



December 9, 2024



# Proposed Short-Term Rental (STR) Regulations

#### What is a Short-Term Rental?

A short-term rental (STR) is a dwelling unit or any portion of a dwelling unit that is rented out or offered to be rented out for a period of less than 30 consecutive days.

#### **Exceptions:**

purchaser

- (1) boarding home
- (2) hotel or bed and breakfast
- (3) lodging facility
- (4) alternate housing facility
- (5) buildings providing sleeping facilities primarily for the purpose of rendering services regulated by a department or agency of the federal government or of the State of Texas
- (6) leaseback arrangement under which the seller of a home leases the home back from the



### Who must register?

Any person operating a short-term rental within the city limits.



### Registration Requirements and Fees:

- It shall be unlawful for any person to operate, rent, lease, or advertise a shortterm rental within the city limits without a valid certificate of registration.
- Initial registration fee (\$250-\$275) / Annual renewal (\$250-\$275)
- Fee basis:
  - Cost of service study (\$273);
  - 2X average nightly rate in Houston (\$250)

# What are the application requirements and information to be provided to the City?



- 2. Name of owner(s)
- 3. Proof of ownership
- 4. 24-hour emergency contact name and number
- 5. List of online platforms that have facilitated booking for the property
- 6. Property floor plan
- 7. Lot site plan and parking locations
- 8. Proof of insurance
- 9. Declaration that the STR use is not in violation of deed restrictions, HOA rules, covenants, rental agreement terms, or minimum occupancy duration requirements
- 10. Declaration that owner is liable for any violations
- 11. Proof of registration for/payment of hotel occupancy tax
- 12. Any other information reasonably requested by the City of Houston



Can the City deny an STR registration? YES

#### Reasons for denial:

- Application contains false, misleading, incorrect, or incomplete information
- Proof of insurance not provided
- Proof of registration or remittance of hotel occupancy tax not provided
- Applicant has had a certificate of registration revoked in the last year



#### What rules must an STR owner follow?

- Comply with COH Ordinance noise and sound levels
- Comply with building and neighborhood protection requirements
- Comply with solid waste and litter control requirements
- Comply with all provisions of the Construction and Fire Codes
- Cannot allow rental for less than one (1) night
- Must pay the hotel occupancy tax
- Public listing must include:
  - Certificate of registration number
  - Occupancy limits
  - Applicable off-street parking requirements
- Emergency contact must be on site within one hour of notification of an issue
- \$1 million liability insurance policy must be in effect during rental availability
- Must display approved certificate of registration at a conspicuous location



# STR owners must physically display the following information in a conspicuous\* location on-site:

- Maximum number of occupants
- Emergency and non-emergency information:
  - police, fire, emergency medical services phone number,
  - address to nearest hospital or urgent care,
  - location of the nearest fire station, and
  - instructions for obtaining severe weather and disaster alerts
- Floor plan indicating evacuation routes and location of all fire extinguishers and smoke detectors
- The name and telephone number of the 24-hour emergency contact person



<sup>\*</sup> A conspicuous location could be the back of the entry door as we often see in hotel rooms. It could also mean having the information prominently displayed in a frame in a central location in the dwelling. The point is that it be openly displayed and easy for a guest to see, not in a drawer.

STR owners must maintain the following information on the premises (e.g. in a binder, in a drawer, or openly displayed):



- Trash/recycling pick-up days and all relevant information or applicable rules and/or regulations
- Permissible sound levels
- Site plan showing the location of:
  - All dedicated and legal parking spaces as well as applicable parking rules and regulations
  - All security devices and cameras and a description of what they monitor

### Can an STR Registration be Revoked? Yes! Reasons for Revocation of a Registration:

- Registration was issued in error
- False, incomplete, or misleading application information
- Failure to supplement any change in information
- Failure to maintain insurance at all times
- Failure to timely report and pay or ensure payment of hotel occupancy taxes
- Two or more citations for violations of Chapter 30 are issued over two separate occasions at the property registered as an STR within a 12-month period resulting in two or more convictions
- One or more convictions of the owner, operator, or any occupant of the property registered as a short-term rental for any of the following offenses:

Kidnapping, unlawful restraint, smuggling of persons, reckless discharge of gun, trafficking of persons, prostitution, compelling prostitution, aggravated assault, sexual assault, aggravated sexual assault, sexual abuse of young child or disabled individual, sexual conduct or performance by a child, employment harmful to a child, or disorderly conduct.



### **Penalties for Non-Compliance:**

- Violations of the STR Ordinance provisions are punishable by a fine of not less than \$100.00 and not more than \$500.00 for each violation. <u>Each day</u> any violation continues will be punishable as a <u>separate</u> violation.
- An owner or an operator may be liable for criminal penalties and subject to revocation of a certificate of registration.



#### Notice to platforms to delist an STR:

- The City shall notify and request that a platform remove an STR listing if:
  - listing lacks a certificate of registration number
  - o registration number is invalid or expired
  - certificate of registration has been revoked
- The platform shall remove the STR listing within ten (10) business days following receipt of the City's notification requesting that a platform remove the listing.
- Registrant may appeal a decision to revoke a certificate of registration application.





# STAKEHOLDER FEEDBACK



### Stakeholders that have reviewed and/or commented to date:

- Platforms (e.g. Expedia Group, Airbnb)
- Landlords
- Neighbors/General Public (ongoing through the portal)

### Stakeholders (platforms) that have not yet commented:

Atraveo

**Booking.com** 

**Goelite Travels** 

Hipcamp

Homes & Villas by Marriott Bonvoy

**Homestay** 

Kid & Coe

Misterb&b

**Only Apartments** 

**Perfectplaces** 

**Plum Guide** 

RedAwning

**Rent Like a Champion** 

Tripz

**TUIvillas** 

Vacasa

**VacationRentals.com** 

**VTrips** 



#### Online Feedback Form (as of 12/4/24)

- Links to the DRAFT ordinance and feedback form are posted on the City's homepage: <a href="https://houstontx.gov/ara/COH%20DRAFT%20STR%20Ordinance.pdf">https://houstontx.gov/ara/COH%20DRAFT%20STR%20Ordinance.pdf</a>
- https://forms.office.com/pages/responsepage.aspx?id=EFqoV4sltEWIGclsdyEJTFRnuRO3WdLjZ8WN64EPg9URDkwRjNFTUtEVVFUOE41Mlk4MjlzRVhFQS4u&route=shorturl
- As of 12/4/2024, 188 responses were received from the online feedback portal:
  - 58% support the City's enacting short-term rental regulations
  - 42% do not support short-term rental regulations for Houston



		Requirement for Registration	Penalties	Application Requirements	Issuance or Denial of Application	Proof of HOT Tax Compliance	Proof of Insurance/Coverage
	Landlords/ Hosts	What if the City delays approving the registration? There needs to be a shot clock so that the home can continue to be rented. Would the City consider an amendment grandfathering those who already pay HOT taxes, so they continue operating until they receive their certificates?	If the guest receives a citation, how will the host know that the citation was issued or there's been a conviction? Also, it is unfair to have a penalty assessed daily. Some issues takes more than a day to fix.	Name of owner cannot be released through TPIA under state law; application requirements are too sophisticated for the average homeowner – will need to hire a lawyer; this will lead to major noncompliance.		Landlords do not get receipts from the platforms for payment of these taxes. What is the proof that can be offered to the City? No host using Airbnb or Expedia will be able to comply.	\$1M is too high; requires landlord to be on one of the two major platforms to get this level of coverage; platform insurance does not cover death; umbrella policy will only get you \$500K. This is a barrier to entry and use of my own home.
ı	Airbnb	Requiring a certificate of registration before a property can be rented or leased is problematic. Supports the registration, but requiring registration before listing is not advisable.		1. Should be fully online. 2. Should provide for tenants to sublease their properties and be able to register as the "operator" for that property because there are several multifamily properties where the property owner encourages subleasing for STRs. 3. Should be less complicated. 4. Examples would be helpful.		Airbnb currently remits HOT taxes for its hosts. Can the City accept the fact that an owner is on its platform as proof of HOT tax payment?	
Fe thi	Expedia Group	Support	No objections	No objections	No objections	Suggest using language that other cities use in their STR ordinances that require the host to provide the HOT amounts. Platforms can only report the total lump sum of HOT for aggregate properties, but if we place the responsibility on hosts, COH would receive more accurate HOT payment amounts because hosts use multiple platforms.	No objections
	Public Feedback through the Portal	58 % support 42% oppose 188 responses as of 12/4/24	"Implement a graduated penalty system, including warnings and opportunities to correct issues before denial or revocation."  Missing "regulations such as noise limits, prohibition of events, limited parking, and prohibiting congregations outside during nighttime hours."	like floor plans and site maps.	"The reasons for denial or revocation should be clear, justified, and not overly punitive."		Large STR management companies may not have a problem covering the insurance costs because of dollar cost averaging of total profits on multiple units. Single unit owners may find this as a hardship. This requirement eliminates all but the owners of multiple properties.

