



CITY OF HOUSTON

City Council

To: Mayor Sylvester Turner

Subject: March 23, 2023, RNA Follow Up

CC: Marvalette Hunter
Walter Hambrick

From: Sallie Alcorn, Council Member, At-Large 5
Amy Peck, Council Member, District A

Date: April 11, 2023

Mayor Turner,

On March 23, 2023, the Regulatory and Neighborhood Affairs (RNA) Committee met to discuss short-term rentals (STRs) in the city of Houston. The meeting was held in response to the complaints heard across the city regarding STR “party houses” in many Houston neighborhoods. At the meeting, an Airbnb representative presented the company’s trust and safety tools, described how residents may report complaints, and explained how the platform works to enforce the company’s global party house ban. The presentation included information on Airbnb’s law enforcement portal, known as LERT, which provides a secure and streamlined channel for law enforcement to submit valid legal requests for information from the platform. While some HPD officers are familiar with the LERT portal, HPD Chief Larry Satterwhite was present at the meeting and committed to look further into the department’s participation on the portal. Houston First also provided an overview of the city’s STR hotel occupancy tax agreements and collections to date.

During the public comment period, we heard from several residents from the Museum Area Municipal Association (MAMA) in district C regarding a 24-unit apartment complex at 1116 Banks Street. The apartment building has been purchased by someone who is renting out the units on the Airbnb platform for one-night minimum stays for between \$70-\$110 per night, accommodating up to four guests. Public comments described neighborhood disruption stemming from the behavior of STR occupants. Neighbors complained of street takeovers, loud noise, unruly behavior, drug use, garbage being left behind, unmanageable parties in the units and at the communal pool, damage to the nearby park, and suspected trafficking. The property has been on Airbnb’s radar given the complaints submitted by neighbors and council members. Company representatives tell us the company is now taking an even closer look. We have asked HPD for information related to crimes at this property.

This complex seems to be operating much like a hotel, although with no management or security in place. **We respectfully request city legal review this matter to determine if the definitions and regulations set forth in Chapter 28 apply to 1116 Banks.** The city’s current definition is:

Hotel. Any building or buildings in which the public may obtain transient sleeping accommodations. The term shall include hotels, motels, suites hotels, tourist homes, houses, or courts, inns, rooming houses, or other buildings where transient rooms are furnished for a consideration, but shall not include properties that are residential in character

If 1116 Banks Street is considered a hotel in a residential area, the complex is in violation of the locational requirements described in Section 28-202:



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- It shall be unlawful for any person to... convert any premises for use as a hotel unless following requirements are met:
 - The tract on which the hotel is situated shall have direct frontage on and take primary access to at least one major thoroughfare that is not a residential street, limited access or controlled-access highway, or a street that is non-residential and striped allowing for at least four lanes of moving traffic.
 - No portion of the tract may take any access from any street on which a public park also has frontage if the hotel is within 750 feet of the public park tract (HPARD's Bell Park is approximately 500 feet east on Banks Street.)
 - The property line of the tract on which a hotel with 50 or fewer separately rentable units is situated may not abut at any point any other tract that is in whole or in part residential in character.

Prior to the RNA committee meeting, the at-large 5 team conducted research on regulations, ordinances, and best practices in other cities. Most big Texas and U.S. cities require some sort of registration and permit for STRs while also collecting a hotel occupancy tax. (See attached summary of regulations set forth in other cities.)

We recommend the administration evaluate the pros and cons of registering and permitting STRs in order to identify property owners and locations.

Specifically, to address units in apartment buildings being rented as STRs, if complexes such as 1116 Banks do not meet the city's hotel definition, the city should consider expanding/changing its definition and/or limiting the number of units within an apartment complex which may be listed as STRs.

To further investigate how big a problem party houses are in Houston, we consulted council colleagues about the pervasiveness of short-term rental problems in their respective districts. We also asked for suggestions on what the city should do to mitigate problems.

- District A: Received approximately five complaints on short-term rentals. A suggestion: when HPD goes out to a short-term rental home for a public disturbance and issues citations, there should be a notification process (maybe HPD) in place to notify the property owner of the occurrence. If the problem continues and the property owner fails to address the issues at their property, the city should be able to take legal action.
- District B: Not a concern as of now but we are anticipating rentals in the Fifth Ward.
- District C: Several problems at properties reported throughout the district. Most located in Montrose, MAMA area, Meyerland, and University Place.
- District D: No problems recently reported, but there have been some in the past. With the ability for a problem to occur at any time, it may be advisable to get in front of this if it is deemed to be pervasive.
- District E: Main concern is people using short-term rentals as a type of boarding house or hostel, especially in neighborhoods having deed restrictions prohibiting operating a business out of a residence.



