



GNOHA's Updated Position on Short Term Rentals in New Orleans

The Greater New Orleans Housing Alliance (GNOHA) has prepared a point-of-view document to summarize our outlook on short-term rentals in New Orleans in the hopes that the City of New Orleans adopts sensible and effective policies around regulating short-term rentals. The *HousingNOLA 10-Year Strategy and Implementation Plan* estimates that New Orleans will need to construct or rehabilitate 33,600 to meet the demand for housing that is affordable in the city. If this demand is not met, housing prices are likely to continue their climb, making the city increasingly unaffordable for low-, moderate-, and middle-income residents. Long before Airbnb and other Web-based platforms were available, New Orleanians were renting out portions of their homes during major events. Given that history, GNOHA does not oppose legalization and permitting of temporary, accessory, and partial-home short term rental uses.

We still have reservations that the enforcement of regulations on Accessory and Temporary STRs could be ineffective and pull away much-needed resources from code enforcement activities that address existing substandard housing conditions. The administrative infrastructure, costs, and partnerships with the listing companies necessary to carry out these regulations should be carefully considered before any new regulations are passed so that enforcement is feasible, cost-efficient, and does not rely on the scarce dollars that currently support housing programs in the City. In that vein, we propose the following:

Listing Companies Should Take Responsibility for Enforcement - GNOHA continues to oppose legalization without realistic enforcement that doesn't divert precious resources from addressing our other housing challenges. Listing companies must bear responsibility for ensuring that STR listings comply with local rules. Without a regulatory structure that requires listing companies to share information on who is renting units and where and to remove listings that are not compliant with city regulations, enforcing permit fines and fees will not work, and hosts will have no incentive to legalize their short-term rentals.

The enforcement strategy should be heavily considered and spelled out in the ordinance before it is passed. If a regulation is created without an ironclad strategy for enforcement/funding for enforcement, the regulation will fail.

Every Neighborhood and Unit Counts, So There Should Be a Limit on STRs: Short-term rentals are just one factor out of many that may negatively impact our housing supply. While the current proposal removes the Principal Residential category, the effect of increasing the cap on Temporary Rentals to 120 days would provide the financial incentive to operate many homes as STRs year-round. To effectively eliminate whole-home, full-time STRs, the city should limit use to no more than 45 days per year. The city should follow the CPC recommendations for temporary units—limiting the numbers in blocks – and cap the overall number of temporary

rentals that shall be allowed a maximum of fifteen permits to 2,500. The city should also cap the number of permits issued to individual owners to six.

Regulations Should Be Uniform and Simple - GNOHA strongly suggests the short-term rental regulations apply to the entire city, and not just certain neighborhoods. Effective enforcement should be straightforward and not overly complicated.

Institute a \$4 per head, \$4 per night Transaction Fee on All Short-term Rental Transactions to Benefit the NHIF: Short-term rentals in New Orleans are not a new phenomenon. As the costs associated with renting and homeownership continue to rise, we recognize that some residents rent out portions of their owner-occupied property to supplement their income, help pay the mortgage, or defray the expense of increased property taxes. Further, it is our position that any effects on a neighborhood's quality-of-life will be mitigated as long as owners are on-site to oversee their rentals in person. GNOHA proposes adding \$4 per head, \$4 per night fee to each short-term rental transaction on a Web-based service to benefit the Neighborhood Housing Improvement Fund (NHIF), which would appropriately capitalize on this new revenue source to help offset any loss of affordable housing units.

Adding this transaction fee to fund the NHIF represents a tremendous opportunity for the City, the Council, and proponents of the regulation of short-term rentals to channel their concern for the plight of long-term residents and the affordability crisis into tangible action that can improve the lives of residents.

Critical Actions to Benefit Long-Term Residents: While the proliferation of short-term rentals in New Orleans may prove to have a negative impact on the availability of housing units for long-term residents, many of those residents faced challenges that negatively impacted their ability to live in safe, quality, affordable housing prior to the emergence of a significant short-term rental market.

Even if short-term rentals were completely eliminated from New Orleans' housing market, residents would still face a housing affordability and housing quality crisis. The recommendation to regulate short-term rentals alone will not fix these problems for New Orleanians – instead, they only help to ensure that a bad situation doesn't get worse. To address the concerns about housing that proponents and opponents of short-term rentals have raised, GNOHA urges City leaders to, in addition to regulating short-term rentals, implement policy solutions designed to create the right housing mix and solving the housing crisis. These solutions include:

1. A rental registry to ensure long term rentals meet basic health and safety standards.
2. Incentivizing affordable units in otherwise market rate developments.
3. Facilitating transit-oriented development in areas with strong public transit access.
4. Leveraging existing publicly held land assets.

We welcome the opportunity to continue to work towards solutions that benefit all New Orleanians, and encourage Mayor Landrieu and the City Council to devote the resources and attention necessary to implement solutions for long-term residents who have seen their housing become less affordable and have been pushed out of their neighborhoods.