	Requirement for 24-hr contact and physical response	Requirement for Property Floor Plan	Requirement for Site Plan Showing Parking Spaces Available to the Rental	Revocation of Certificate	Criminal Liability of Landlord for Tenant Actions	Administrative Hearing for Appeal	Ordinance Enforcement
Landlords/ Hosts			Too much effort for someone who rents a home a few days a year. This is a huge barrier to entry and will keep landlords from getting registered.	Revocation for tenant's criminal activities that the host cannot possibly know about is wrong.	Holding the host criminally liable for the activities of the tenant is wrong. If a landlord rents a property for more than 30 days, does the City hold that landlord liable for criminal activities of his tenant?	Should be spelled out in ordinance similar to noise ordinance. Very concerned about the vagueness of the administrative hearing process in the ordinance.	How will HPD enforce thousands of STRs?
Airbnb	EMS or police is best fit for this in an emergency. Hosts feel like they're being deputized as emergency responders. Suggestion – clarify requirement for contact (response) vs physical appearance and clarify emergency contact or designee.			Understand the need for revocation provisions but these are a concern.	There is no way for a host to control a tenant's behavior and the host should not be held liable for it.		
Expedia Group	24-hour emergency contact: No objection to the requirement - other municipalities have the same requirement but also allow for proxies.	No objections	No Objections	No Objections	Suggest re-wording criminal liability of landlords for actions of tenant. How will the landlord know what the tenant is doing? If he can't know, how can he be liable?		
Public Feedback through the Portal	"Requiring emergency contacts to be on-site within one hour is impractical for remote hosts."	"The process is overly complex, requiring detailed documentation like floor plans and site maps. Simplifying this would ease the burden on hosts and get the City greater compliance."	"Remove requirements for site plans and evacuation routes unless the property is in a high- risk area (e.g., flood zone)."	"Grounds for revocation should include violation of the general requirements of the ordinance." It is "egregious to hold the owner liable for a single instance of another person's (vetted by 3rd parties such as Airbnb) actions. "	"Punishing hosts for bad guests is wrong. "		Enforcement is the key.

### Online Feedback Form (as of 12/4/24)

#### Notable public comments (support):

- "They [STRs] should be controlled within areas where people live. Alcohol, sex and loud parties should not be allowed at all hours."
- "While I think this ordinance provides a good starting point for dealing with the problems STRs cause in our residential communities, there needs to be a commitment by the City to fund enforcement measures..."
- "I fully agree with the conditions specified in the draft ordinance. It is high time that owners of shortterm rental properties, which are essentially a commercial use, start paying taxes and operating under the same regulations that apply to hotels."
- "As an owner of a long-term rental home, I believe the STR ordinance effectively addresses neighborly issues with unscrupulous operators of STRs."
- "I am a current STR owner and believe all of the requirements are at the minimum we should be held to as responsible owners, landlords, and managers of STR."



### Online Feedback Form (as of 12/4/24)

#### Notable public comments (oppose):

- "I don't like any of it. I do not agree with it being in place.
   This is too much rules and this is trying to create criminals out of homeowners for doing the right thing."
- o "It would infringe on property rights and limit homeowners' ability to use their property as they see fit."
- o "...it is going to take a lot of my time to fill everything out. You have been comprehensive, but this is burdensome red tape."
- "I think the requirements and fees are too strict. You are siding with the angry residents and not only punishing bad actors but also the good ones."
- "I also want you to know that punishing hosts for bad guests is wrong. The COH should punish the STR platforms for allowing bad guests to remain as customers."



#### Suggested amendments (as of 12/4/24) include:

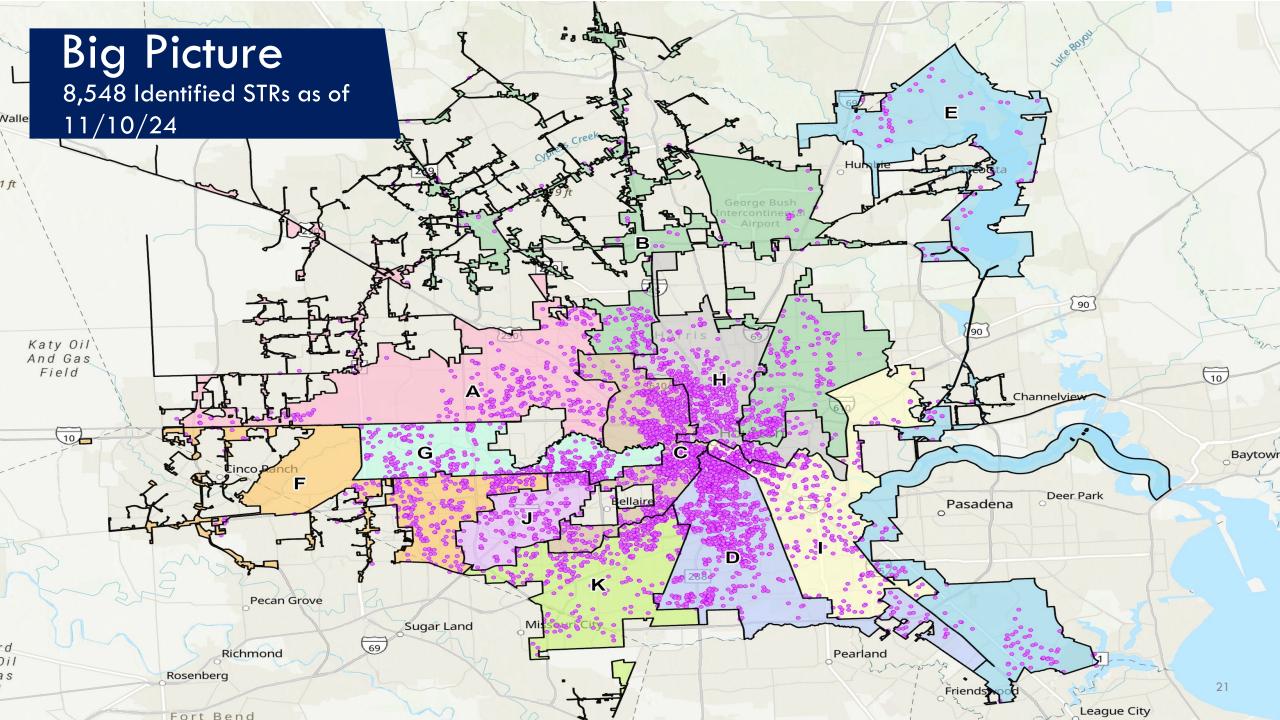
- "I'm looking for regulations such as noise limits, prohibition of events, limited parking, and prohibiting congregations outside during nighttime hours."
- "Key elements of the Arlington ordinance are not present in the draft...The Arlington ordinance...prohibits STR occupants from using street parking...prohibits the use of amplified sound after 10 pm...prohibits STR occupants from congregating outside after 10 pm, and...prohibits STRs from hosting events including a prohibition of advertising events. The omissions of these protections...encourage Houston STR operators to continue to host parties...the biggest pain point for Houstonians living next to STRs."
- o "I think the application fee should be waived for property owners who have not have any troubles at their property. The operational requirement & denial or renovation of a registration is fair."
- o "1 hour to respond to emergency situations in a STR situation doesn't seem feasible for many operators."
- o "The liability insurance requirement is overly burdensome and is for businesses. Texas courts have said repeatedly that STRs are considered residential use."
- "I'd like to request that a requirement be added that STR be posted in a window or door on the ground floor, visible from the street with a registration number and owner phone number for complaints."
- "STRs must be banned!"