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- District F: Approximately ten complaints on short-term rentals have been reported to the council office.
- District G: We do not have any active cases related to this issue, but it is something of concern to CM Huffman and to the residents of our district.
- District H: While short-term rentals are not an issue District H office hears about often, there have been two serious complaints in the past year involving guns/shootings at these kinds of properties. One was in First Ward and the other in Near Northside.
- District I: Have had issues in the past and are aware of ongoing issues with short-term rentals in District I.
- District J: Has received complaints both in and outside of District J with issues related to short-term rentals.
- District K: Last year, one community board was concerned with investors purchasing homes to market as short-term rentals, so they were researching avenues to prohibit existing short-term rentals and considering amending their deed restrictions.

Thank you for your consideration. Please contact us with any questions. We look forward to hearing how you'd like to proceed on the bolded requests above.

A handwritten signature in blue ink that reads "Sallie Alcorn".

Sallie Alcorn
Chair, RNA

A handwritten signature in black ink that reads "Amy Peck".

Amy Peck
Vice Chair, RNA



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Regional:

- **Clear Lake Shores** – banned new STRs citywide
- **Galveston** – requires a permit through registration and submittal of monthly/quarterly revenue reports
- **Pearland** – requires a permit through registration following safety inspections
- **West University Place** – ordinance severely limits STRs to non-residential zoning districts and owners must acquire a permit

State:

- **Austin** – ordinance requires STRs to obtain an operating license and certificate of occupancy annually, provides a list of STR locations published online daily
- **San Antonio** – defines STRs in two categories:
 - Type 1 – primary residence of the owner or operator, no density limitation
 - Type 2 – property not occupied by owner or operator, restricted to specific zoning districts, and allows up to 12.5% of units on blockface. Only one STR is allowed by right on a blockface or multi-family unit.
 - Once the density limit is reached, a special exception for a permit is needed from the board of adjustment.
- **Fredericksburg** – categorizes STRs by accessory (guest house on homestead property,) B&B, condominium, facility (up to 8 units) and unoccupied (transient lodging not located on property owner's principal residence), requires a permit (\$150/unit + \$100/bedroom,) off-street parking, and restricted to specific zoning districts
- **Fort Worth** – requires a permit through registration and restricted to specific zoning districts
- **Arlington** – requires a permit through registration, sets a maximum occupancy, limits number of available off-street parking spaces, restricts amplified noise and outdoor congregation between 10 pm and 9 am, allowed only in specific zoning districts
- **Dallas** – No official regulations on the books, but Dallas city council just convened on Tuesday, April 4 to review the planning commission's proposal to amend its current zoning ordinance, requiring permits and restricting STRs to commercial and urban corridor districts. The proposed ordinance also sets a two-night rental minimum and limits occupancy to three people per bedroom. This item is set for the April 12 Dallas city council agenda.

National:

- **New Orleans** – published a 58-page handbook accompanying an extensive ordinance, categorizes STRs into several different types of permits, ultimately requiring multiple permits depending on the location, size and building-type designation.
 - STR owners and operators are required to acquire either an STR owner or an STR operator permit. Any person over the age of 18 can hold an operator permit as long as they are accessible by telephone and able to be physically present at the unit they manage within one hour.



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- There is no limit to how many STRs one operator can manage; however, there is a cost increase for operators who manage more than one STR.
- **Philadelphia** – requires necessary zoning and rental licenses as well as record keeping of guests, restricts guests of paying guests between the hours of 12 and 8 am, and defines STRs in two categories: limited lodging (rental of a unit which has a primary resident) or visitor accommodations (rental of a unit without a primary resident). Zoning code does not permit visitor accommodations use in lower density residential neighborhoods.
- **Atlanta** – requires a permit, owners/operators can obtain a license for up to two separate properties, the primary residence and one additional dwelling unit without additional requirements fees, licenses or related restrictions
- **Miami** – requires a certificate of use and inspection, must be licensed with the state of Florida
- **Chicago** – requires a license, restricts to six or fewer sleeping rooms, allowed only in specific zoning districts, and may not rent fewer than 10 hours at a time. In a building with four units or less, the dwelling must be the licensee’s primary residence at least 245 days of the calendar year.
- **New York City** – requires registration with the city, booking platforms are prohibited from allowing transactions for unregistered STRs. Renting an entire apartment or home to visitors for less than 30 days is prohibited, even if the person renting the unit owns or lives in the building. Short-term rentals are only allowed if the person renting the unit is staying in the same unit or apartment as the short-term guests; no more than two paying guests are allowed at a time.
- **San Francisco** – requires registration and a business registration certificate. Allowed only if hosts are full-time residents (at least 275 days/year). Rentals are capped at 90 un-hosted day/year