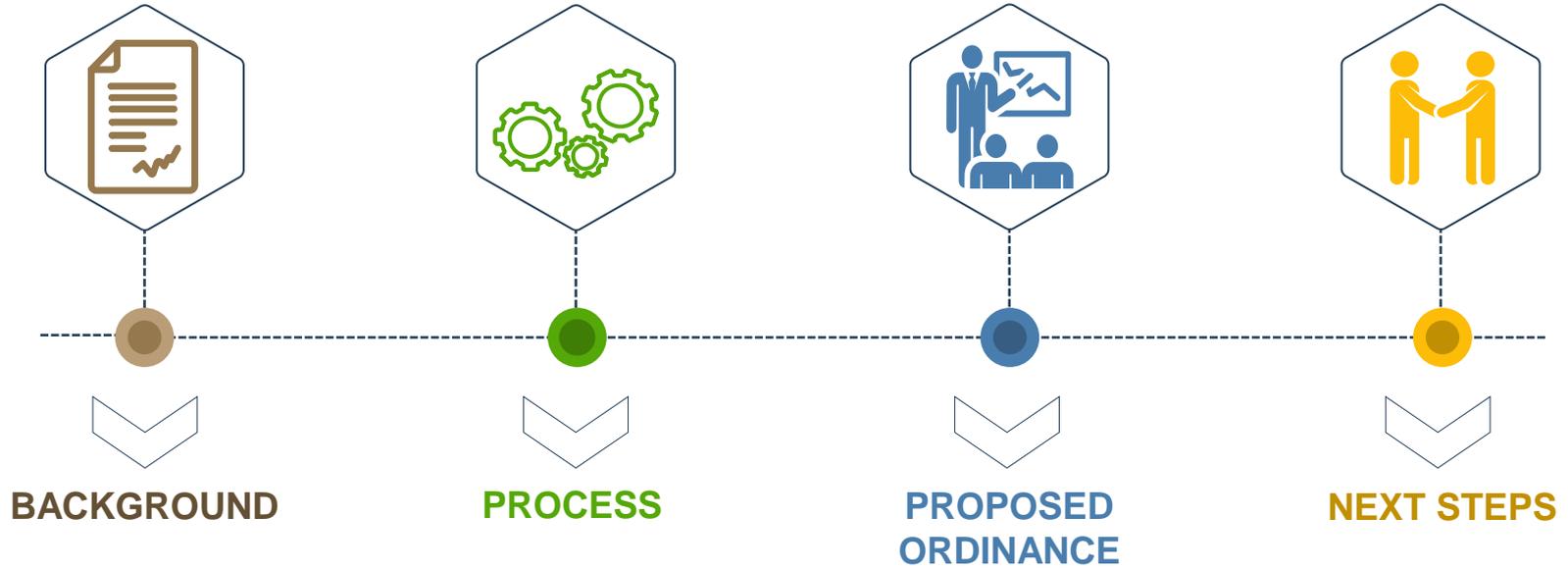


CITY COUNCIL – B SESSION
APRIL 11, 2018

Presented by:
Michael Shannon, PE, CBO - Director



AGENDA



BACKGROUND



- Online services have led to rapid increase of home sharing
- Part of the “sharing economy”
 - Homeaway
 - AirBnB
 - VRBO
 - Uber and Lyft
- No current state or local regulation for STRs
 - SB 451
 - HB 2551
- Similar uses in the UDC
 - Single Family Residences
 - Bed and Breakfasts
 - Hotels

COUNCIL CONSIDERATION REQUEST (CCR)

- Sponsored by former Councilman Mike Gallagher (CD 10)
 - Submitted on February 1, 2017
 - Goal:
 - Review current ordinances and city code procedures for short-term rentals (STR)
 - Focused on 5 areas

RECEIVED
CITY OF SAN ANTONIO
CITY CLERK

17 FEB -1 PH 2: 03

 **CITY OF SAN ANTONIO
OFFICE OF THE CITY COUNCIL
COUNCIL CONSIDERATION REQUEST**

TO: Mayor and City Council

FROM: Councilman Mike Gallagher, District 10

COPIES TO: Sheryl Sculley, City Manager; Leticia Vacek, City Clerk; Andy Segovia, City Attorney; John Peterek, Assistant to the City Manager; Christopher Callanen, Assistant to City Council

SUBJECT: Review current code and research best practices regarding short term rentals

DATE: January 26, 2017

Issue Proposed for Consideration

I ask for your support for the inclusion of the following item on the agenda of the earliest available meeting of the Governance Committee:

I respectfully ask for your concurrence in supporting a review of the current ordinances and city code procedures regarding potential hotel occupancy tax revenue collection, zoning and land use, and general administration regarding short term rentals, also known as the homesharing industry, in San Antonio.