# Short-Term Rental Data Update

8,548 short-term rentals are advertising citywide as of 11/10/2024



- 6,719 (~79%) have been identified to the street address
- 4,670 (~55%) have been identified to the unit number or HCAD property owner
- There are 524,433 non-STR residential addresses we are using for comparison purposes

The service call data in this presentation will reflect statistics for the 4,670 identified to the exact unit number or HCAD property owner.

# HPD/311 Calls STR vs. Non-STR Over One Year

11/11/2023 – 11/10/2024

HPD CALLS	Identified STRs	Non-STR Residential Addresses
Property Count	4,670	524,433
Number of Calls	2,756	1 <i>5</i> 9,1 <i>47</i>
Properties Receiving a Call	1,248	87,124
Percentage Receiving a Call	27%	17%
Average Calls Per Property	0.59	0.30

311 CALLS	Identified STRs	Non-STR Addresses
Property Count	4,670	524,433
Number of Calls	640	38,220
Properties Receiving a Call	383	25,595
Percentage Receiving a Call	8%	5%
Average Calls Per Property	0.13	0.07

# Data Mapping Numbers by Council District

For all 4,670 Identified STRs

Call Data: 11/11/23 – 11/10/24

Council District	Number of STRs	STRs per SqM	311 Calls	HPD Calls
District A	226	2.75	36	95
District B	338	2.99	37	220
District C	999	28.39	205	440
District D	1,208	20.65	119	873
District E	74	0.57	4	30
District F	156	2.93	31	137
District G	188	5.63	5	151
District H	586	13.97	82	278
District I	398	7.05	48	243
District J	173	8.32	35	82
District K	324	6.83	38	207
CITY WIDE	4,670	6.95	640	2,756

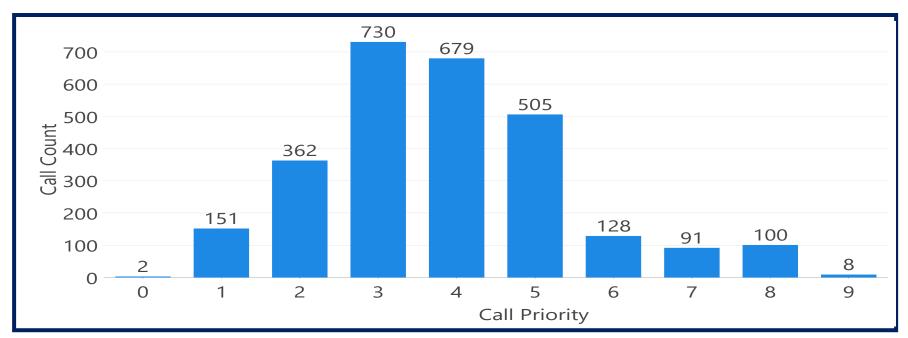
# HPD Call Priority (2,756 HPD Calls to STRs)

#### Response Priority Description

- 0. Assistance or Backup
- 1. Life threatening crime in progress
- 2. Life threating crime occurred; property crime in progress
- 3. Life threating crime delayed report; property crime occurred
- 4. Serious criminal incident delayed report; non-emergency
- 5. Minor property crime; municipal offense
- 6. Service request handled by non-emergency line
- 7. Non-emergency eligible calls not requiring a field response
- 8. Self-initiated police action
- 9. Citizen referral to other entity; no dispatch of patrol

Call Data: 11/11/2023 – 11/10/2024

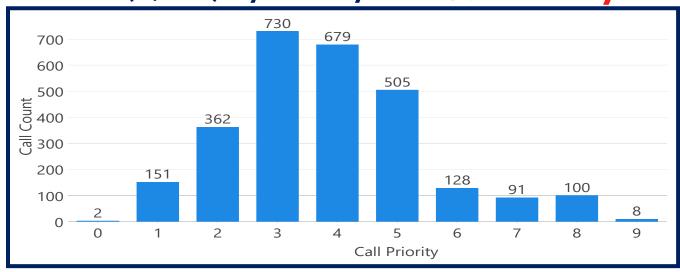
- 27% of STRs received a call to HPD
- Of the 2,756 calls, only 513 are Priority 1 or 2
- 81% of all calls to HPD were Priority 3 or below



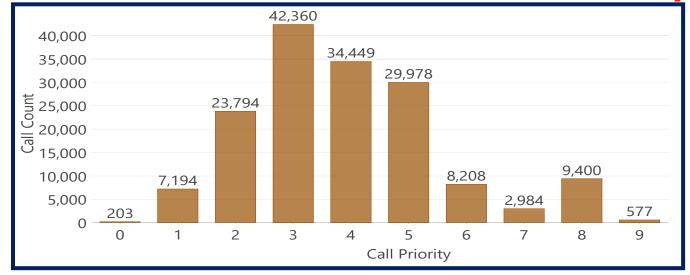
# HPD Call Priority (STRs vs. Non-STRs)

