



June 12, 2024

The Honorable Ron Nirenberg  
Mayor, San Antonio, Texas  
City Hall  
100 Military Plaza  
San Antonio, TX 78205

**RE: Oppose Updates to Short-Term Rental Ordinance**

Dear Mayor Nirenberg and members of the San Antonio council:

On behalf of the Chamber of Progress, a tech industry coalition promoting technology's progressive future, I write to urge you to **oppose the proposed updates to the Short Term Rental Ordinance**. The proposal would triple short-term rental permit fees, threatening the economic vitality of hosts, guests, and small businesses across San Antonio.

**Short-term rentals offer San Antonio homeowners the opportunity to supplement their income**

Most hosts in San Antonio do not fall into the category of traditional property investors or conglomerates. Instead, they are individuals residing in their primary homes, seeking to diversify their income streams to meet financial needs.<sup>1</sup> Hosts can augment their earnings by making space in their residences available to cope with escalating mortgage payments and inflation. Given the rise in the cost of living and housing, it is imperative to support hosts in generating extra income to maintain their homes and financial stability amidst economic pressures.

**Short-term rentals can help the strained housing market in San Antonio**

According to a 2023 analysis, San Antonio is one of the cities most likely to experience a long-term housing shortage.<sup>2</sup> During peak seasons of major events and tourist influxes, the demand for housing can surge temporarily. Short-term rentals can accommodate this

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<sup>1</sup> <https://www.sec.gov/Archives/edgar/data/1559720/000119312520294801/d81668ds1.htm#toc>

<sup>2</sup> <https://institute.bankofamerica.com/content/dam/bank-of-america-institute/economic-insights/which-cities-have-biggest-housing-shortage.pdf>

increased demand without putting additional strain on the long-term housing market. This prevents these temporary spikes from leading to inflated rental and housing prices, which can make housing less affordable for long-term residents.

### **Additional fees would result in increased costs for both hosts and guests**

Short-term rental permits act as barriers for hosts seeking supplemental income from their properties. Worse, the proposed ordinance's tripling of permit fees would not only exacerbate financial burdens for such hosts and increase costs for guests. This expense increase directly affects the affordability of short-term rentals, potentially limiting access to this accommodation option for individuals seeking cost-effective lodging solutions. Consequently, hosts and guests may face greater economic strain, diminishing the accessibility of short-term rentals as a more affordable form of accommodation.

### **Given persistent racial disparities in household wealth and homeownership, these additional costs unfairly shut out some residents from economic opportunities**

While household wealth has been increasing for Black and Hispanic families, it still lags significantly behind the net worth of White households.<sup>3</sup> In San Antonio, median Black and Hispanic or Latino household incomes are 42 percent and 30 percent less than those of white households, respectively.<sup>4</sup> Households with higher incomes and higher net worths will be better able to bear the additional costs of obtaining a permit. However, households with tighter budgets, who are more likely to be Black or Hispanic or Latino, will likely face more difficulties. In this way, the households that need the most opportunities to supplement their income will most likely be shut out.

### **Decreased use of short-term rentals would also hurt the local economy**

With permit requirements and higher permit fees, fewer short-term rentals may be available, which could significantly impact the local economy of San Antonio. Guests who opt for short-term rentals can contribute to local economies directly by hosting and patronizing nearby shops and restaurants.

According to survey data, 92% of hosts provided recommendations for local restaurants and cafes, and guests reported that 41% of their overall trip spending occurred in the neighborhoods they stayed in.<sup>5</sup> Short-term rentals allow visitors to experience more of the city and its small businesses than other lodging options, which tend to be concentrated around tourist attractions and downtown areas.

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<sup>3</sup> <https://www.cnn.com/2023/10/31/us/us-racial-wealth-gap-reaj/index.html>

<sup>4</sup> <https://www.sa.gov/files/assets/main/v/1/dhs/documents/shared/2024-poverty-report.pdf>

<sup>5</sup> <https://news.airbnb.com/airbnb-estimated-direct-economic-impact-in-the-u-s-nears-34-billion/>

We respectfully encourage you to oppose the ordinance to protect economic opportunities for hosts and small businesses and consumer choice for guests, especially those who will be disproportionately impacted by the increase in permit fees.

Sincerely,

A handwritten signature in black ink, appearing to read 'Ruth Whittaker'. The signature is stylized with a large initial 'R' and a series of loops and flourishes.

Ruth Whittaker  
Director of Civic Innovation  
Chamber of Progress