PROCESS

- 16 general and task force meetings
 - Mar. – Nov. 2017
- Goals
 - Balanced representation
 - Transparent approach



Monte Vista NA

Beacon Hill NA

King William NA

Monticello NA

Northwest Alliance

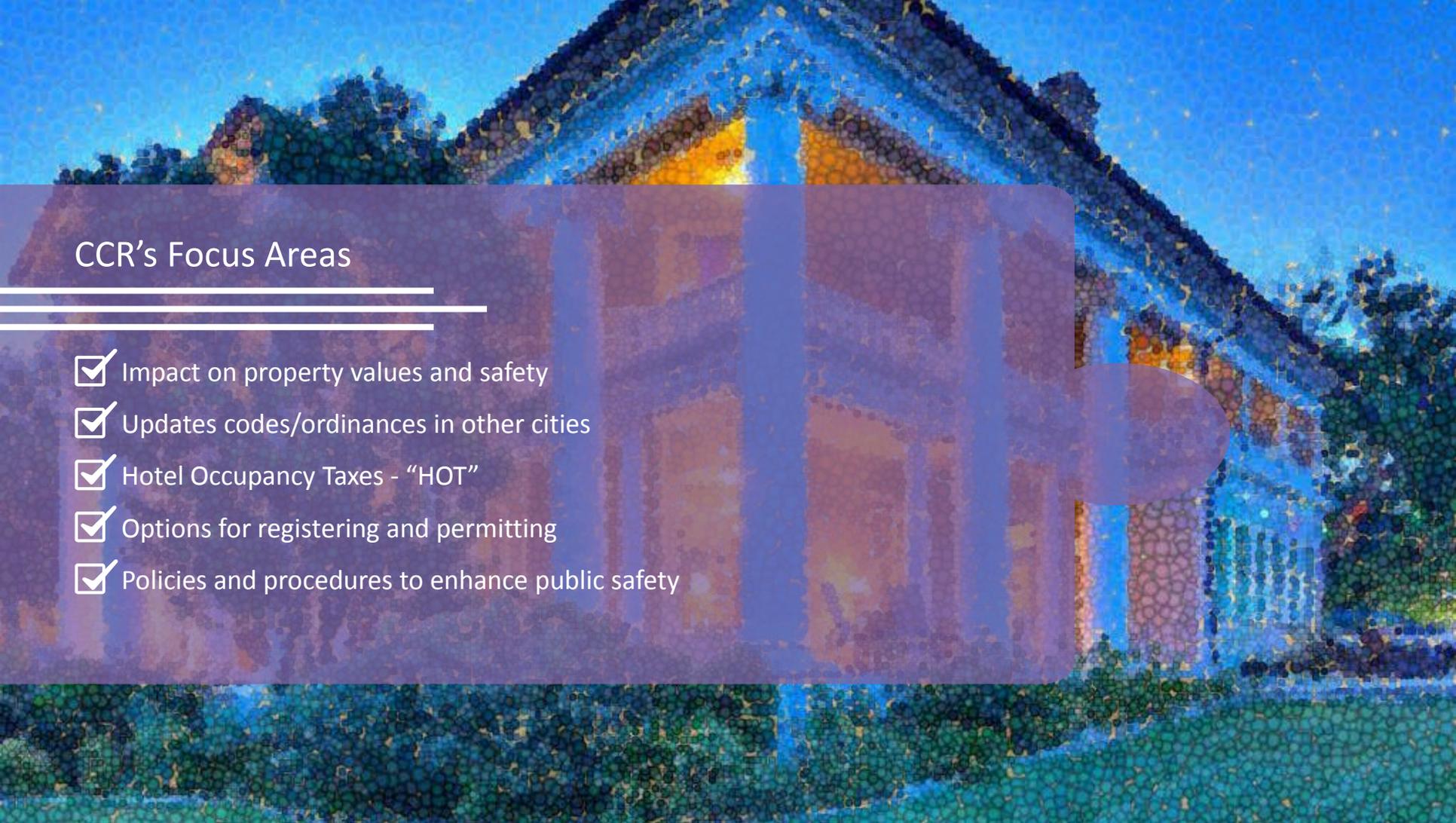
San Antonio Hotel Lodging Association

San Antonio Apartment Association

Real Estate Council of San Antonio

AirBnB Austin

STR Operators

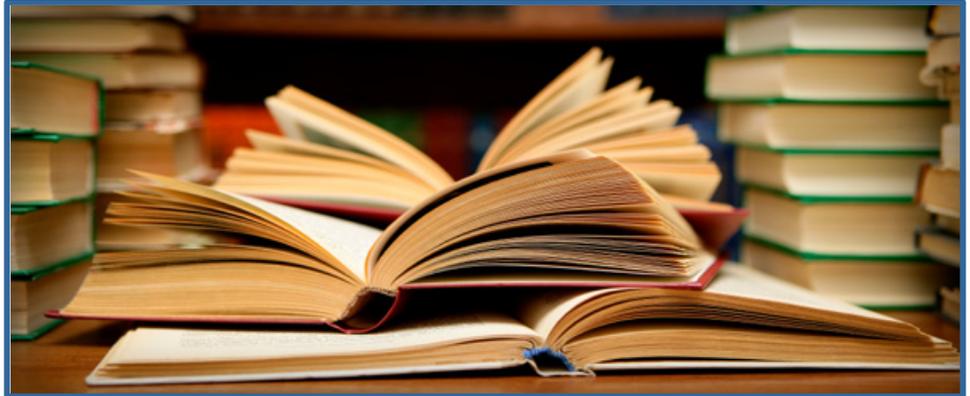


CCR's Focus Areas

- Impact on property values and safety