Call Data: 11/11/2023 - 11/10/2024

HPD Calls to STRs (2,756) by Priority - 81% Priority 3 or below

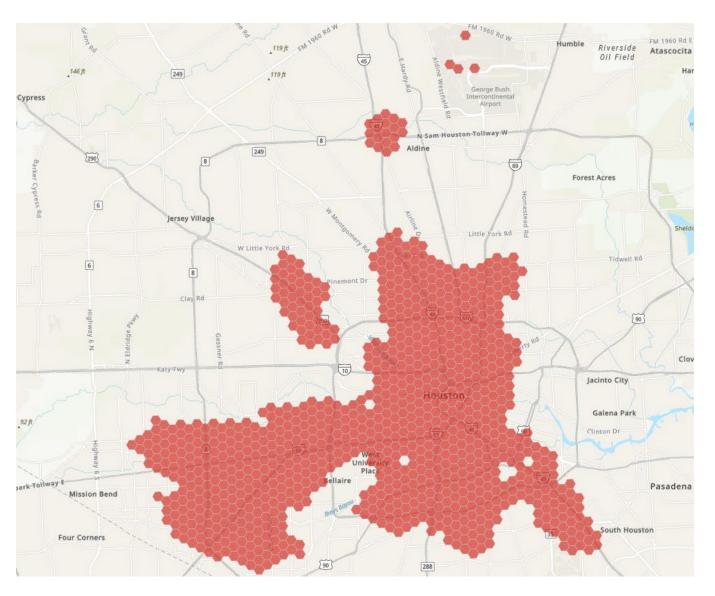


HPD Calls Non-STRs (159,147) by Priority - 81% Priority 3 or below



# HPD Call Priority (STRs vs. Non-STR)

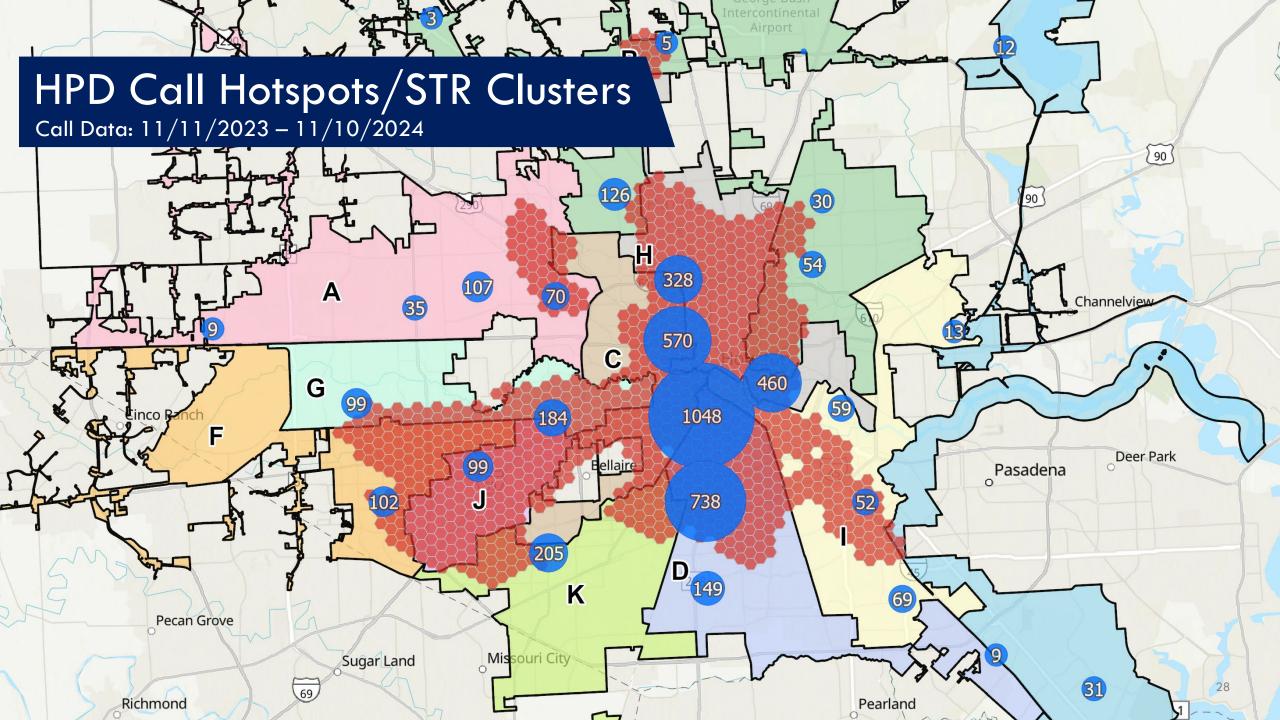
Call Data: 11/11/2023 - 11/10/2024



The red areas received the highest volumes of HPD calls. There are almost 1000 "hotspots" that are identified with a red hexagon covering a .17 square mile area.

77% of all STRs are located within a hotspot.

45% of all non-STR Houston residences are located within a hotspot.



### What Does the Data Tell Us?

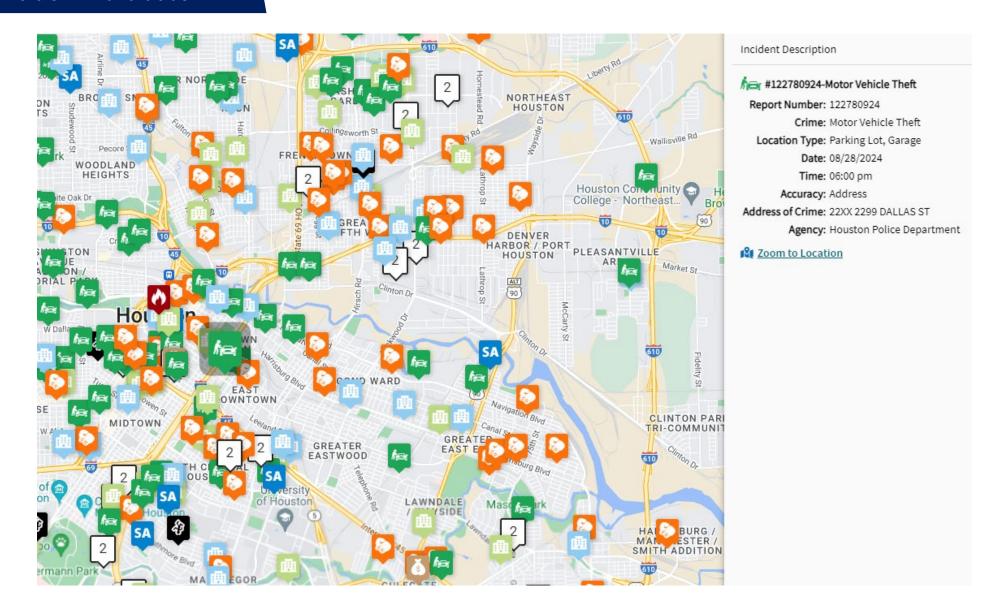
- Of the 4,670 identified to the exact unit number and street address or HCAD property owner:
  - 27% of STRs received an HPD call for service compared to 17% of all single-family residences in Houston.
  - STRs received 0.59 average HPD calls per property; non-STR residences received 0.30 HPD calls per property
  - 81% of HPD calls are priority 3 or below for STRs
  - 81% of HPD calls are priority 3 or below for non-STRs
  - 77% of all STRs exist in the City's high concentration of HPD calls "hot zone" 45% of all residences exist in the "hot zone"
  - 8% of all STRs received a 311 call for service compared to 5% of all single-family residences in Houston
  - STRs received 0.13 average 311 calls per property, while non-STR residences received 0.07 average 311 calls per property
  - The bottom line: In terms of both HPD and 311 service calls, while STRs are more likely to have service calls than a non-STR residence (likely due to location rather than property use), the average is still well below one call per STR per year and the percentage of calls regarding serious offenses (priority 1 or 2) is exactly the same as non-STR residential properties.



### **HPD Crime**

Online Incident Database

### www.communitycrimemap.com



# **Looking Ahead**

- **Exact Address Identification:** Ongoing Some properties will not be identified to the unit number until registration begins.
- Review Feedback/Discuss Changes to Draft Ordinance
- Implementation (180 days from the date of City Council approval of the ordinance):
  - Carahsoft contract coming to City Council for approval. Carahsoft will be responsible for registration, the hotline, compliance monitoring, and ongoing identification of STRs in Houston.
  - Development of administrative rules.
  - Public education regarding ordinance requirements.
  - Compliance mailing to all known STRs to begin registration.
- Public Information: Develop a public facing interactive dashboard that will display all registered STRs.



# Appendix



# Sample Notice for Display

### Sample Notice to Occupants

1001 Main St., Houston, TX 77003

The maximum occupancy for this short-term rental property is 10

**Emergency: Dial 911** 

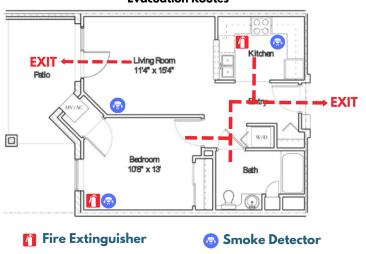
Non-Emergency Police/Fire: 713-884-3131

Fire Station #17: 2805 Navigation Blvd. Houston, TX 77003 Urgent Care: 713-665-9083, 541 Harmon Rd. Houston, 77003

Severe Weather Updates: www.houstonemergency.org

Emergency Contact: 281-778-2456 (William Griffin)

#### **Evacuation Routes**





# Sample Site Plan





### **FAQs**

### How do I apply for a Certificate of Registration?

Online at <a href="https://www.houstontx.gov/ara/str.html">www.houstontx.gov/ara/str.html</a>
(registration link will be available after ordinance approval)



### What is the effective date of the proposed STR Ordinance?

Upon City Council approval with a 180-day implementation period to allow registrants to come into compliance.

### Why isn't the City regulating STRs like commercial properties?

The Supreme Court of Texas has ruled that STRs are a residential use.

### **FAQs**

#### Will the City regulate what STRs can charge customers?

No

#### What is the fee for a Certificate of Registration?



A fee has not yet been established but we anticipate it will be between \$250 and \$275 per year

#### How do I pay the Hotel and Occupancy Tax (HOT)?

STR properties within Houston city limits pay HOT through Houston First Corporation. Registration and payments can be made online at <a href="https://www.houstonfirst.com">www.houstonfirst.com</a>.

