

# Short Term Rental Zoning Amendments & Enforcement Regulations

City of New Orleans

December 1, 2016



# Process Began with City Planning Commission Study

- Past attempts at amending zoning and regulatory scheme failed, as recently as 2014-15
  - City Council adopted motion August 2015 directing the City Planning Commission to study regulation of STRs
  - CPC held dozens of stakeholder group meetings, received over 500 written comments & held public hearings
  - CPC study was completed in January 2016 and forwarded to the City Council
  - Able to amend hotel/motel tax definition to include STRs in March 2016
  - City Council starts zoning text amendment process, sending back to CPC staff and then CPC
  - CPC adopts zoning amendment August 9, 2016 & forwards to the Council



# City Council adopts Zoning Motion

- City Council adopted the zoning motion on October 20
- City Council introduced companion legislation
  - **Cal. No. 31,631:** CZO amendment regulating STRs.
  - **Cal. No. 31,621:** (with amendment): Establishes STR permits and licenses. Specifies data sharing requirements for platforms.
  - **Cal. No. 31,632:** Dedicates a \$1.00 nightly fee collected to the NHIF.
  - **Cal. No. 31,633:** Expands the definition of 'dealer' in the code to include short term rental booking companies.
  - **Cal. No. 31,650:** authorized the City to enter into a CEA with AirBnB authorizing AirBnB to remit hotel sales and use taxes and hotel occupancy privilege taxes.



# Short Term Rental Regulation Goals

- Limit and reign in the expansive growth of STRs citywide;
- Eliminate full-time, whole home rentals in residential neighborhoods;
- • Ensure the safety of visitors;
- Protect neighborhood character and minimize impacts to residential areas;
- Enable economic opportunities;
- Create equitable regulations for the hospitality industry;
- Create regulations based on best practices that respond to the unique circumstances in New Orleans;
- Generate revenue for the City;
- Facilitate public notice and information;
- Allow short term rentals based on their impact;
- Propose regulations that respond to the unique impacts of each short term rental type to minimize nuisances;
- Propose enforceable regulations;
- Prioritize enforcement.



# Snapshot of CPC's STR Study

- **Local Industry**

- Estimate about 4,000-5000 listings overall
- • Demand for short term rentals mostly concentrated in the historic core neighborhoods

- **Lessons Learned**

- The most successful cities in regulating short term rentals:
  - Have categorized short term rentals into different types,
  - Have standards to ensure guest safety,
  - Set appropriate fees and fines, and
  - Revised the short term rental regulations after their implementation;
- Short term rentals are residential uses with commercial type impacts; therefore:
  - Should be permitted in commercial and mixed-use districts, and
  - Only permitted residential districts in limited circumstances;
  - Allow least problematic types (operator present, temporary rentals, or in non-residential districts) more liberally



# Permitting, Licensing & Enforcement

- All short term rental operators need to apply for a permit with Safety and Permits to ensure that they meet zoning and building codes
  - Pass through registration with Airbnb
- • Permits are privileges not rights
- Attestation that the operator maintaining a safe environment by complying with Building and Life Safety Codes, providing smoke detectors & fire extinguishers, valid liability insurance of \$500,000 or more and posting the location of fire exits and escape routes;
- The operator shall post their short term rental license on the façade of the property;
- Permits shall contain: address, type of permit holder license, license number, name and contact, occupancy limit
- Permits valid for one year and are not automatically renewed
- 3 types of STR license
  - Accessory
  - Temporary
  - Commercial
- STRs will pay hotel/motel and occupancy privilege taxes plus NHIF fund
- The license fees range from \$50/year for a Temporary Short Term Rental w homestead exemption and \$500/year for Commercial Short Term Rentals;



# Penalties

- The following shall be advertising violations: to advertise without a license, to fail to post license number in the listing, and to advertise beyond the scope of the license.
- The Department of Safety and Permits is developing an administrative adjudication mechanism for short term rental violations;
- Penalties include:
  - Daily fines
  - Property liens
  - Revocation of permit
  - Discontinuation of electric service



# Short Term Rental Land Use Regulations – As Proposed

Unit Type:

Operator  
Present

No  
Operator  
Present

Types:

Accessory

Temporary

Commercial

Description

Allows permanent resident to rent out spare bedrooms, or property owner occupant to rent half a double on full time basis

Allows property owner to rent out their dwelling as a STR on a temporary basis

Allows property owner to operate STR as a commercial business in non-residential districts

Limitations

- Partial or Double: up to 3 bedrooms & 6 guests
- Prohibited in Vieux Carre

- Up to 90 days
- Up to 5 bedrooms, 10 guests
- Prohibited in Vieux Carre

- Up to 5 bedrooms, 10 guests
- Prohibited in Vieux Carre except for VCE

Approvals

- Safety & Permits approval
- Must show proof of homestead exemption
- Accessory use in any permitted dwelling unit
- STR License required

- Safety & Permits approval
- Temporary Use permit required in any permitted dwelling unit
- STR License required

- -S&P approval
- Change of use permit required
- Permitted use in most non-residential districts
- STR License required



# Process for Pass Through Registration

## Email applicant

Email Applicant to pay online and receive their certificate to post.

Any other required information could be uploaded via a link.

## Pay & Print

-Applicant Logs into Onestopapp.nola.gov or visits the One Stop to pay and receive placards.

## Review & Verify

- The contact information for the owner and operator (available 24/7) of the short term rental unit, which includes the physical mailing address, cell phone number, and e-mail address.
- The property has no outstanding taxes or property liens.
- Validate fees.
- Validate zoning, where necessary.

## If Applicable:

- Type A License, proof of ownership via a valid homestead exemption, as required by the Comprehensive Zoning Ordinance. .
- Type C License, completed application for a Change of Use or Building Permit, as determined by the Department of Safety and Permits

## Data Export Supplied by Platform:

- Full Name
- Listing Address
- Tax Address
- Phone Number
- Email Address
- Type
- Evidence of Attestation

# Process for Individual Registration

## Review & Verify

The property has no outstanding taxes or property liens.

Completeness of materials in step 2.

Validate fees.

**If online applicant:** Email Applicant to pay online and receive their certificate to post.

**If in-person applicant:** Reviewed in person and Type A & T can be approved over the counter

## Pay & Print

-Applicant Logs into Onestopapp.nola.gov or visits the One Stop to pay and receive placards.