- Updates codes/ordinances in other cities
- Hotel Occupancy Taxes - "HOT"
- Options for registering and permitting
- Policies and procedures to enhance public safety

IMPACTS - PROPERTY VALUES & SAFETY

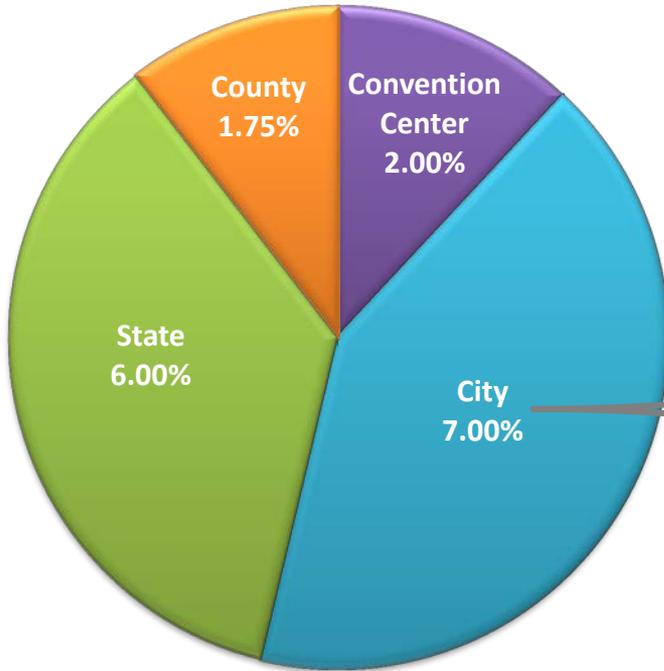
- Studies reviewed:
 - Cornell University
 - Williams University
 - MIT/UCLA/USC
 - All Studies concluded STRs protect or slightly increase property values
- Safety
 - Reviewed local data
 - No measurable difference