#### Is there a limit on the number of STRs allowed in the city or how many a person may own?

There is no limit on the total number of STRs allowed to operate in the city or how many an owner can operate. Each STR requires a separate certificate of registration.

### **FAQs**

# How can I lodge a complaint against an STR in violation on regulations?

There will be webpage on the City's website dedicated to STR data and information. There will be a phone number and portal on the webpage where residents can submit complaints.



- Registrations are non-transferable. A registrant may provide a change in information without submitting a new certificate of registration application.
- Certificates of registration are null and void if a property is sold. Change in ownership will require the purchaser, transferee, or lessee to apply for a new certificate of registration to operate as an STR.



### **FAQs**

### What are the occupancy limits per STR?

The ordinance does not specify occupancy limits. STR owners are required disclose occupancy limits per property.

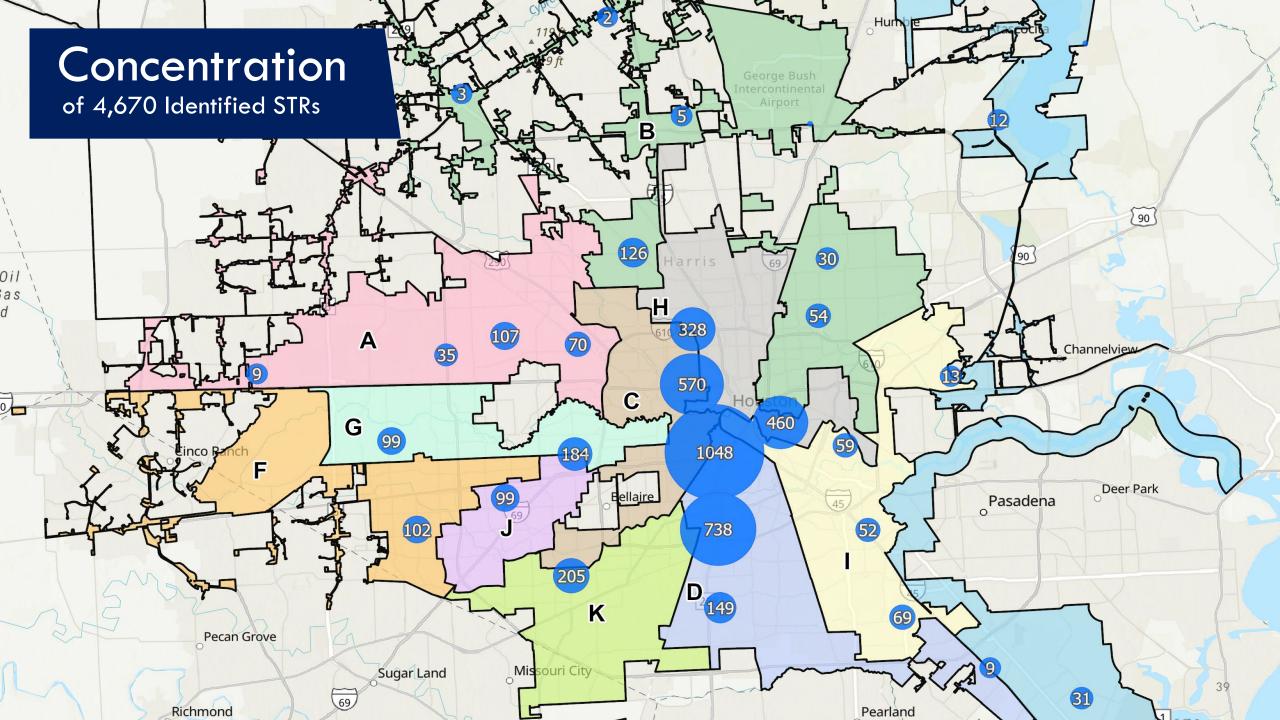


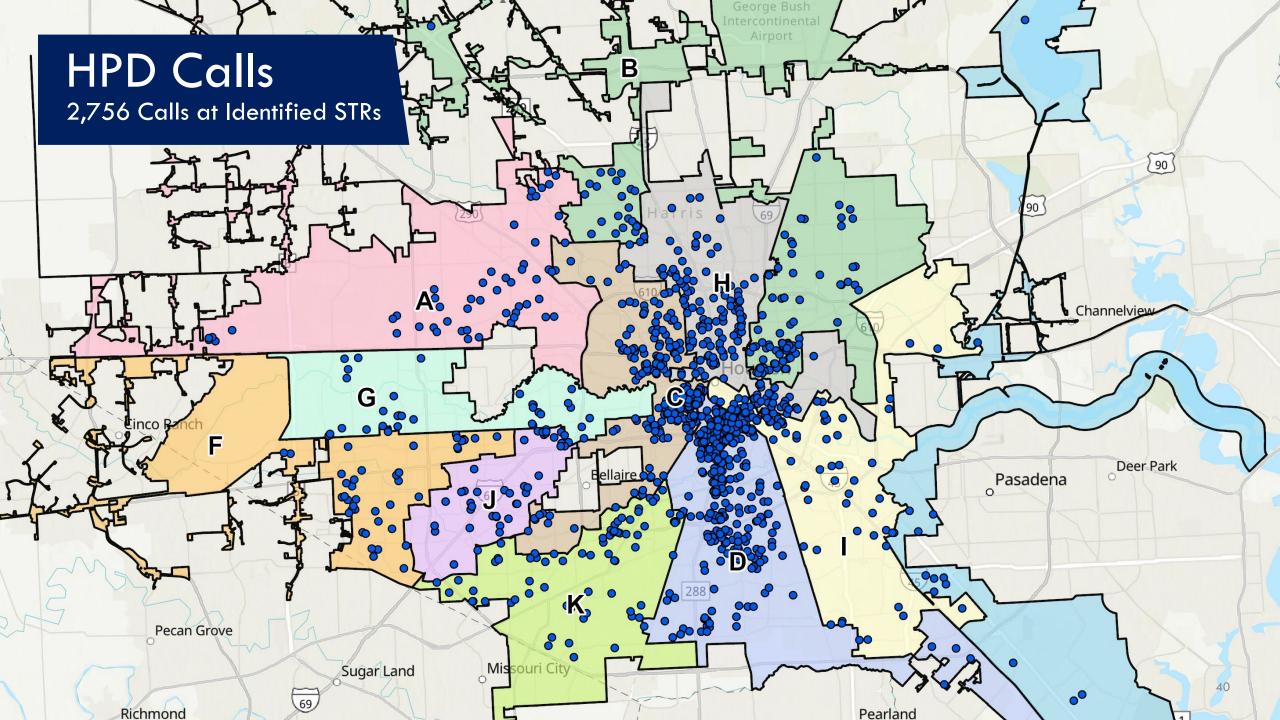
### Do I need to notify the City if I stop renting my property as an STR?

