



June 15, 2015

TO: Planning and Neighborhoods Committee

From: Joel Rasmussen, Austin Rental Alliance

Chair and Committee members,

The Austin Rental Alliance supports Council Member Gallo, and the co-sponsors, resolution directing the City Manager to investigate issues and citizen complaints related to the City's ability to properly enforce City Code as it relates to the operations of short-term rentals.

There are 1,247 licensed, registered and tax paying short-term rentals in Austin, and unfortunately a small fraction are operating outside of compliance. We believe an empowered Code Enforcement office will be able to easily remove the registrations of these few operators, solving any ongoing issues.

The Austin Rental Alliance is a coalition of owners, managers and stakeholder of vacation rentals and traditional short-term rentals in Austin. We include the housekeepers, landscapers, accountants and beneficiaries of the traditional short-term rental market in our membership.

The ordinance we have in place currently has become known as the best practice in the United States. The Austin STR program has been highlighted by the US Conference of Mayors, the National League of Cities and the National Conference of State Legislators.

The Austin ordinance has the highest rate of compliance in the United States, with 1,247 registered properties. City staff has said that they believe we are at, or near, one-hundred percent compliance from traditional short-term rentals, known as Type II. We believe the success of this compliance is partially due to the strong relationship between the City Code Enforcement office and the local owners and managers, represented by the Austin Rental Alliance.

Traditional short-term Rentals do our economy a huge benefit. It is estimated that traditional short Term Rentals bring \$165M a year in economic impact to Austin, and over \$15M a year in Hotel Occupancy Taxes. These Hotel Occupancy Taxes go to help fund many Austin organizations including the Austin Convention and Visitors Bureau and the Austin Convention Center. The taxes also fund Austin's Cultural Arts Funding Program including; Ballet Austin, the Austin Symphony, Austin Lyric Opera, Austin Music Foundation, Art Alliance Austin, Austin Film Society, Austin Latino Music Association, Hispanic Alliance for the Performing Arts, Mexic-Arte Museum and almost two-hundred other local groups.

The United States Conference of Mayors said in a resolution, "Economic impact studies conducted in 2014 show and overall economic impact by the traditional short-term rental activity in Myrtle Beach, SC at \$200.7 million and 2,587 jobs, and overall economic impact to St. Joseph, Michigan of \$24 million and

300 jobs, the overall economic impact in New Orleans of \$174.8 million and 2,200 jobs and the Coachella Valley, California communities of \$272 million and 2,539 jobs”.

The United States Conference of Mayors has also stated, “the traditional short-term rental of homes can provide a flexible housing option that allows family travelers and business travelers spending longer periods of time in a community a safe accommodation while contributing to the local economy” and that, “onerous regulations of short-term rentals can drive the industry underground, thus evading local regulations and local hotel taxes,” and “fair regulation of short-term rentals ensures greater compliance and greater receipt of local hotel taxes”.

Traditional short term rentals are a vital and necessary piece of the Austin economy. They house neighbors during a remodel, visiting family members from out of town, job seekers and home buyers, State legislators and visiting professions. Traditional short term rentals have provided disaster relief during the Bastrop fires, and during this year’s recent floods. Perhaps most importantly, we often house those with special needs for whom a hotel simply isn’t an option.

Austin Code Compliance has done an exceptional job of accepting the responsibility of managing the short term rental enforcement. And, while we feel the office currently has the authority to remove a registration of someone operating inappropriately, we hope this process will end with Code Enforcement being empowered to implement the use of the penalty.

For an effort like this to be effective, all of the industry stakeholders should be present, and we look forward to being part of a positive and transparent process.

On behalf of the 1,247 licensed, registered, and tax paying short term rentals in Austin Rental Alliance will continue to lead the conversation based on data and facts, with the goal of achieving the highest rate of compliance.

Thank you,

Joel Rasmussen

President, Austin Rental Alliance

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