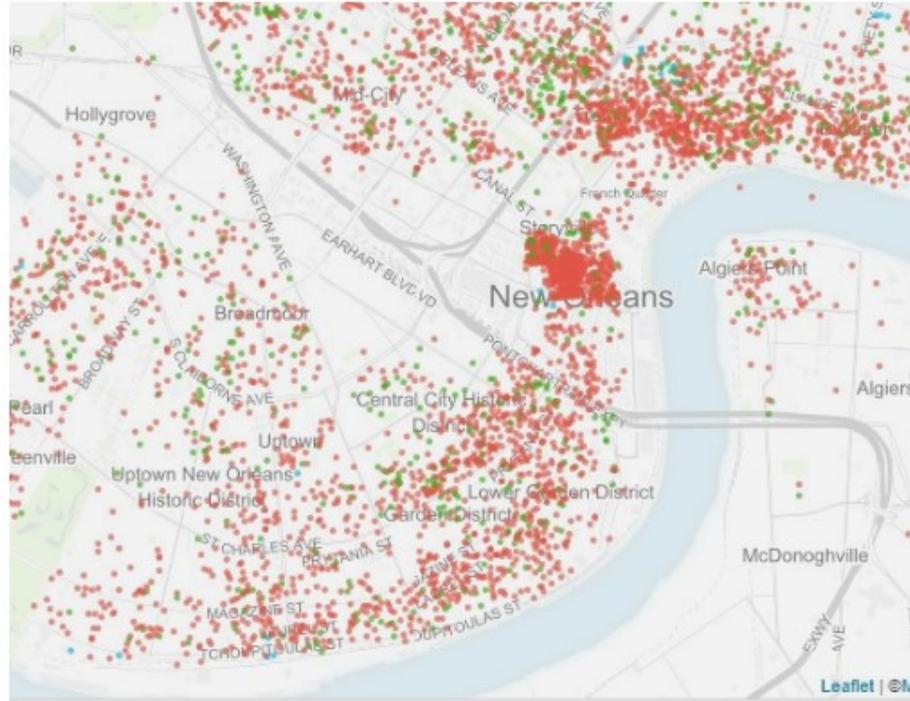


City Planning Commission Short-Term Rental Hearing



**City Council Chamber, City Hall 1E07
1300 Perdido Street
New Orleans, LA 70112**



**Tuesday, September 25, 2018
3:00 p.m.**

WHAT CAN YOU DO?

**Attend the City Planning Commission Hearing
on September 25!**

Come to City Council Chambers at City Hall, 1300 Perdido Street, at 3:00 p.m. to make your voices heard! (and please **wear red!**)

Contact City Councilmembers!

Joseph I. Giarusso – District A
658-1010 Joseph.Giarusso@nola.gov

Cyndi Nguyen – District E
658-1050 Cyndi.Nguyen@nola.gov

Jay H. Banks – District B
658-1020 Jay.Banks@nola.gov

Helena Moreno – At-Large
658-1060 morenocouncil@nola.gov

Kristin Gisleson Palmer – District C
658-1030 Kristin.Palmer@nola.gov

Jason Williams – At-Large
658-1070 jasonwilliams@nola.gov

Jared C. Brossett – District D
658-1040 councildistrictd@nola.gov

Let them know what you think the rules for short-term rentals should be!

Report Short Term Rentals in your neighborhood!

Frustrated by the rowdy behavior of STR guests? Suspect that your neighbors are running an STR without a license? Let the City know! Call the Short-Term Rental office at 658-7144, report your concerns online at nola.gov/safety-and-permits/report-a-violation/, or send an email to str@nola.gov.

“Like” the Short Term Rental Committee Facebook page!

The STRC seeks to preserve the residential character of New Orleans' neighborhoods by encouraging compliance with short term rental laws. Stay up-to-date on current regulation, operations around the city, and what other cities are doing to combat the proliferation of STRs!

Short-Term Rentals in New Orleans

The impact of the proliferation of short-term rentals has been amply demonstrated over the past 18 months. These commercial uses have often caused significant intrusions into the daily lives of residents, particularly in historic neighborhoods.

In order to ensure the protection of quality of life, public safety, neighborhood character, and housing availability and affordability, **the Short-Term Rental Committee urges the City Planning Commission, City Council, and Mayor to consider revisions to the STR regulations that prioritize the residents and culture of New Orleans over the interests of tourists and commercial operators.**

To these ends, the **Short-Term Rental Committee** offers our analysis of the City Planning Commission staff report.