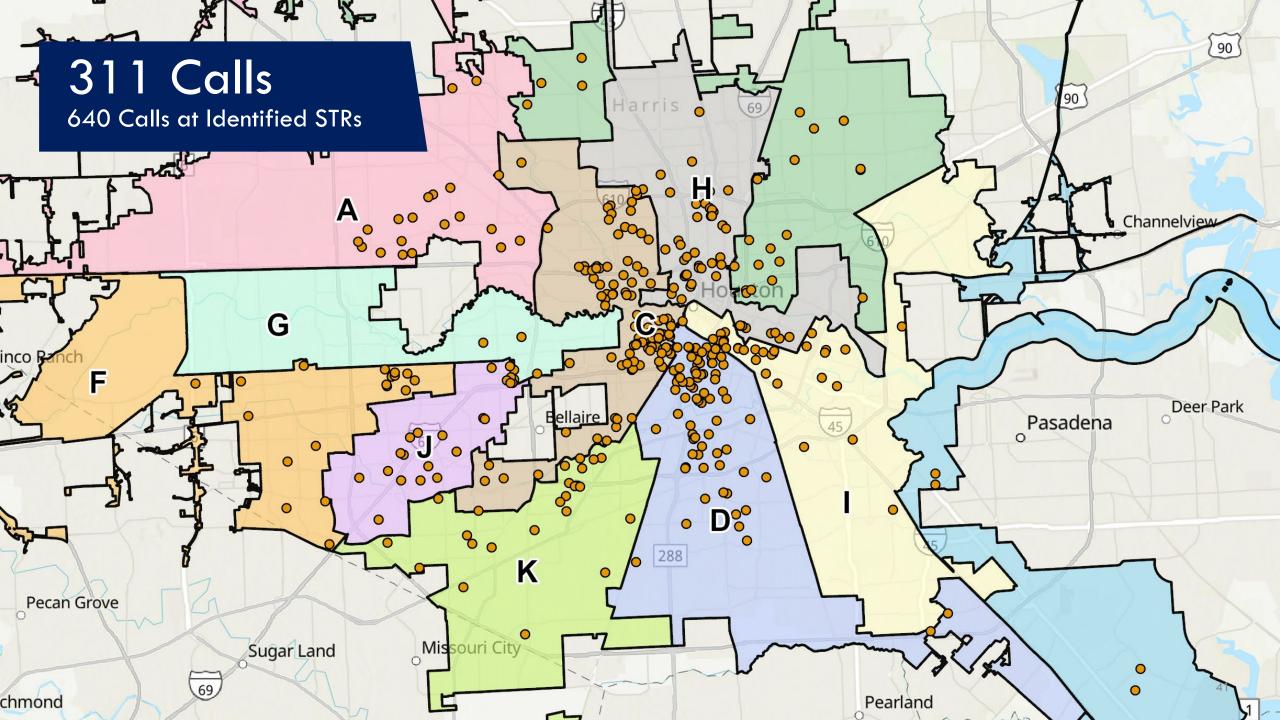
Yes, you should notify the City so we can keep our public dashboard on the webpage up to date.

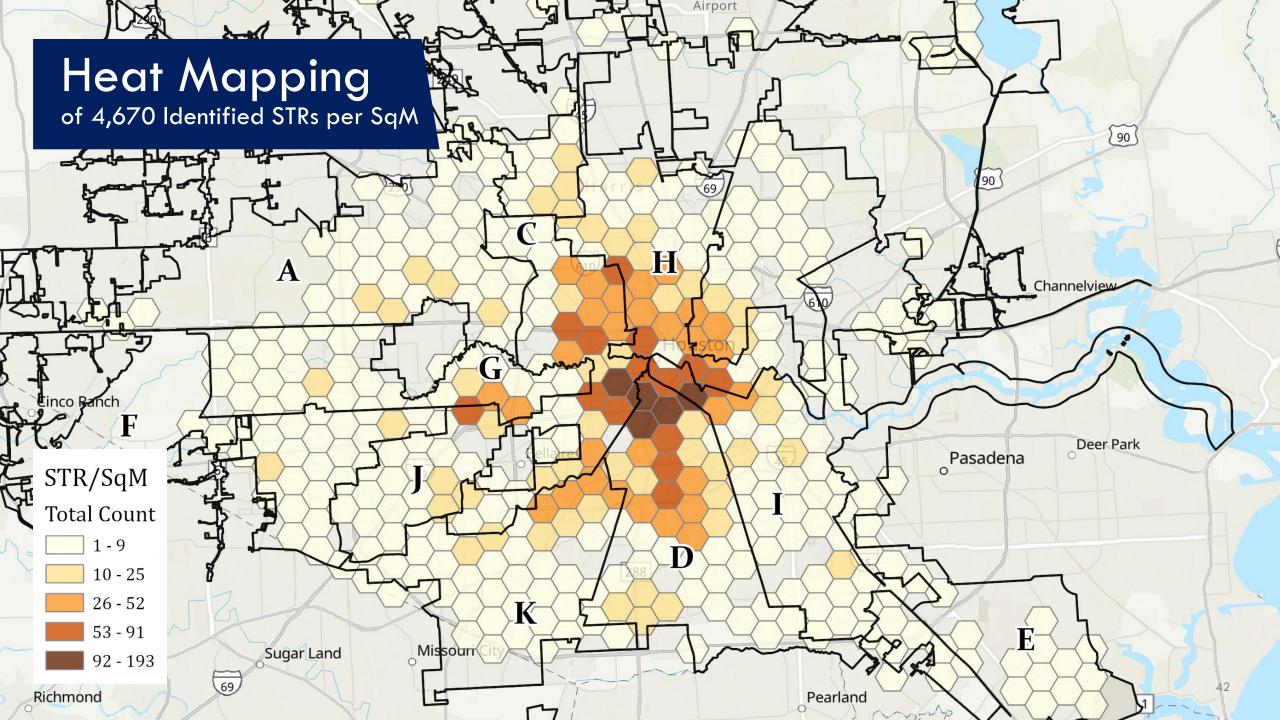
### Why wasn't data from the Constables' Office used?

The Constable's Office did not have any data to share. Further









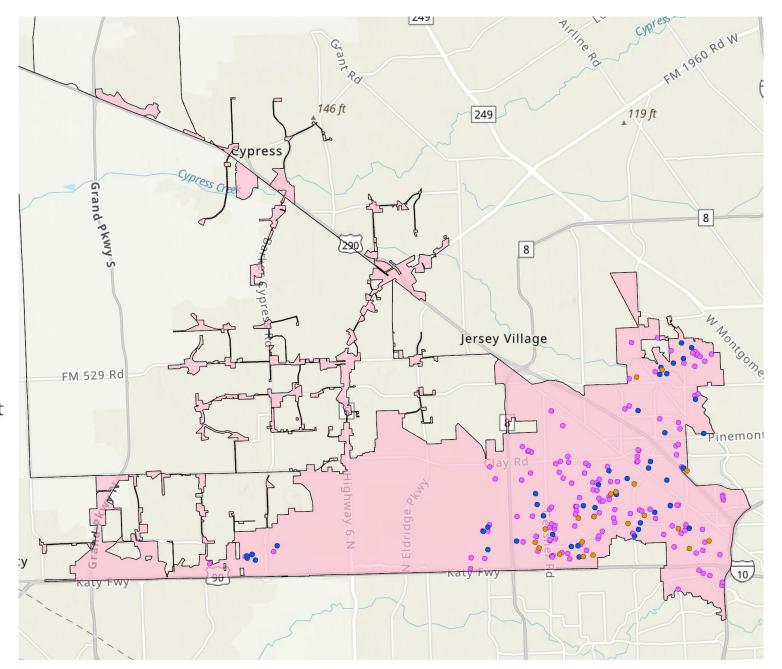
# District A

THOUSE STATE OF HOUSE

- Identified Short Term Rental (226)
- HPD Call to Identified Short
   Term Rental (95)
- 311 Report to Identified Short
   Term Rental (36)

#### **DISTRICT**

A - AMY PECK

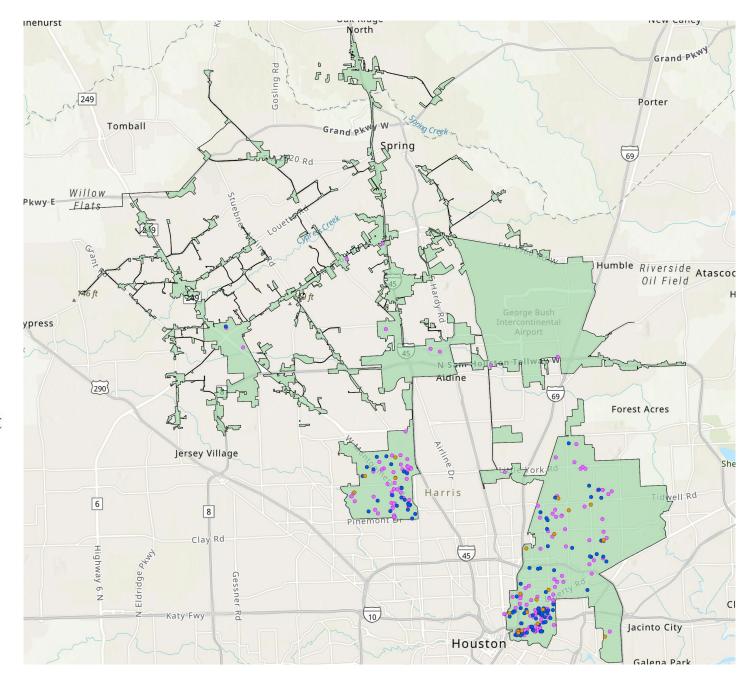


### District B

- Identified Short Term Rental (339)
- HPD Call to Identified Short Term Rental (220)
- 311 Report to Identified Short Term Rental (37)

