

Short Term Rentals...

To be, or not to be? That is the question.

By Brit Macias



A great controversy has arisen in San Angelo over whether to allow or forbid short term rentals (STR's) in residential neighborhoods.

Director of Planning & Development, Jon James, presented a proposed ordinance to City Council on August 2nd that would allow STR's to operate in San Angelo—with restrictions. This presentation was the first public hearing on the matter and the public most definitely came to hear and be heard.

According to James, STR's are classified as “rentals of an entire dwelling unit for a period of fewer than 30 consecutive days.” Such rentals are not currently allowed within city limits. James clarified that the rental of a dwelling that is part of a contract in which the renter is buying the property, is not considered a STR.

James further explained the ordinance would allow STR's city-wide under a permit issued by the city - neighbors would be alerted, and every case would be handled individually. The ordinance would demand a minimum of 2 car spaces per house, no more than 2 adults per bedroom, and single-family occupancy (no more than 6 non-related people per dwelling). In addition, signage would not be allowed and no outdoor gatherings would be allowed before 7 am or after 10:30 pm.

Bed and Breakfasts are a part of the proposed ordinance, but not the main focus and with little change.

The ordinance presented was unanimously recommended by the Planning Commission, yet it sent the citizens into quite a heated debate. Nearly 40 people came forward to share their opinions with council at Tuesday's meeting.

For nearly three hours, council heard the pros and cons of STR's from all walks of life—but mostly Lake Nasworthy residents, whose HOA representative declared the area neutral as far as their Home Owners Association (HOA) was concerned. The majority of concerns were due to property damage possibilities,

not being familiar with who was staying next door, noise complaints, and assumed lowering of property values. The majority of those for STR's explained that any neighbor could be dangerous, a 365-day nuisance was worse than a 3-day one, STR's brought in revenue for the city and were better taken care of than regular single-family occupied homes.

Among the colorful declarations of the citizens were some helpful statistics and experiences. Dawn Ferguson, an 8-10 year resident of a home next to an STR explained her many instances of trespassing by STR guests, alcohol, loud noise, and "borrowing" without permission of her fishing equipment.

Carroll Hill told the council he visited Abilene himself to talk with the Abilene City Planner to learn how they enforce their ordinance. He stated the man looked around to ensure they were alone and told Hill they simply cannot.

"Police are not going to come pick up the beer cans the next morning from my yard, or the trash," Hill stated.

Becky Francis, owner of a San Angelo STR, Concho Quarters downtown, explained that her guests see a side of San Angelo they wouldn't get to see if they were staying in a hotel.

Debbie Walls of the Save Our Neighborhoods group presented statistics from the Comptroller listing the economic benefit of STR's as dismal compared to hotels. According to her, hotels have brought \$6.5 million into San Angelo in hotel tax revenue in the last 18 months versus STR's bringing in \$15,000.

Kevin Wilson, a Lake Nasworthy resident, explained that high taxes and insurance prices have made it almost impossible for a retired individual to keep their home. He stated many people rent out their homes a couple weekends a year just to gain the income needed to keep their home. A voice of reason amongst the colorful declarations, Wilson said, "I think that's what it's all about—agreement. I don't think it's black and white here. I really think this can be done successfully, but it's going to take people working together."

Many more came forward, including two ASU students in favor of STR's, more lake residents opposed, STR owners explaining their strict vetting process of renters, and even one individual who responded to Wilson's predicament, claiming retired people should plan better or go work at Walmart.

A realtor came forward to explain the possible decline in property values, contradicted by STR owners who stated their value has gone up and they have the nicest homes in their area with thankful neighbors. A petition from the Lake Nasworthy area was brought forward with 250 signatures and the public comment section was closed with a bang—Trish Jordan. "There is a difference

between everyday behavior and vacation behavior. I'm a calm, cool, collected person, but when I go on vacation I cuss like a sailor and drink like a fish."

With public comment behind them, Charlotte Farmer SMD 6, spoke first: "To me, this is a zoning issue, period." Farmer brought up the many zoning issues that occur at Lake Nasworthy and mentioned the zoning commission has been looking into those issues for quite some time without a finalized recommendation on how to resolve the issues.