CODES AND ORDINANCES IN OTHER CITIES

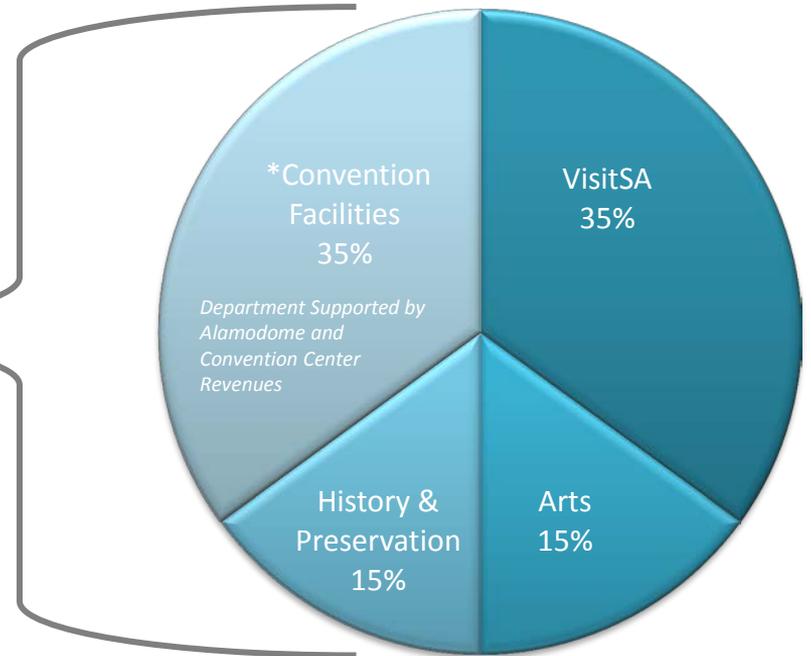
CITY	YEAR	REG./ PERMIT FEE	RENEWAL/ INSPECTION FEE	HOT	INSURANCE	BACKGROUND CHECKS	SELF CERTIFICATION	ENFORCEMENT	NOTES
Austin	2013	Yes/\$443	Yes/\$236- \$479	Yes	Basic	No	No	Denial of renewal for 12 mos. for repeated violations, fines, additional fees at renewal	\$50 Notification fee; proof of payment of HOT; specific noise restrictions; Type 2 will not be allowed after 2022
Houston	-	-	-	-	-	-	-	-	Uses B&B and hotel regulations; specifically properties offering transient rooms must be commercial in character
New Orleans	2017	Yes/\$50-\$500 (by type)	Yes/\$50- \$500 (by type)	Yes	\$500,000	No	Yes	Fines, license revocation, property liens, electrical services disconnect	Up to 5 bdrm. or max. 10 guests; best efforts to notify neighbors of STR; prohibited in certain zones
Denver	2016	Yes/\$25	\$25	Yes	Basic	No	Yes	License suspension and fine of \$999 per incident	Allowed as an accessory use in residential and mixed-used commercial
Nashville	2014	\$50	\$50	Yes	Insurance & Liability of \$1 M	No	No	Revocation of permit after 3 or more complaints	Three types: hosted (single & multi-family, duplex); unhosted (single-family & duplex); unhosted multi-family (apartments & condominiums)

HOTEL OCCUPANCY TAX (HOT)



Adopted FY 2018 HOT Rate (16.75%)

Adopted Allocation of City's net 7% HOT Rate



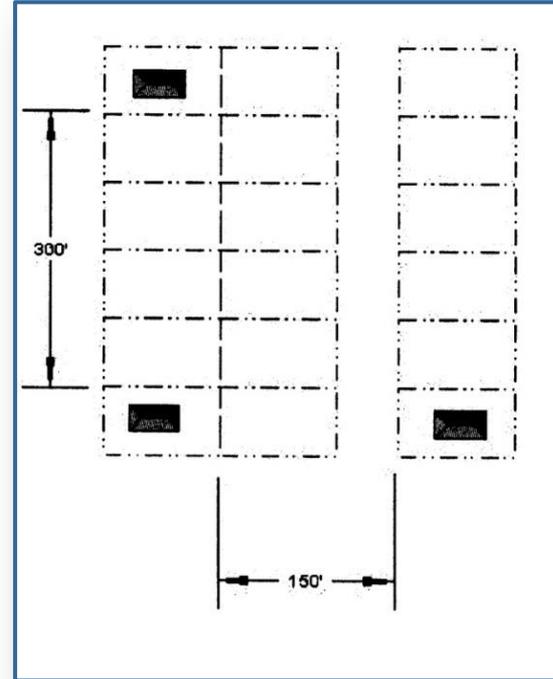
PROPOSED ORDINANCE

- Regulation and permitting through DSD
- 2 types of STRs
 - Type 1 - Hosted sharing
 - Owner or lessee-occupied
 - Allowed by Right in Residential & Commercial
 - Type 2 - Un-hosted sharing
 - Owner or lessee **do not** occupy property as primary residence
 - Allowed with Special Exception in Residential
 - Allowed by Right in Commercial



PROPOSED ORDINANCE

- Other top issues discussed:
 - Density
 - Residential zoning Type 2 distance requirements
 - 300 ft. lateral
 - 150 ft. perpendicular
 - Parking
 - 1 parking space per STR unit



* Planning Commission also included B&Bs and Type 2.