#### **DISTRICT**

B - TARSHA JACKSON



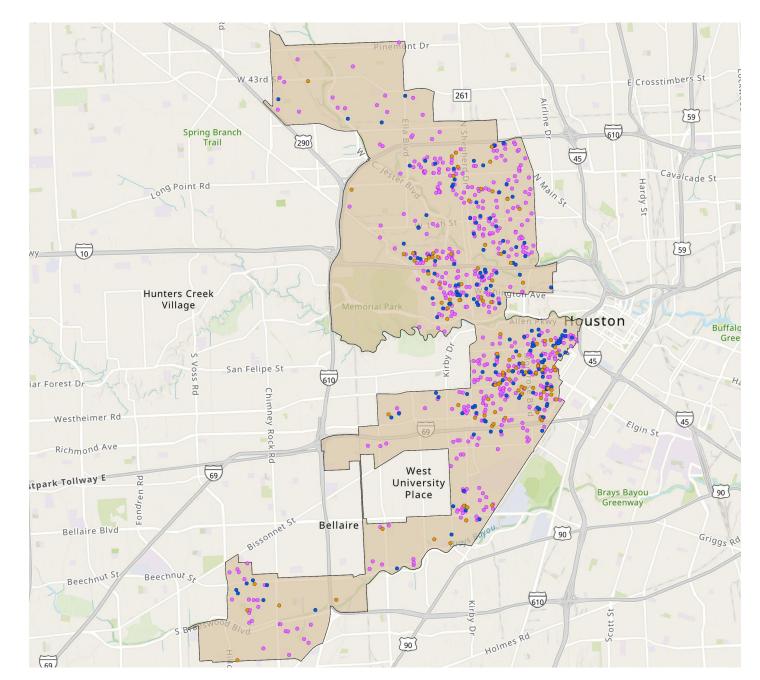


### District C

- Identified Short Term Rental (999)
- HPD Call to Identified Short Term Rental (440)
- 311 Report to Identified Short Term Rental (205)

#### **DISTRICT**

C - ABBIE KAMIN





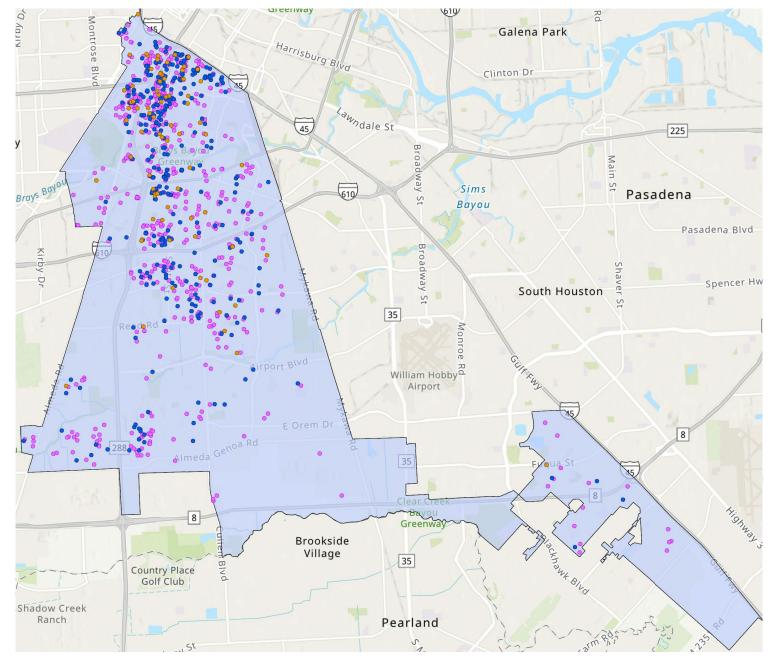
### District D

OF HOUSE

- Identified Short Term Rentals (1,208)
- HPD Call (873)
- 311 Report (119)

#### **DISTRICT**

D - CAROLYN EVANS-SHABAZZ

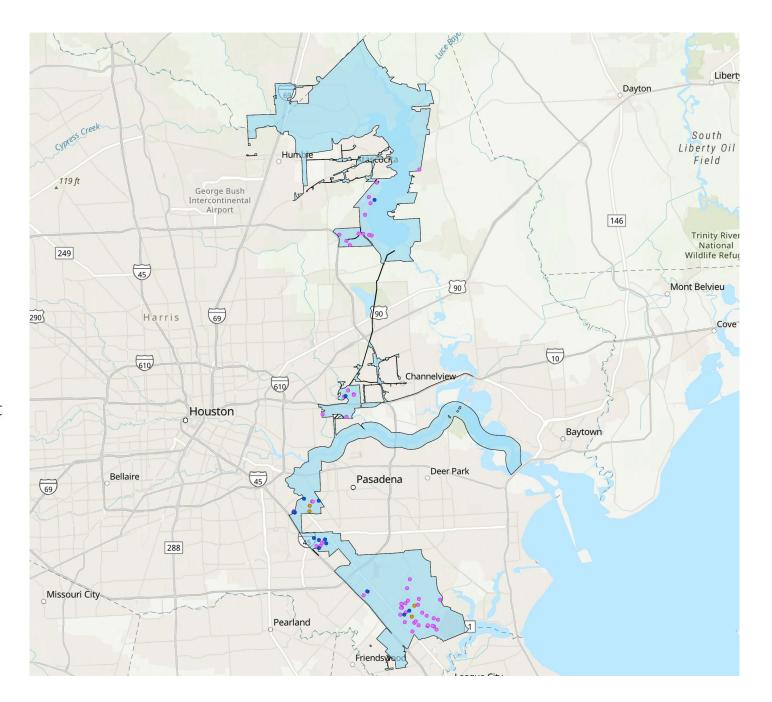


# District E

- Identified Short Term Rental (74)
- HPD Call to Identified Short Term Rental (30)
- 311 Report to Identified Short
   Term Rental (4)

#### **DISTRICT**

E - FRED FLICKINGER





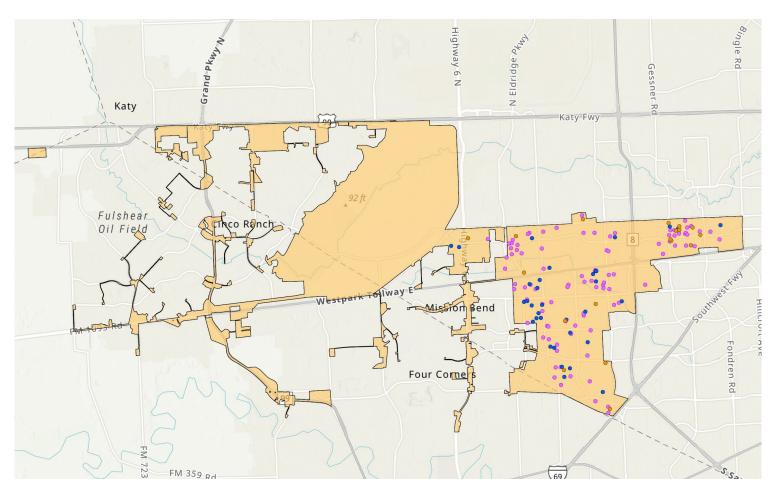
# District F

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- Identified Short Term Rental (156)
- HPD Call to Identified Short
   Term Rental (137)
- O 311 Report to Identified Short Term Rental (31)