## Applicant Supplies the following through onestopapp.nola.gov or in person at One Stop:

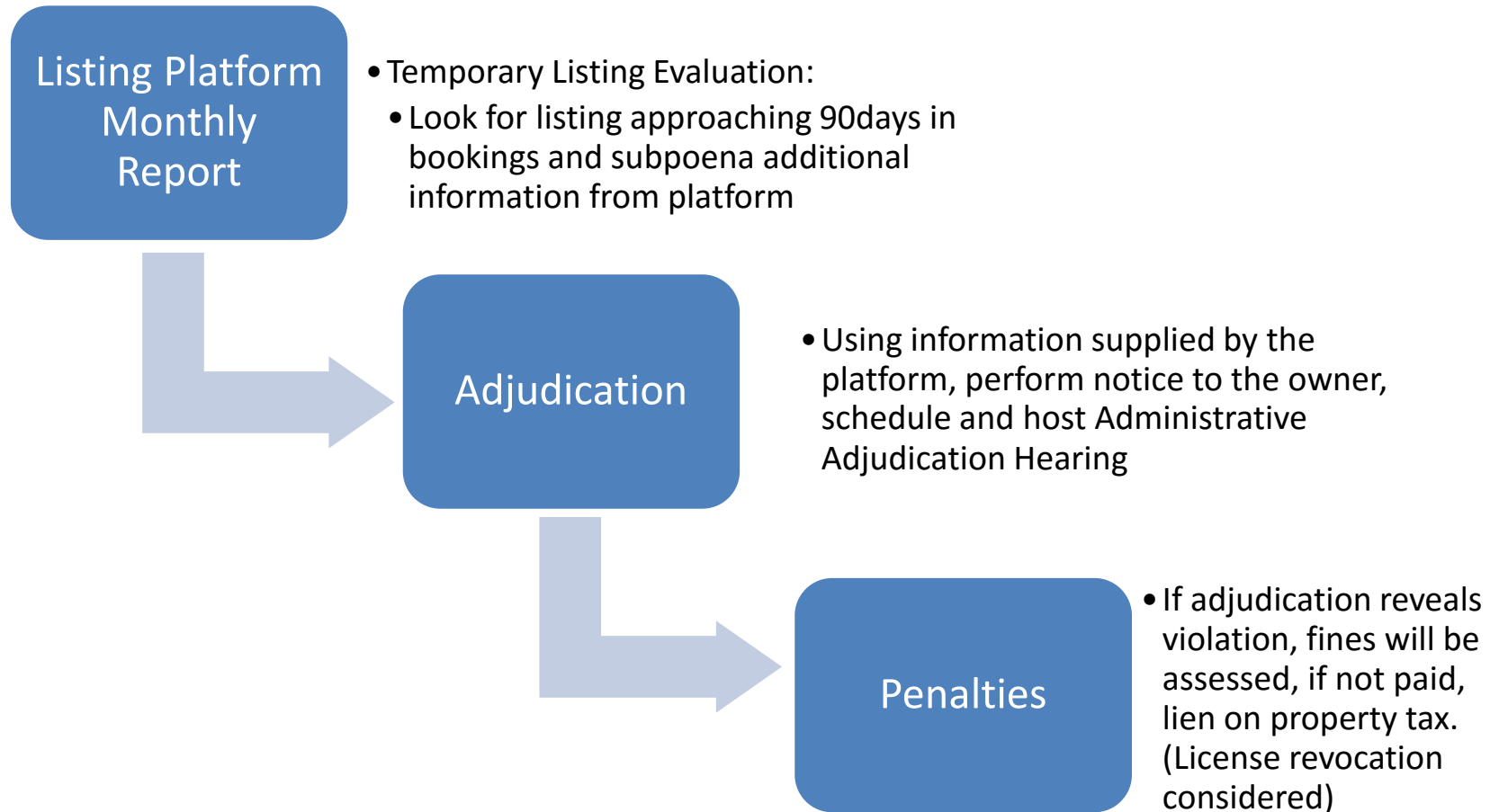
- Application (includes location, owner + operator contact information, rental platforms, and agent for service)
- Attestation per Ch 26-614
- A floor and/or site plan that indicates the location of the required smoke detectors, fire extinguisher, and emergency contact/fire-exit posting