Farmer continued, "When I go on vacation, I stay in STR's...we stay in an STR, and we go as a family. We also put up a very hefty deposit at the places we stay, \$2,000-2,500, for a weekend, and I assure you I want my money back on the deposit, so I'm not going to do anything to go against the rules of the property or the neighborhood. I want to be a good occupant, a good renter."

"I also see this as an ownership problem," she went on. "Unfortunately we have a lot of absentee owners that are not good landlords and they do not take care of the land, and we have ways of dealing with that. Then is when you file your complaints and do the proper paperwork to go through the proper authorities to have those complaints settled... I don't want anybody facing anyone themselves on a loud party, loud cursing issue or destruction of property, that's what I believe we have the police department for. Yes, they have a lot more important things to do, but that is also what they're there for and we should be utilizing the service...." Farmer further stated if she owned an STR she would do a thorough background and criminal history check.

Wrapping up, she stated "If you know a way of forcing a person to obey the law, you need to share it with us. We can sit up here and write all the rules and regulations, but it doesn't mean they're going to be obeyed. I firmly believe in less government and my private property is my private property and my business as long as I operate it within the confines of the law, the zoning... if I want to paint my house pink polka dots, that's my right. My neighbors aren't going to be real happy, but it is my right as a property owner. I think we can find a happy medium to protect ourselves, our city, and our homes, while still welcoming visitors to our city."

Mayor Dwain Morrison began his remarks by thanking Greg Gossett, local attorney, for publishing a full page ad in the newspaper concerning STR's with Morrison's phone number. He told the public he spent hours on the phone with citizens, about 15-20 opposed to STR's and about the same number in favor of STR's, as well as emails and letters with a 50/50 split for and against.

"If people knew in this city the laws and restrictions and ordinances that we have written in the last four years that have taken rights away from them as property owners, I honestly think that they would be appalled at what we have

taken away. If we continue taking rights away from property owners for the next four years as we have the last four, the only right you're going to have as a property owner is going to be the right to pay taxes... this socialism needs to swing back the other way and give people back...their right to do what they choose to do."

Morrison went on to explain that he lives in Lakeview and is very familiar with STR's, as he is surrounded by trailers and out-of-towners the entire month of February, when the rodeo is in town. He also mentioned living near two low-end trailer parks rampant with STR's. "I know what STR's are," he stated, "I would rather have an STR and the neighbor from Hades for one weekend, than have that long-term lease and have that neighbor from Hades year-round."

The mayor also told a story of one elderly woman who called him explaining her situation. She and her husband built up their retirement fund throughout their working years, saved money, and built a cottage on Lake Nasworthy to move into upon retirement—it was their dream.

However, the husband fell ill and the savings and retirement have dwindled to almost nothing. Their current expenses have forced them to move into assisted living. The wife desires to fulfill their dream and move into their lake cottage upon the death of her husband, but she is unable to afford the expenses there without renting the cottage out short-term until then. "If I don't have (the allowance to STR the cottage) I will lose my house just like we've lost our living, just like we've lost our retirement and savings," she told Mayor Morrison.

"I think the ordinance Jon James has written is a good ordinance. I think it's going to make everybody in here mad on both sides, and that, to me, is a good compromise. It's something that we can work, it's something we can restrict and there are some conditions involved...I have more of a problem with long-term lease than I do short-term because they only last a couple of days," Morrison concluded.

Newly elected SMD5 councilman, Lane Carter, spoke of three problem areas with STR's. Property rights, zoning, and enforcement of regulations.

"We all have the property rights to do what we see fit with our property to a legal standard. You also don't have the right to use it to operate a commercial business out of a residential home, which throws it into a zoning issue. The third issue is the enforcement that we are all worried about. Most everybody is worried about how we are going to enforce this issue. I'd like to see code enforcement amped up beforehand... to take care of the problems we're seeing, along with the police taskforce."

As far as the vetting process of short-term renters that many spoke of, Carter stated he believes there needs to be an across-the-board standard in place, in a way that the neighbors of the STR property will know who is going to be staying near them. Carter also liked the idea of having a renewal time placed on permits, as Jon James suggested, better regulating the STR owners and “striking out” anyone creating problems.