#### DISTRICT

F - TIFFANY D. THOMAS



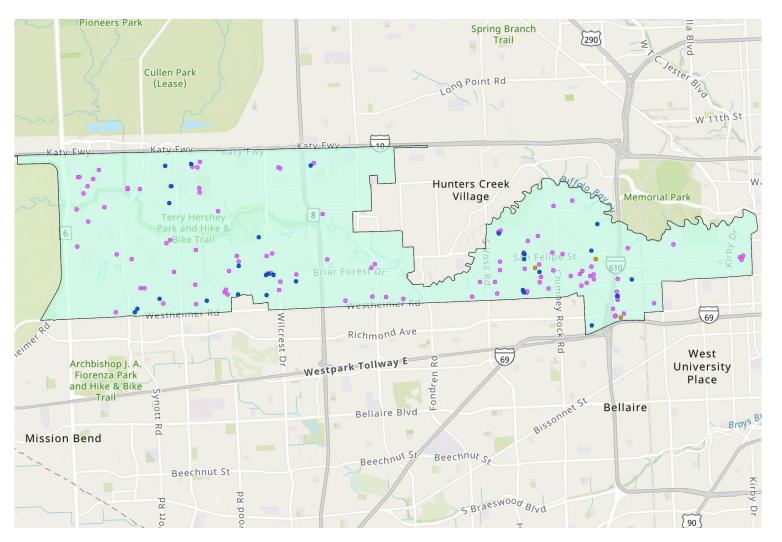
### District G

OF HOUSE

- Identified Short Term Rental (188)
- HPD Call to Identified Short Term Rental (151)
- 311 Report to Identified Short Term Rental (5)

#### **DISTRICT**

G - MARY NAN HUFFMAN

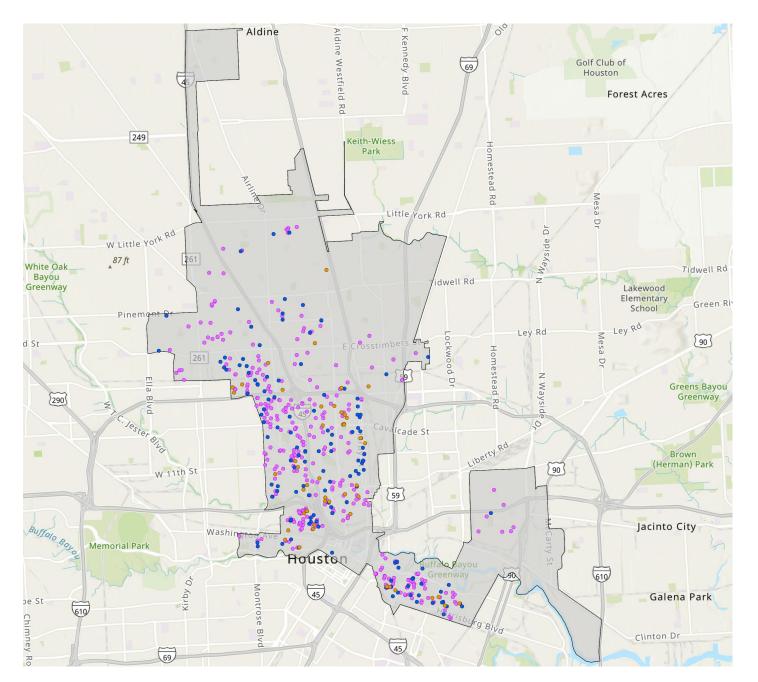


### District H

- Identified Short Term Rental (586)
- HPD Call to Identified Short
   Term Rental (278)
- 311 Report to Identified Short Term Rental (82)

#### DISTRICT

H - MARIO CASTILLO



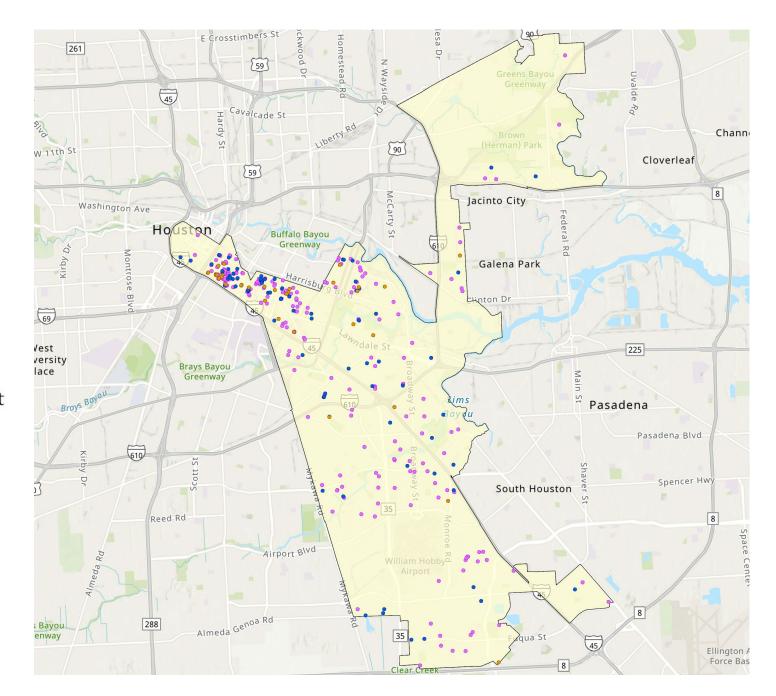


### District I

- Identified Short Term Rental (398)
- HPD Call to Identified Short
   Term Rental (243)
- 311 Report to Identified Short Term Rental (48)

#### DISTRICT

I - JOAQUIN MARTINEZ



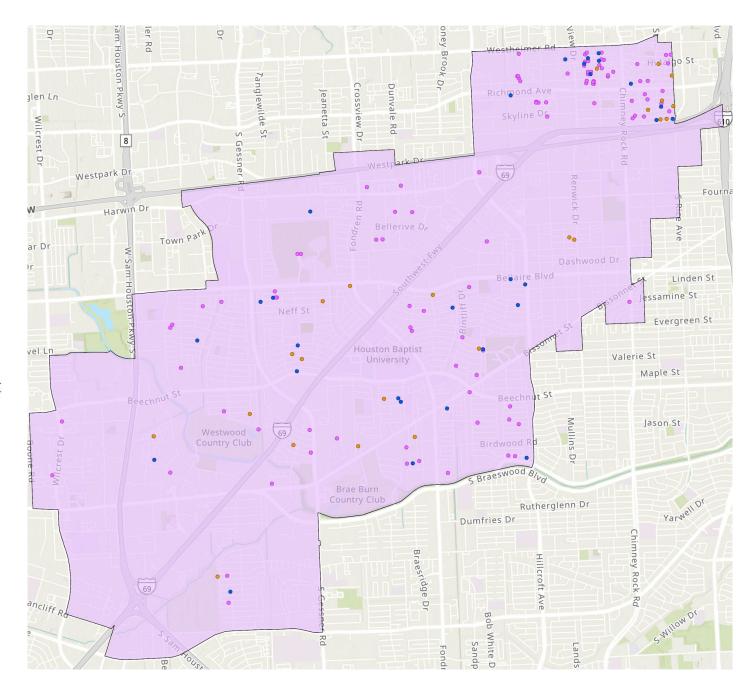


# District J

- Identified Short Term Rental (173)
- HPD Call to Identified Short
   Term Rental (82)
- 311 Report to Identified Short Term Rental (35)

#### DISTRICT

J - EDWARD POLLARD





# District K

- O Identified Short Term Rental (324)
- HPD Call to Identified Short
   Term Rental (207)
- 311 Report to Identified Short
   Term Rental (38)

#### **DISTRICT**

K - MARTHA CASTEX-TATUM