***Disclaimer:** the 155 page City Planning Commission staff report was released less than 48 hours ago. The STRC has done our best to review and analyze the findings in that report, but the short time frame means that our analysis may be less than completely thorough. This document should be considered a work in progress, rather than a final statement. We welcome your input and insight, and hope that the City Planning Commission and City Council will take the necessary time to gather public comment and ensure that the end result reflects the best possible solution to protect New Orleans neighborhoods and neighbors.*

The **Short Term Rental Committee** is composed of citizens from across New Orleans who advocate for the protection of neighborhoods from the intrusion of illegal short-term rentals, which introduce commercial uses into residential areas, displace actual residents, and undermine the building blocks of our city.

- numerous instances of hosts refusing or cancelling reservations based on some of the above categories, and such discrimination should be proactively prohibited by local law.
- **Severe and daily financial penalties for non-compliance with any part of the regulations.** Unless the platforms themselves – not just operators, but the platforms – face monetary consequences for failure to remove illegal listings, include required information on listings, provide data to regulators, ban discriminatory listings/hosts, they will have little to no incentive to comply.

Affordable Housing

- Raise existing \$1 per night to \$8 per night contribution to Neighborhood Housing Improvement Fund (except for Partial Unit STR)
- Explore lifting cap on Commercial STR as an incentive to produce affordable units within the same building or lot
 - All applications must submit an Affordable Housing Impact Analysis form

STRC Comments: Increasing the nightly fees for the NHIF is an excellent start. However, we are concerned that lifting caps on some commercial STRs in exchange for affordable units may not achieve the desired result. We believe that this proposal is worthy of additional study, and could be a smart move if the outcome is truly affordable housing that remains so for a significant time period.

Blight Remediation

Standards suggested for using STRs as an incentive for the renovation of historic structures:

- The structure must have been vacant for the past 5 or 10 years;
- The structure must be a contributing structure located in a national or local historic district, or be designated an historic landmark;
- If not in a full-control local historic district, renovations to the exterior must be approved by the staff of the Historic District Landmarks Commission.
- When applied to historic structures in residential areas, include a sunset clause on the length of use as an STR, such as 5 years.

STRC Comments: While this could be a mechanism in certain neighborhoods, it is highly improbable that vacant buildings in local/national historic districts are a result of a lack of market interest, and that allowing STRs is the only way to get them back into commerce. If a building in one of these neighborhoods is vacant, it is almost certain that its condition is due to the owner setting an above-market price; a speculator who is waiting for the market to rise to the point that he or she will clear a significant profit; or title issues which make a clean sale difficult or impossible. There may be non-historic neighborhoods where such an idea could have the desired effect. Note: it would be crucial to have a detailed definition of “blight” before proceeding with this idea.

- Prohibit Commercial STR licenses on the first floor of a multi-story building that can or may contain residential uses on subsequent floors, in historic commercial corridor districts
- Allow Commercial STR in previously banned areas of the Vieux Carré

STRC Comments: Overall, the committee appreciates the efforts to limit the proliferation of STRs, particularly in commercial areas, where their spread and numbers have been jarring. However, the committee stands opposed to the opening of any part of the Vieux Carré, commercial or residential, to STRs. Furthermore, given the pressures on certain areas, such as the Garden District, the committee supports the right of any neighborhood to “opt out” of having licensed STRs.

Requirements of STR Platform:

All platforms MUST:

- Register with the City and obtain a business license
- Post STR permit numbers in online listing
- Remove unlicensed listings (report admits difficulty with platform compliance)
- Provide data in monthly reports: address, listing id/link, license number
- Collect and remit applicable taxes to the City
- Criteria for revocation of STR, Platform, and Operator licenses should be developed and enforced.
- City shall prohibit all financial transactions for booking an unlicensed STR and can include a per day penalty for each illegal transaction

STRC Comments: While these requirements are a good start, we believe that they do not go far enough. To hold platforms truly accountable, there must be additional requirements:

- **Inclusion of physical addresses on all publicly-visible listings.** This alleviates much of the investigative burden that currently falls on citizens and city enforcement agents, and it also increases safety for guests, who should have knowledge of actual locations before choosing an STR
- **Adherence to the same life/safety and Americans with Disabilities Act standards that hotels must meet.** In STRs and in hotels, guests are in unfamiliar surroundings, which is why the life/safety standards are higher in terms of marked egress, fire alarms and suppression, etc. The Americans with Disabilities Act requires “reasonable accommodations” in “public accommodations,” which include “places of lodging.”