PROPOSED ORDINANCE

- Other top issues discussed:
 - Legal non-conforming use
 - Enforcement/bad actors
 - SAPD and Code Enforcement
 - Respond to complaints
 - Enforce proposed and existing city ordinances
 - Relay enforcement data to Building Official
 - Repeated violations will result in revocation of permits



PERMIT APPLICATION

- Registration with Finance Department for HOT
- List of owners or operators with 24 hour address and contact information
- Minimum insurance requirements
- Site plan
- Floor plan
- Inspection process
- Enforcement requirements/penalties
- Special exception for Type 2 in residential areas



APPLICATION FEES

Purpose	Fee	Amount
Initial Registration Fee	New	\$200.00
Renewal Fee (every 3 years)	New	\$100.00
Re-inspection Fee	Existing	\$51.50
Special Exception Fee	Existing	\$400.00

COMMISSION RECOMMENDATIONS

Board of Adjustment Jan. 8

- Approval
- **Added:**
 - Type 2 STRs special exception criteria - compatible with character of neighborhood

Planning Commission Jan. 10

- Approval (with BOA recommendation)
- **Added:**
 - City Council further review prohibiting Type 2 STRs in designated historic districts

Community Health and Equity Committee Jan. 25

- Received a briefing
- No formal action

Zoning Commission Feb. 6

- Approval (with BOA recommendation)
- **Added:**
 - Include B&Bs in distance requirements for Type 2 STRs
 - City Council to review number of:
 - Sleeping areas and occupants allowed
 - Units within a multi-family
 - Density STRs within neighborhoods

STAFFING AND RESOURCE NEEDS

DEVELOPMENT SERVICES DEPARTMENT



DSD Inspector



Code Enforcement Officer



Sr. Planner



Sr. DSD Specialist

FINANCE DEPARTMENT



Sr. Compliance Analyst



Collections Specialist



Contractual Services

ESTIMATED PROGRAM COST

PERMITTING

Year	REVENUES	EXPENDITURES	NET
Year 1	\$285,000	\$314,317	(\$29,317)
Year 2	\$57,000	\$294,447	(\$237,447)
Year 3	\$57,000	\$300,872	(\$243,872)

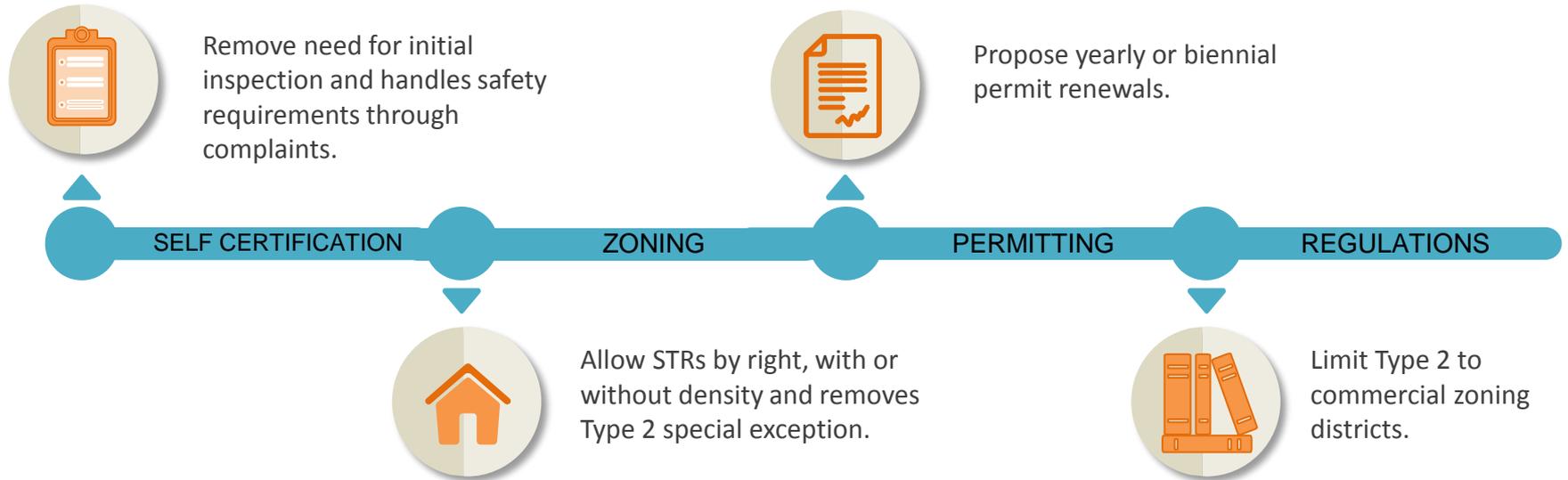
Assumption: 2,000 STRs with 50% registration rate

FINANCE (HOT FUND)

Year	REVENUES	EXPENDITURES	NET
Year 1	\$175,071	\$175,071	0
Year 2	\$194,561	\$194,561	0
Year 3	\$194,561	\$194,561	0

Assumption: HOT revenue will pay for expenditures

OTHER OPTIONS TO CONSIDER



STAFF RECOMMENDATION

- Recommend for item to move forward to City Council for final consideration

Thank you to all who participated in the task force and the process.





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