



BOARD/COMMISSION RECOMMENDATION

Austin Tourism Commission

Recommendation Number: 20240214-005:

The STR Working group outlines a multi-pronged approach to address the challenges posed by unlicensed short-term rentals (STRs) in Austin, Texas. The goal is to foster a responsible and sustainable STR ecosystem that benefits both the tourism industry and residents.

WHEREAS, STRs operate in Austin, leading to lost revenue from hotel occupancy taxes, permit fees, and indirect costs such as increased enforcement and strain on City infrastructure;

WHEREAS, Unreliable data hinders accurate estimates of lost tax revenue and poses risks related to inaccurate property information, host background checks, and health hazards; and

WHEREAS, Legal limitations, such as the Zaatari vs. City of Austin case, restrict the City's ability to directly eliminate Type 2 STR licenses.

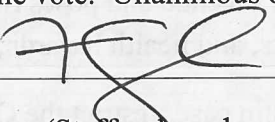
NOW, THEREFORE, BE IT RESOLVED that the Austin Tourism Commission recommends the City Council:

- Require more information from applicants for STR licenses and maintain a database;
- Focus on underreported Hotel Occupancy Taxes (HOT) which leads to a loss in revenue. While the revenue generated from permit fees may seem insignificant compared to HOT revenue, permit fees are crucial in driving license adoption. This, in turn, helps drive compliance for licenses and maximizes HOT revenue, leading to a more efficient and effective system;
- Enhance transparency and streamline licensing by simplifying the application process, implementing online systems, and addressing open citations by implementing an efficient tax and permit fee system;
- Prioritize safety and community well-being by upholding safety regulations through proactive inspections, addressing noise complaints, and promoting responsible guest behavior;
- Foster collaborative partnerships by building strategic partnerships with platforms, neighborhood associations, and the Austin Police Department;

- Rectify open citations held by non-compliant hosts and ensure accurate property listings via an accountable process to notify short-term rental platforms to remove hosts as appropriate. Once the necessary validations are completed, the property listings may be reposted;
- Implement platform fees and hold platforms accountable for aiding non-compliance;
- Explore innovative funding models for cultural, arts, and historic preservation and offering discounts and incentives for compliant and sustainable STRs;
- Create performance benchmarks and an honorary "Best Practices" badge for STRs that consistently meet performance benchmarks; and
- Continuously assess and adapt to changes in the Austin STR ecosystem by maintaining open communication channels, leveraging data-driven insights, and embracing consistent program review and adaptation.

Date of Approval: 2/14/2024

Record of the vote: Unanimous on a 10-0 vote

Attest:   
(Staff or Board member can sign)

## STR Work Group Engagements

Non-Working Group Participants/Contributors	Date
Michael Whallen, Armbrust & Brown, PLLC	November 1, 2023
Ryan Puzycki, Austin Tourism Commission STR Work Group Community Member	November 1, 2023
Ashly Hodgini, Head of U.S. Public Policy at Expedia Group	November 1, 2023
Michael McGill, Policy Director, Office of Council Member Ryan Alter	November 15, 2023
Citalli Rivera, University of Texas Lyndon B. Johnson School of Public Affairs Graduate Student, who provided STR Briefing memo and impact analysis on housing market	November 19, 2023
Daniel Word, Assistant Director, City of Austin Development Services Department	December 1, 2023
Hayden Baggett, 3 Point Partners	December 14, 2023
Luis Briones, 3 Point Partners	December 14, 2023
Michael Whallen, Armbrust & Brown, PLLC	January 17, 2024
Ashly Hodgini, Head of U.S. Public Policy at Expedia Group	January 17, 2024
Luis Bonet, Self/ STR Owner	January 2, 2024
Victoria Garment, Self / STR issues	January 2, 2024
Lisa Roebuck, Self / STR issues	January 2, 2024
Bruce Blumentritt, Self / STR issues	January 2, 2024
Patti Aarons, Self/ STR issues	January 2, 2024
Deborah Blumentritt, Self/ STR issues	January 2, 2024
Andrea Giannotta, Self/STR issues	January 2, 2024

Stephanie Ashworth, co-founder of the Austin-based Texas Neighborhood Coalition	January 2, 2024
Tom Noonan, President & CEO, Visit Austin	January 30, 2024
Luis Briones, 3 Point Partners	January 31, 2024
Trey Salinas, 3 Point Partners	January 31, 2024