Zero tolerance/duty to report instances of discrimination based on age, color, creed, gender identification, gender or sex, marital status, national origin/ancestry, physical condition/disability, race, religion or sexual orientation. There have been

Summary

Areas of support:

- Requiring residential category STR operators to be on-site during guest stays in residential areas
- Requiring homestead exemptions for one of the two residential category STRs
- Maintaining the ability of owner-occupants to rent out portions of their homes (“accessory” permit under current regulations), either in-unit or in another unit on the parcel
- Limiting commercial category STRs in less-intense, neighborhood business zones
- Increasing the required contributions of the STR industry toward the Neighborhood Improvement Housing Fund for affordable housing
- Increasing maximum fines on violators

Areas of concern:

- Creating a “special event” category, which would be a difficult-to-enforce gray area
- Using STRs as a form of blight remediation in historic neighborhoods, where there is very little market-caused blight

Areas of opposition:

- Allowing non-owner-occupants to obtain STR licenses, which could perpetuate ownership of multiple units by single investors/companies
- Lack of specifics for platform accountability, particularly financial consequences for companies like Airbnb, HomeAway, etc., which will be absolutely necessary to effective enforcement
- Lifting the French Quarter ban, which has been in effect since 1969
- Lack of options for other neighborhoods to “opt out” and ban STRs in their areas

City Planning Commission Staff Recommendations + Short-Term Rental Committee Analysis

- The Department of Safety and Permits should not renew licenses for short term rentals with open violations and unpaid taxes or fines. **STRC supports**
- The Department of Safety and Permits should develop a separate administrative adjudication process for short term rental violations. **STRC supports**
- To effectively enforce short term rentals, the City needs to advocate for the amendment of State Law to increase the maximum daily fine to above \$500. **STRC supports**
- STR Operator license holder must be a person, not a business entity/corporation and must obtain Operator License with City. **STRC supports**
- STR Operator must register with the Bureau of Revenue. **STRC supports**
- **Remove Temporary Permit Category** - “The lack of a permanent resident requirement, the generous 90-day limit, and the absence of density restrictions has led to a proliferation of temporary STR licenses. The Temporary Short Term Rental license type has become a de-facto whole-home rental, with no permanent resident or owner present.” **STRC supports**

New Types of Short Term Rental Permits (Residential & Commercial)

Partial Unit Residential (shared room(s) in your home)

- Host must be owner or permanent resident (renter) & host must be present during stay
- Residency verified through 2 documents: Louisiana issued ID card and one of the following: voter registration, bank statement, pay stub, W2 form, utility bill
- Maximum 3 bedrooms/6 guests
- License Fee - \$100 per year
- Allowed in all zoning districts where residences are allowed

STRC Comments: Allowing “permanent residents,” rather than owner-occupants (as proven by the possession of a homestead exemption), creates a back door for investor/owners of multiple STRs to continue operating. It’s easy to imagine those with 5, 10, 40 STRs obtaining tenants to maintain the licenses at their various properties. Until the city’s regulations have proven to be enforceable, and until the platforms have demonstrated that they will actively participate in that enforcement, there is simply too much risk to neighborhoods, residents, and housing to allow this gray area.

Whole Unit Residential

- Limited to 1 whole unit in 2-4 multi family structure
- Host must be owner – as proven via Homestead Exemption – and must be present during stay
- Maximum 3 bedrooms/6 guests
- License fee \$500 per year
- Allowed in all zoning districts where residences are allowed

STRC Comments: This category closely parallels the existing “Accessory” category, which allows an owner/occupant to rent out the other side of a double. The STRC supports this recommendation.

Special Event Short Term Rental

(CPC staff suggests, not necessarily recommends)

- Optional recommendation to address Mardi Gras/Jazz Fest)
- Host must be owner or permanent resident
- 5 bedrooms/10 guests
- Limit of 14 days, with a maximum two permits allowed per year

STRC Comments: While this idea may sound innocuous, the past 18 months have shown that even small “gray areas” can and will be exploited. We recommend that the City Planning Commission and City Council put this idea hold until there is a demonstrated track record of platform compliance and of the city’s ability to enforce.

Commercial Short-Term Rental

- Entire dwelling unit in non-residential zoning district excluding some less intensive neighborhood business districts (HMC-1, VCC-1, HU-B1A, SB-1)
- Cap: 1 unit or 25% of all units, whichever is greater, of total units on one lot (or building that spans lot lines) - some exceptions including VCE (Bourbon St.) and downtown portions of Canal St.
- Not allowed on first floors of multi-story buildings that can or may contain residential units (with some exceptions)
- License fee \$1000 per year

STRC Comments: The complexity of this section and the short time frame made a thorough analysis difficult. However, the committee is generally supportive of density restrictions to safeguard housing stock and protect neighborhood-serving businesses.

Permitted Locations

- Residential Short Term Rentals shall be permitted in any district where dwelling units are permitted
- Prohibit Commercial Short Term Rentals in the least intensive neighborhood business districts.