Carter brought up that Texas law prohibits Home Owners’ Associations from prohibiting rentals in their neighborhood, but he himself feels that HOA’s should be able to form their own statutes, Covenants, Conditions, and restrictions (CCR’s) when it comes to the matter of STR’s.

Carter, like Farmer, felt the STR issue needed to be looked at more in depth, rather than make a quick decision. “Before we go any further, we need to work out some of the issues we’re seeing, to where everyone can see a happy medium.”

SMD4 representative, Lucy Gonzales, thanked everyone for bringing their pros and cons, but she informed them the city has a lot more people that weren’t at the meeting, and they need consideration.

“To me, it’s a choice,” she said of STR’s. “I see that everyone is entitled to do with their property as they see fit. If the home owner wants to rent out their house, they’re the ones that are going to get the consequence of it being torn up and having to pay for it when somebody leaves. We have more good people in San Angelo that would benefit from being able to go out to the lake. If they wanted to rent a place, they could do so... those are the things I’m looking at. The opportunity we would be taking away from not only our citizens in San Angelo, but from other people from out of town.”

Gonzales continued by bringing up the reality that many people don’t have homes they own, let alone a vacation home to enjoy. She also mentioned the year-round nuisances many of us experience. “We have people that don’t do what we want in our neighborhoods. They don’t take care of their yards the way we want them to, but that doesn’t give us the right to go and tell them, “Hey, we don’t want you here.” We don’t have the privilege of having that much money to buy their house out,” as one citizen opposed to STR’s suggested. Gonzales stated she herself would like the choice to decide to stay at a lake house when her family comes to town, due to hotels not accommodating 5 or 6 people for a family gathering. “People talk about not knowing who their neighbor is (with STR) but there are people who don’t know who their neighbor is that has lived there five, ten years.”

Echoing Mayor Morrison's sentiment, Harry Thomas stated, "I will say I'm not a big fan of putting another ordinance on the books that we will have some difficulty enforcing."

Thomas shared that he has been in many of the homes currently operating as STR's and stated they are, in many cases, in better condition than other lake homes. "Those people that are investing money in these things should have a way to recover those particular dollars." He added, "I will say, those that are operating STR's today are doing a better job of promoting San Angelo and exposing visitors to San Angelo, with the prospect of those people either moving here or returning at some point, than many of us who are trying to promote this great city."

SMD2 councilman, Marty Self, saw the issue as one that would continue regardless. "We cannot do anything, and it not be regulated, and they go on, or we can put regulations to enforce and know where they're at and oversee them. I don't necessarily agree that a person always has the right to do with his property whatever he wants to do, there should be regulations in place to make sure we know what's happening."

Bill Richardson, SMD1 and Lake Nasworthy area representative, stated he believed residential areas should stay residential, and the city should not change the zoning. Richardson received about 100 calls on the STR, one of which he says was in favor of them. Out of two or three hundred emails, Richardson says 6 were in favor. "So," he stated, "I have to go with the vast majority of the population who don't want this and protect the residential neighbors and keep the neighborhood. That's where the families belong, that's not where businesses belong."

Richardson's response was the only council member's met with applause from the crowd present.

All public and council member comments at a close, the council had three options. Treat the first public hearing as just that, a hearing and make a decision at a later date, vote to not put the ordinance in place, or vote to put the ordinance on the books as presented by Jon James.

City Manager, Daniel Valenzuela, encouraged the council to postpone a decision until a later date after Charlotte Farmer moved to table the item. Carter seconded the motion, wanting to gather more data before a decision is to be reached.

James came forward to let the council know they needed to set a specific date for the re-visitation of the item or it would have to be announced in the paper again, drawing another round of public attention. Carter and Farmer agreed on

a date in September, but the motion was voted down 3-5 with Richardson the only other member siding with Carter and Farmer.

Self moved to accept the ordinance as presented, with the addition of adding a 2-year term to the permits issued to STR owners and allowing camping on STR premises. Gonzales seconded the motion, but it was shot down with a 3-4 vote, the Mayor as the only member joining Gonzales and Self.

And with that, we're back to square one. Short-term rentals... to be, or not to be?

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