## If Applicable:

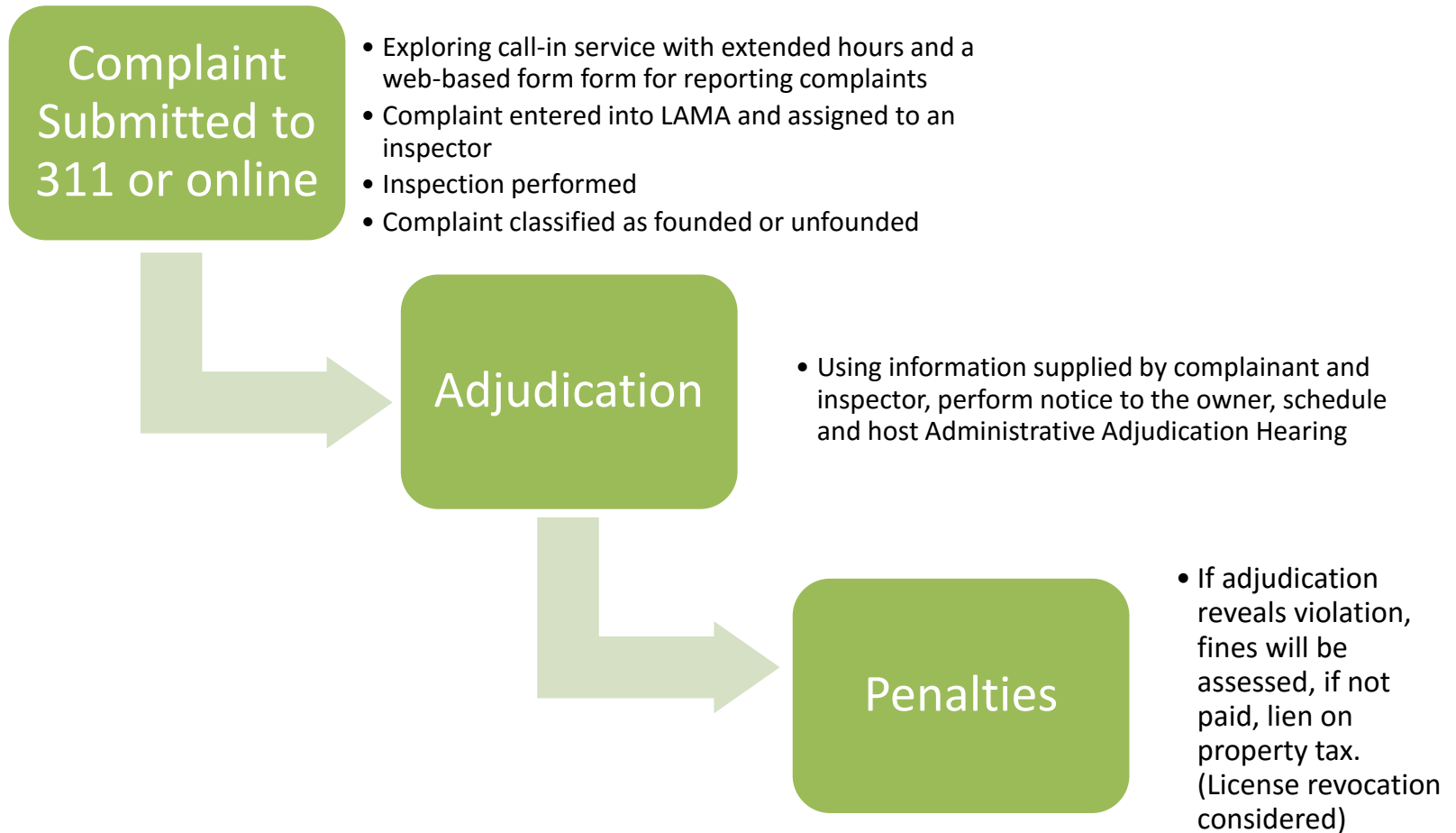
- Type A License, proof of ownership via a valid homestead exemption, as required by the Comprehensive Zoning Ordinance. .
- Type C License, completed application for a Change of Use or Building Permit, as determined by the Department of Safety and Permits
- A copy of the Conditional Use Ordinance, if required by the Comprehensive Zoning Ordinance.

**Applicant Obtains Info Online for application requirements.**

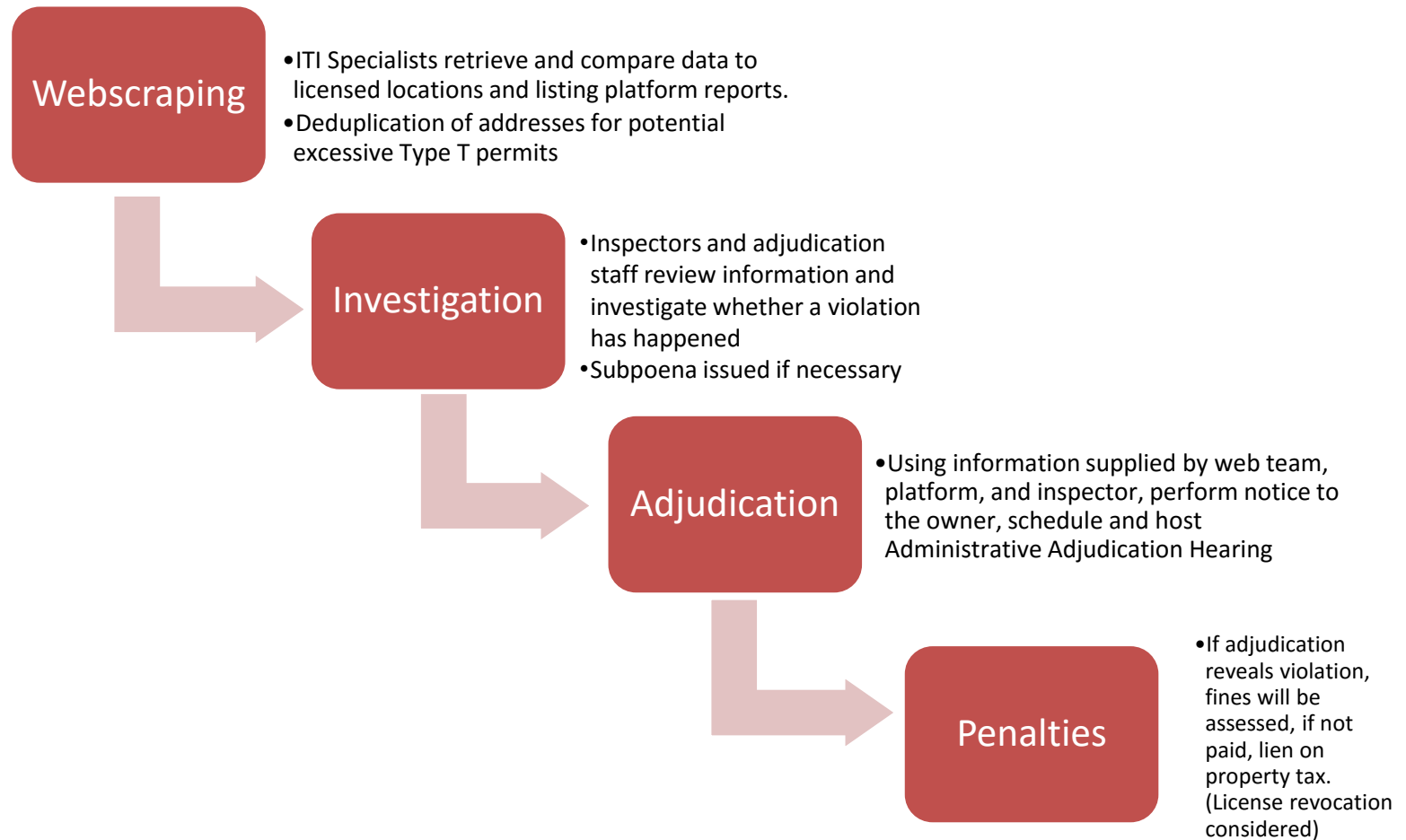
# Reporting-Based Enforcement



# Complaint-Based Enforcement



# Web-Based Enforcement



# Tax Collection & Data Sharing with Platforms

- Airbnb has agreed to sign collection agreement with the City to collect taxes and fees
- Airbnb will adopt a pass through registration system that would allow the platform to submit a registration to the City on the Host's behalf. Airbnb would create a bifurcated system to allow for the registration of (1) Type A (Residential); (2) Type T (Temporary); and (3) Commercial.
  - Registration information would include:
    - Name
    - Listing address
    - Tax address
    - Contact information (e-mail address, phone number)
    - Type A, Type T, and Commercial
    - Proof of attestation
- Airbnb will also provide the City with a range of aggregate and anonymized information about activity on the platform on a monthly basis that will provide number of bookings.
  - Total # of STRs rented during period
  - Total # of night each listing was rented during period
  - Cumulative total # of nights each listing books for remaining months of the calendar year
- Administrative subpoena process
  - City contacts platform requesting identification of suspect listing
  - Platform has 10 days to notify owner
  - Owner then has 21 days to provide responsive records



# Enforcement Staffing

## Proposed for 2017

- A proactive enforcement model contemplates not only intake, inspection, and adjudication staff, but a proactive, technology-driven research staff to collect data from the web and process that against the City's licensing database. The key to establishing an effective regulatory regime for STRs is to have an effective and robust enforcement mechanism.
- Includes
  - Safety & Permits
    - Personal Services \$619,000.00
    - Other Operating Expenses \$108,000.00
    - Total Budget Request \$727,000.00
    - 4 Code Enforcement Inspectors,
    - 1 Code Enforcement Supervisor/Mgt Development Specialist
    - 3 Management Development Analysts,
    - 2 Information Technology Specialists (II or III)
    - 1 Office Assistant
  - Revenue
    - Personal Services \$101,924
    - Other Operating Expenditures \$7,000
    - Total Budget request \$108,924
    - 2 Revenue Agents



# Key Principles of Compromise

- Limit and reign in the expansive growth of STRs citywide;
- Protect neighborhood character and minimize impacts to residential areas;
- • Enable economic opportunities;
- Generate revenue for the City to pay for both enforcement and services;
- Prioritize sensible enforcement

